ScotiaFunds®
Annual Report

December 31, 2015

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Scotia Money Market Fund
Scotia U.S. $ Money Market Fund

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Global Economic Outlook

Aron Gampel
Vice President, Scotiabank Economics

Stronger Growth Remains Elusive

The slow-moving global economy lost some further momentum around the turn of the year, as illustrated by the moderation in international trade and the associated reduction in shipping by sea. Chronic oversupply conditions have continued to smother commodity markets and industrial activity around the world. Of growing concern is the increase in financial market turbulence. If it persists, it has the potential to dampen business investment even further.

Output growth in China continues to decelerate, though the pace of activity is still strong enough to keep the overall economy trailing only India on the world's performance ladder. Domestic spending on goods and services in China is reasonably solid. However, the ongoing efforts to reduce overcapacity in its industrial and manufacturing sectors are dragging the country's overall performance lower, and reinforcing the softness in international trade and commodity markets.

A number of advanced countries, including the U.S., the U.K., and Canada have also experienced some additional loss of momentum. Despite relatively buoyant U.S. consumer spending and housing conditions, the combination of slower U.S. exports and faster imports is contributing to a further widening in the U.S. trade deficit. Business investment has slowed in response to the growing weakness in the oil-producing regions, in addition to the impact of a firm U.S. dollar on corporate income earned abroad. The U.K. economy is being impacted by the slowdown in trade with its EU partners and the spillover into manufacturing and construction activity, although consumer spending remains comparatively upbeat. In Canada, the collapse in crude oil prices has taken a big toll on producing-regions in the west and the east of the country.

Deep recessions in Brazil and Venezuela persist, with the fallout from sharply lower resource prices squeezing Russia as well. Many emerging market economies are being slowed by a number of factors, including reduced trade with the U.S. and China, and unsettled financial markets which have triggered capital outflows. For resource-producing countries, including Canada, the slide in most commodity prices is forcing companies to consolidate their operations in order to counter the increasing strains on corporate balance sheets.

Even with extremely low sovereign borrowing costs for the most part, and multi-year lows for gasoline pump prices in most nations, global growth remains sub-par and there are few signs of any meaningful acceleration in economic activity. A large number of structural adjustments and geopolitical issues are effectively constraining any cyclical rebound in output growth and inflation. In this environment of heightened financial market volatility, widening credit spreads and increasing risk aversion, monetary policy remains quite accommodative, notwithstanding some pockets of inflation associated with weaker exchange rates.

The Bank of Japan has become the latest central bank to adopt negative interest rates in view of the increasing deflationary risks associated with Japan's persistent economic underperformance. Likewise, the European Central Bank has hinted that it will probably push its rates into deeper negative territory given the region's modest readings on growth. In contrast, the Banco de Mexico raised its reference rate to help support the weakened peso which is at further risk from increasing capital outflows. And while the Fed is still poised to raise its benchmark rate further this year against the backdrop of strengthening labour markets and wage conditions, the recent tightening in financial market conditions alongside persistently low 'core' inflation and expectations could pose a challenge to how much the U.S. central bank can tighten.

Focus On Canada

The Canadian economy is expected to post only modest growth again this year following last year's estimated 1.2% advance. The performance differential between regions is widening, with the increasing retrenchment in the commodity-heavy provinces contrasting with relatively better conditions in the more diversified parts of the country. The ongoing compression on corporate earnings throughout much of the resource sector is

triggering even larger cutbacks in business investment and employment, with some spillover effects into the larger manufacturing- and service-focussed regions in central Canada.

While Canadian export values are being pressured by the collapse in commodity prices, gains in energy and forest products volumes are still positive. Moreover, non-resource export volumes are beginning to track higher as well across a growing number of industries. These shipments have been supported by the comparatively solid import demand from the U.S. and the more competitive loonie. Among those sectors experiencing improving export volumes are transportation equipment, machinery, electronics and consumer products.

Consumer spending and housing activity have remained quite resilient even in the face of the rapidly changing economic landscape in Canada. Employment conditions are still relatively buoyant outside of the oil-producing regions, and particularly in B.C. and Ontario. The service economy continues to provide important support, alongside signs of selected gains in export-oriented manufacturing activity. Tourism is benefiting from the weak currency.

Nevertheless, with downside risks to the Canadian economy persisting, Ottawa is expected to deliver an increasing amount of fiscal stimulus in the upcoming Federal Budget. Besides upfront assistance to the affected resource-producing provinces, accelerated infrastructure investment nationally will be the focal point of the government's proactive initiatives.

The Bank of Canada is looking through the imported inflation associated with the weaker Canadian dollar. However, with short-term borrowing costs already at historic lows and household debt at record highs, the central bank will probably hold off on trimming rates further and defer to fiscal stimulus to help boost growth over the medium-term. Although the Canadian dollar has rebounded from its recent low below US$0.70, it will struggle to appreciate further given the persistent problems in commodity markets, the underperformance of the Canadian economy vis-à-vis the U.S., and the continuing negative gap between the U.S. and Canadian yield curves.

Scotia T-Bill Fund

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars except per unit amounts)	December 31, 2015	December 31, 2014
ASSETS		
Current assets		
Investments		
Non-derivative financial assets	48,491,926	61,439,724
Cash	85,433	23,421
Accrued investment income and other	2,287	1,684
	48,579,646	61,464,829
LIABILITIES		
Current liabilities		
Distributions payable	12	157
	12	157
Net assets attributable to holders of redeemable units	48,579,634	61,464,672
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series A	48,579,634	61,464,672
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series A	10.00	10.00

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except per unit amounts)	2015	2014
INCOME		
Net gain (loss) on investments (note 2)		
Interest for distribution purposes	392,172	711,751
Net gain (loss) on investments	392,172	711,751
Securities lending	5,850	7,904
Total income (loss)	398,022	719,655
EXPENSES		
Management fees (note 5)	554,596	680,793
Independent Review Committee fees	1,135	193
Audit fees	936	2,221
Custodian fees	1,529	1,995
Filing fees	19,374	19,636
Legal fees	253	411
Unitholder administration costs	93,109	106,585
Unitholder reporting costs	16,353	21,607
Other fund costs	66	—
Harmonized Sales Tax/Goods and Services Tax	36,899	61,719
Total expenses	724,250	895,160
Expenses absorbed by the Manager	(457,949)	(379,476)
Net expenses	266,301	515,684
Increase (decrease) in net assets attributable to holders of redeemable units from operations	131,721	203,971
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A	131,721	203,971
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT†		
Series A	0.02	0.03
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series A	5,545,971	6,807,943

† The increase (decrease) in net assets attributable to holders of redeemable units from operations 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 number of units per series.

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the periods ended December 31 (note 1),

(in dollars)	2015	2014
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series A	61,464,672	76,101,818
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A	131,721	203,971
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net investment income		
Series A	(131,721)	(203,973)
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A	8,709,280	12,986,936
Reinvested distributions		
Series A	130,403	202,267
Payments on redemption		
Series A	(21,724,721)	(27,826,347)
	(12,885,038)	(14,637,144)
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A	(12,885,038)	(14,637,146)
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series A	48,579,634	61,464,672

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	131,721	203,971
Adjustments for:		
Purchases of non-derivative financial assets	(162,703,344)	(190,842,296)
Proceeds from sale of non-derivative financial assets	175,651,142	205,425,541
Accrued investment income and other	(603)	574
Net cash provided by (used in) operating activities	13,078,916	14,787,790
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	8,709,280	12,986,936
Amounts paid on redemption of redeemable units	(21,724,721)	(27,826,347)
Distributions to unitholders of redeemable units	(1,463)	(1,726)
Net cash provided by (used in) financing activities	(13,016,904)	(14,841,137)
Net increase (decrease) in cash	62,012	(53,347)
Cash (bank overdraft), beginning of period	23,421	76,768
CASH (BANK OVERDRAFT), END OF PERIOD	85,433	23,421
Interest received[1]	391,569	712,325

[1] Classified as operating items.

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

Scotia T-Bill Fund (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2015

Face Value ($)	Issuer	Average Cost ($)	Carrying Value ($)
MONEY MARKET INSTRUMENTS – 99.8%			
Treasury Bills – 53.4%			
	Government of Canada		
900,000	0.00% due Jan. 6, 2016	899,730	899,933
7,560,000	0.00% due Jan. 14, 2016	7,536,598	7,558,788
10,520,000	0.00% due Feb. 11, 2016	10,500,667	10,515,135
7,000,000	0.00% due Jul. 28, 2016	6,976,130	6,980,203
		25,913,125	25,954,059
Promissory Notes – 0.8%			
	Province of British Columbia		
375,000	0.00% due Apr. 8, 2016	372,139	374,170
Short Term Bonds – 45.6%			
	Canada Housing Trust No. 1 (Floating Rate)		
9,500,000	0.90% due Sep. 15, 2016	9,512,657	9,516,392
	Export Development Canada (Floating Rate)		
600,000	4.30% due Jun. 1, 2016	609,310	611,425
	Province of Ontario (Floating Rate)		
1,000,000	0.92% due Apr. 12, 2016	1,000,862	1,002,885
1,035,000	1.48% due Jun. 24, 2016	1,038,711	1,039,005
3,100,000	1.05% due Jun. 27, 2016	3,105,005	3,105,272
4,565,000	0.99% due Sep. 14, 2016	4,573,870	4,575,985
1,700,000	0.00% due Jun. 2, 2016	1,694,201	1,694,201
	Hydro-Quebec (Floating Rate)		
620,000	0.00% due Apr. 15, 2016	618,532	618,532
		22,153,148	22,163,697
	TOTAL INVESTMENT PORTFOLIO	48,438,412	48,491,926
	OTHER ASSETS, LESS LIABILITIES – 0.2%		87,708
	NET ASSETS – 100.0%		48,579,634

Instruments with a 0.00% stated interest rate are purchased at a discount to face value. The discount represents the implied effective interest.

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

Scotia T-Bill Fund

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

1. The Fund (note 1)

The Fund's investment objective is to provide income and liquidity, while maintaining a high level of safety. It invests primarily in Government of Canada treasury bills and other short-term debt instruments guaranteed by the Government of Canada.

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 (earlier of maturity date or interest reset date) of the Fund's portfolio, excluding cash and overdrafts, as applicable.

Interest rate exposure	December 31, 2015 ($)	December 31, 2014 ($)
Less than 1 year	48,491,926	61,439,724
1-3 years	–	–
3-5 years	–	–
5-10 years	–	–
> 10 years	–	–
	48,491,926	61,439,724

ii) Currency risk

The Fund did not have significant currency risk exposure as at December 31, 2015 or December 31, 2014.

iii) Price risk

The Fund did not have significant price risk exposure to equities, derivatives or commodities, if applicable, as at December 31, 2015 or December 31, 2014.

iv) Credit risk

The table below summarizes the credit ratings of the money market instruments, excluding cash, held by the Fund.

	December 31, 2015		December 31, 2014	
Credit ratings	Percentage of total money market instruments (%)	Percentage of net assets (%)	Percentage of total money market instruments (%)	Percentage of net assets (%)
Short-Term Rating				
R1-High	54.3	54.2	58.0	57.9
R1-Middle	–	–	1.9	1.9
Bond Credit Rating				
AAA	20.9	20.8	16.2	16.2
AA	23.5	23.5	14.0	14.0
A	1.3	1.3	9.9	9.9
	100.0	99.8	100.0	99.9

v) Liquidity risk

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

	December 31, 2015		December 31, 2014	
	On demand ($)	Less than 3 months ($)	On demand ($)	Less than 3 months ($)
Current liabilities	–	12	–	157
Liability for written options	–	–	–	–
Unrealized loss on derivatives	–	–	–	–
Redeemable units	48,579,634	–	61,464,672	–
	48,579,634	12	61,464,672	157

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, geographical location, asset type or industry sector, as applicable. The table below is a summary of the Fund's concentration risk:

	Percentage of net assets (%)	
	December 31, 2015	December 31, 2014
Promissory Notes	0.8	2.3
Short-Term Bonds	45.6	39.9
Treasury Bills	53.4	57.7

vii) Fair value classification (note 2)

The tables below illustrate the classification of the Fund's financial instruments within the fair value hierarchy.

December 31, 2015	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Bonds and debentures	–	22,163,697	–	22,163,697
Money market instruments	–	26,328,229	–	26,328,229
	–	48,491,926	–	48,491,926

December 31, 2014	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Bonds and debentures	–	24,588,173	–	24,588,173
Money market instruments	–	36,851,551	–	36,851,551
	–	61,439,724	–	61,439,724

Transfers between levels

During the periods ended December 31, 2015 and 2014, there were no significant transfers between Level 1 and Level 2.

Scotia T-Bill Fund (Continued)

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

3. Offsetting of financial assets and liabilities (note 2)

As at December 31, 2015 or December 31, 2014, the Fund did not enter into any agreement whereby the financial instruments were eligible for offset.

4. Interest in Underlying Funds (note 2)

The Fund did not hold any interest in Underlying Funds as at December 31, 2015 or December 31, 2014.

5. Comparison of net asset value per unit and net assets per unit (note 2)

The table below provides a comparison of the net asset value per unit and net assets per unit. The primary reason for the difference between the net asset value per unit and net assets per unit, if any, is described in note 2.

	December 31, 2015		December 31, 2014	
	Net asset value per unit ($)	Net assets per unit ($)	Net asset value per unit ($)	Net assets per unit ($)
Series A	10.00	10.00	10.00	10.00

Scotia Premium T-Bill Fund

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars except per unit amounts)	December 31, 2015	December 31, 2014
ASSETS		
Current assets		
Investments		
Non-derivative financial assets	191,045,450	229,252,158
Cash	45,976	44,357
Accrued investment income and other	8,972	6,290
Receivable for management fees rebate	40,643	50,976
	191,141,041	229,353,781
LIABILITIES		
Current liabilities		
Distributions payable	2,913	5,634
	2,913	5,634
Net assets attributable to holders of redeemable units	191,138,128	229,348,147
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series A	191,138,128	229,348,147
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series A	10.00	10.00

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except per unit amounts)	2015	2014
INCOME		
Net gain (loss) on investments (note 2)		
Interest for distribution purposes	1,472,586	2,567,515
Net gain (loss) on investments	1,472,586	2,567,515
Securities lending	29,141	44,135
Total income (loss)	1,501,727	2,611,650
EXPENSES		
Management fees (note 5)	596,321	715,230
Independent Review Committee fees	1,113	695
Audit fees	3,521	8,034
Custodian fees	4,304	4,877
Filing fees	20,835	20,710
Legal fees	951	1,489
Unitholder administration costs	36,116	46,803
Unitholder reporting costs	6,066	8,261
Other fund costs	253	–
Harmonized Sales Tax/Goods and Services Tax	41,419	132,950
Total expenses	710,899	939,049
Expenses absorbed by the Manager	(243,612)	(72,884)
Net expenses	467,287	866,165
Increase (decrease) in net assets attributable to holders of redeemable units from operations	1,034,440	1,745,485
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A	1,034,440	1,745,485
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT†		
Series A	0.05	0.07
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series A	20,878,041	24,601,041

† The increase (decrease) in net assets attributable to holders of redeemable units from operations 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 number of units per series.

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the periods ended December 31 (note 1),

(in dollars)	2015	2014
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series A	229,348,147	278,217,815
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A	1,034,440	1,745,485
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net investment income		
Series A	(1,034,440)	(1,745,486)
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A	30,360,252	73,130,232
Reinvested distributions		
Series A	984,573	1,680,031
Payments on redemption		
Series A	(69,554,844)	(123,679,930)
	(38,210,019)	(48,869,667)
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A	(38,210,019)	(48,869,668)
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series A	191,138,128	229,348,147

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	1,034,440	1,745,485
Adjustments for:		
Purchases of non-derivative financial assets	(661,311,175)	(704,071,721)
Proceeds from sale of non-derivative financial assets	699,517,883	752,946,058
Accrued investment income and other	(2,682)	1,966
Receivable for management fees rebate	10,333	9,238
Net cash provided by (used in) operating activities	39,248,799	50,631,026
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	30,360,252	73,130,232
Amounts paid on redemption of redeemable units	(69,554,844)	(123,679,930)
Distributions to unitholders of redeemable units	(52,588)	(66,487)
Net cash provided by (used in) financing activities	(39,247,180)	(50,616,185)
Net increase (decrease) in cash	1,619	14,841
Cash (bank overdraft), beginning of period	44,357	29,516
CASH (BANK OVERDRAFT), END OF PERIOD	45,976	44,357
Interest received(1)	1,469,904	2,569,481

(1) Classified as operating items.

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

Scotia Premium T-Bill Fund (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO
As at December 31, 2015

Face Value ($)	Issuer	Average Cost ($)	Carrying Value ($)
MONEY MARKET INSTRUMENTS – 100%			
Treasury Bills – 55.3%			
	Government of Canada		
4,935,000	0.00% due Jan. 6, 2016	4,933,833	4,934,644
32,305,000	0.00% due Jan. 14, 2016	32,208,892	32,299,832
41,715,000	0.00% due Feb. 11, 2016	41,640,036	41,695,473
26,820,000	0.00% due Jul. 28, 2016	26,728,544	26,744,149
		105,511,305	105,674,098
Promissory Notes – 0.7%			
	Province of British Columbia		
1,375,000	0.00% due Apr. 8, 2016	1,364,509	1,371,958
Short-Term Bonds – 20.4%			
	Canada Housing Trust No. 1 (Floating Rate)		
35,700,000	0.90% due Sep. 15, 2016	35,747,563	35,761,600
	Export Development Canada (Floating Rate)		
900,000	4.30% due Jun. 1, 2016	913,965	917,136
	Hydro-Quebec (Floating Rate)		
2,310,000	0.00% due Apr. 15, 2016	2,304,529	2,304,529
		38,966,057	38,983,265
Provincial Bonds – 23.6%			
	Province of Ontario (Floating Rate)		
4,100,000	0.92% due Apr. 12, 2016	4,103,534	4,111,829
3,265,000	1.48% due Jun. 24, 2016	3,276,708	3,277,637
13,300,000	1.05% due Jun. 27, 2016	13,321,474	13,322,617
16,988,000	0.99% due Sep. 14, 2016	17,021,075	17,028,947
	Province of Ontario Interest Strip (Floating Rate)		
7,300,000	0.00% due Jun 2, 2016	7,275,099	7,275,099
		44,997,890	45,016,129
	TOTAL INVESTMENT PORTFOLIO	190,839,761	191,045,450
	OTHER ASSETS, LESS LIABILITIES – 0.0%		92,678
	NET ASSETS – 100.0%		191,138,128

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

Scotia Premium T-Bill Fund

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

1. The Fund (note 1)

The Fund's investment objective is to provide income and liquidity, while maintaining a high level of safety. It invests primarily in Government of Canada treasury bills and other short-term debt instruments guaranteed by the Government of Canada.

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 (earlier of maturity date or interest reset date) of the Fund's portfolio, excluding cash and overdrafts, as applicable.

Interest rate exposure	December 31, 2015 ($)	December 31, 2014 ($)
Less than 1 year	191,045,450	229,252,158
1-3 years	–	–
3-5 years	–	–
5-10 years	–	–
> 10 years	–	–
	191,045,450	229,252,158

ii) Currency risk

The Fund did not have significant currency risk exposure as at December 31, 2015 or December 31, 2014.

iii) Price risk

The Fund did not have significant price risk exposure to equities, derivatives or commodities, if applicable, as at December 31, 2015 or December 31, 2014.

iv) Credit risk

The table below summarizes the credit ratings of the money market instruments, excluding cash, held by the Fund.

	December 31, 2015		December 31, 2014	
Credit ratings	Percentage of total money market instruments (%)	Percentage of net assets (%)	Percentage of total money market instruments (%)	Percentage of net assets (%)
Short-Term Rating				
R1-High	56.0	56.0	58.4	58.4
R1-Middle	–	–	1.9	1.9
Bond Credit Rating				
AAA	19.2	19.2	15.6	15.6
AA	23.6	23.6	12.8	12.8
A	1.2	1.2	11.3	11.3
	100.0	100.0	100.0	100.0

v) Liquidity risk

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

	December 31, 2015		December 31, 2014	
	On demand ($)	Less than 3 months ($)	On demand ($)	Less than 3 months ($)
Current liabilities	–	2,913	–	5,634
Liability for written options	–	–	–	–
Unrealized loss on derivatives	–	–	–	–
Redeemable units	191,138,128	–	229,348,147	–
	191,138,128	2,913	229,348,147	5,634

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, geographical location, asset type or industry sector, as applicable. The table below is a summary of the Fund's concentration risk:

	Percentage of net assets (%)	
	December 31, 2015	December 31, 2014
Corporate Bonds	1.2	8.4
Federal Bonds	19.2	15.6
Promissory Notes	0.7	2.5
Provincial Bonds	23.6	15.8
Treasury Bills	55.3	57.7

vii) Fair value classification (note 2)

The tables below illustrate the classification of the Fund's financial instruments within the fair value hierarchy.

December 31, 2015	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Bonds and debentures	–	83,999,394	–	83,999,394
Money market instruments	–	107,046,056	–	107,046,056
	–	191,045,450	–	191,045,450

December 31, 2014	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Bonds and debentures	–	91,214,770	–	91,214,770
Money market instruments	–	138,037,388	–	138,037,388
	–	229,252,158	–	229,252,158

Transfers between levels

During the periods ended December 31, 2015 and 2014, there were no significant transfers between Level 1 and Level 2.

Scotia Premium T-Bill Fund (Continued)

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

3. Offsetting of financial assets and liabilities (note 2)

As at December 31, 2015 or December 31, 2014, the Fund did not enter into any agreement whereby the financial instruments were eligible for offset.

4. Interest in Underlying Funds (note 2)

The Fund did not hold any interest in Underlying Funds as at December 31, 2015 or December 31, 2014.

5. Comparison of net asset value per unit and net assets per unit (note 2)

The table below provides a comparison of the net asset value per unit and net assets per unit. The primary reason for the difference between the net asset value per unit and net assets per unit, if any, is described in note 2.

	December 31, 2015		December 31, 2014	
	Net asset value per unit ($)	Net assets per unit ($)	Net asset value per unit ($)	Net assets per unit ($)
Series A	10.00	10.00	10.00	10.00

Scotia Money Market Fund

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars except per unit amounts)	December 31, 2015	December 31, 2014
ASSETS		
Current assets		
Investments		
Non-derivative financial assets	1,552,793,805	1,498,310,647
Cash	47,141	85,943
Accrued investment income and other	119,637	52,834
	1,552,960,583	1,498,449,424
LIABILITIES		
Current liabilities		
Distributions payable	3,003	3,510
	3,003	3,510
Net assets attributable to holders of redeemable units	1,552,957,580	1,498,445,914
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series A	311,337,658	372,928,739
Advisor Series	676,361	1,277,827
Series I	–	153,972
Series M	1,038,899,571	938,405,533
Premium Series	202,043,990	185,679,843
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series A	10.00	10.00
Advisor Series	10.00	10.00
Series I	–	10.00
Series M	10.00	10.00
Premium Series	10.00	10.00

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except per unit amounts)	2015	2014
INCOME		
Net gain (loss) on investments (note 2)		
Interest for distribution purposes	17,672,059	23,281,610
Net gain (loss) on investments	17,672,059	23,281,610
Securities lending	19,422	15,391
Total income (loss)	17,691,481	23,297,001
EXPENSES		
Management fees (note 5)	4,408,995	5,075,147
Independent Review Committee fees	948	5,017
Audit fees	27,241	57,403
Custodian fees	34,247	29,072
Filing fees	60,571	58,168
Legal fees	7,380	10,801
Unitholder administration costs	453,265	534,534
Unitholder reporting costs	39,236	57,628
Other fund costs	2,019	–
Harmonized Sales Tax/Goods and Services Tax	357,215	493,069
Total expenses	5,391,117	6,320,839
Expenses absorbed by the Manager	(1,516,009)	(1,029,536)
Net expenses	3,875,108	5,291,303
Increase (decrease) in net assets attributable to holders of redeemable units from operations	13,816,373	18,005,698
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A	1,158,444	1,453,320
Advisor Series	3,366	6,335
Series I	971	1,989
Series M	11,180,097	14,751,664
Premium Series	1,473,495	1,792,390
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT†		
Series A	0.03	0.04
Advisor Series	0.03	0.04
Series I	0.06	0.13
Series M	0.10	0.13
Premium Series	0.07	0.10
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series A	34,709,769	41,498,304
Advisor Series	100,337	180,608
Series I	15,372	15,289
Series M	107,264,221	117,261,537
Premium Series	20,039,328	18,520,290

† The increase (decrease) in net assets attributable to holders of redeemable units from operations 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 number of units per series.

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

Scotia Money Market Fund (Continued)

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the periods ended December 31 (note 1),

(in dollars)	2015	2014
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series A	372,928,739	456,213,468
Advisor Series	1,277,827	1,278,537
Series I	153,972	151,977
Series M	938,405,533	1,111,706,907
Premium Series	185,679,843	182,399,432
	1,498,445,914	1,751,750,321
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A	1,158,444	1,453,320
Advisor Series	3,366	6,335
Series I	971	1,989
Series M	11,180,097	14,751,664
Premium Series	1,473,495	1,792,390
	13,816,373	18,005,698
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net investment income		
Series A	(1,158,457)	(1,453,320)
Advisor Series	(3,366)	(6,335)
Series I	(970)	(1,990)
Series M	(11,180,080)	(14,751,664)
Premium Series	(1,473,499)	(1,792,390)
	(13,816,372)	(18,005,699)
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A	187,209,323	249,688,094
Advisor Series	282,571	2,927,085
Series I	1,000	–
Series M	3,665,353,251	3,097,292,276
Premium Series	155,835,963	170,948,046
Reinvested distributions		
Series A	1,141,192	1,432,177
Advisor Series	3,366	6,329
Series I	970	1,996
Series M	10,773,979	14,664,816
Premium Series	1,452,013	1,768,958
Payments on redemption		
Series A	(249,941,583)	(334,405,000)
Advisor Series	(887,403)	(2,934,124)
Series I	(155,943)	–
Series M	(3,575,633,209)	(3,285,258,466)
Premium Series	(140,923,825)	(169,436,593)
	54,511,665	(253,304,406)
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A	(61,591,081)	(83,284,729)
Advisor Series	(601,466)	(710)
Series I	(153,972)	1,995
Series M	100,494,038	(173,301,374)
Premium Series	16,364,147	3,280,411
	54,511,666	(253,304,407)
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series A	311,337,658	372,928,739
Advisor Series	676,361	1,277,827
Series I	–	153,972
Series M	1,038,899,571	938,405,533
Premium Series	202,043,990	185,679,843
	1,552,957,580	1,498,445,914

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	13,816,373	18,005,698
Adjustments for:		
Purchases of non-derivative financial assets	(8,551,711,623)	(10,518,816,384)
Proceeds from sale of non-derivative financial assets	8,497,228,464	10,772,105,117
Accrued investment income and other	(66,803)	9,343
Net cash provided by (used in) operating activities	(40,733,589)	271,303,774
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	4,008,682,108	3,520,855,501
Amounts paid on redemption of redeemable units	(3,967,541,962)	(3,792,034,183)
Distributions to unitholders of redeemable units	(445,359)	(131,913)
Net cash provided by (used in) financing activities	40,694,787	(271,310,595)
Net increase (decrease) in cash	(38,802)	(6,821)
Cash (bank overdraft), beginning of period	85,943	92,764
CASH (BANK OVERDRAFT), END OF PERIOD	47,141	85,943
Interest received[1]	17,499,587	23,290,953

[1] Classified as operating items.

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

Scotia Money Market Fund (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2015

Face Value ($)	Issuer	Average Cost ($)	Carrying Value ($)
MONEY MARKET INSTRUMENTS – 100.0%			
Treasury Bills – 1.8%			
	Government of Canada		
27,350,000	0.00% due Feb. 11, 2016	27,320,618	27,336,724
Bankers' Acceptances – 2.7%			
	HSB Group Inc.		
32,530,000	0.00% due Feb. 1, 2016	32,482,018	32,508,792
	HSBC Bank Canada		
2,650,000	0.00% due Feb. 16, 2016	2,645,204	2,647,404
2,000,000	0.00% due Mar. 1, 2016	1,996,120	1,997,413
3,400,000	0.00% due Mar. 22, 2016	3,393,506	3,393,738
1,450,000	0.00% due Jun. 24, 2016	1,443,838	1,444,324
		41,960,686	41,991,671
Bearers' Deposit Notes – 2.1%			
	Caisse Centrale Desjardins		
4,940,000	0.00% due Jan. 12, 2016	4,935,603	4,938,875
	Manulife Bank of Canada		
28,000,000	0.00% due Feb. 3, 2016	27,660,430	27,969,236
		32,596,033	32,908,111
Commercial Paper – 31.8%			
	Caterpillar Inc.		
5,000,000	0.00% due Jan. 5, 2016	4,997,500	4,999,630
	Enbridge Inc.		
2,200,000	0.00% due Jan. 6, 2016	2,198,416	2,199,760
13,700,000	0.00% due Jan. 8, 2016	13,691,506	13,697,877
26,000,000	0.00% due Jan. 19, 2016	25,980,240	25,988,885
27,445,000	0.00% due Feb. 23, 2016	27,390,960	27,413,182
	Epcor Utilities		
9,500,000	0.00% due Jan. 6, 2016	9,495,630	9,498,960
5,500,000	0.00% due Jan. 12, 2016	5,497,305	5,498,653
	Finning International Inc.		
5,000,000	0.00% due Jan. 6, 2016	4,998,200	4,999,438
20,000,000	0.00% due Jan. 7, 2016	19,993,400	19,997,171
	FortisBC Inc.		
5,000,000	0.00% due Jan. 12, 2016	4,996,800	4,998,743
6,000,000	0.00% due Jan. 26, 2016	5,991,540	5,996,643
19,090,000	0.00% due Jan. 28, 2016	19,065,127	19,078,638
6,075,000	0.00% due Feb. 1, 2016	6,067,163	6,070,662
5,300,000	0.00% due Mar. 8, 2016	5,291,361	5,291,731
	Honda Canada Finance Inc.		
4,000,000	0.00% due Feb. 3, 2016	3,995,640	3,997,733
10,000,000	0.00% due Apr. 1, 2016	9,973,100	9,979,601
17,800,000	0.00% due Apr. 4, 2016	17,750,872	17,762,455
10,000,000	0.00% due May 12, 2016	9,962,200	9,969,009
	Husky Energy Inc.		
2,000,000	0.00% due Jan. 27, 2016	1,997,540	1,998,858
12,000,000	0.00% due Feb. 5, 2016	11,979,240	11,990,803
27,600,000	0.00% due Feb. 12, 2016	27,548,700	27,574,632
	Imperial Oil Ltd.		
43,400,000	0.00% due Jan. 14, 2016	43,351,652	43,388,614
22,300,000	0.00% due Jan. 19, 2016	22,277,187	22,291,798
7,500,000	0.00% due Jan. 26, 2016	7,491,600	7,496,111
	Lower Mattagami Energy		
34,000,000	0.00% due Jan. 8, 2016	33,981,300	33,994,546
7,600,000	0.00% due Jan. 21, 2016	7,594,224	7,596,274
	Nova Scotia Power Inc.		
4,485,000	0.00% due Jan. 4, 2016	4,481,053	4,484,704
6,500,000	0.00% due Jan. 6, 2016	6,494,735	6,499,289
10,000,000	0.00% due Jan. 14, 2016	9,993,300	9,997,097
10,000,000	0.00% due Jan. 19, 2016	9,992,500	9,995,909
5,225,000	0.00% due Jan. 26, 2016	5,220,768	5,221,977
3,000,000	0.00% due Feb. 3, 2016	2,997,480	2,997,554
	Omers Finance Trust		
15,000,000	0.00% due Jan. 18, 2016	14,987,400	14,994,776
18,119,000	0.00% due Feb. 4, 2016	18,097,438	18,106,360
4,100,000	0.00% due Feb. 18, 2016	4,093,358	4,096,015
5,000,000	0.00% due Mar. 8, 2016	4,990,750	4,993,114
21,400,000	0.00% due Mar. 10, 2016	21,359,982	21,369,320
5,340,000	0.00% due Mar. 14, 2016	5,329,907	5,331,904
2,130,000	0.00% due Mar. 15, 2016	2,126,507	2,126,643
	Toyota Credit Canada Inc.		
21,500,000	0.00% due Jan. 19, 2016	21,452,700	21,492,905
8,600,000	0.00% due May 19, 2016	8,565,514	8,572,608
		493,741,795	494,050,582
Short-Term Bonds – 61.6%			
	Bank of Montreal (Floating Rate)		
75,188,000	1.07% due Apr. 10, 2017	75,187,577	75,365,770
	Bank of Nova Scotia, The		
14,000,000	1.80% due May 9, 2016	14,042,992	14,078,993
	Bank of Nova Scotia, The (Floating Rate)		
58,000,000	0.95% due Mar. 11, 2016	58,004,408	58,031,662
	Bayerische Motoren Werke AG		
9,641,000	2.11% due May 26, 2016	9,673,841	9,693,348
3,950,000	2.88% due Aug. 9, 2016	3,989,805	4,034,320
1,060,000	1.73% due Sep. 26, 2016	1,063,446	1,068,282
	Bayerische Motoren Werke AG (Floating Rate)		
2,500,000	1.24% due Feb. 24, 2017	2,501,128	2,504,265
	Caisse Centrale Desjardins		
36,814,000	2.28% due Oct. 17, 2016	37,147,720	37,319,794
	Canadian Imperial Bank of Commerce (Floating Rate)		
20,000,000	0.97% due Apr. 8, 2016	19,999,471	20,043,661
12,200,000	1.04% due Jul. 14, 2016	12,200,000	12,226,841
40,000,000	1.15% due Feb. 10, 2017	40,000,000	40,064,330
	CARDS II Trust		
9,400,000	1.98% due Jan. 15, 2016	9,403,652	9,489,298
63,882,000	3.33% due May 15, 2016	64,447,852	64,716,190
	Deere & Company		
32,447,000	1.95% due Jan. 14, 2016	32,455,193	32,749,883
4,987,000	2.30% due Jul. 5, 2016	5,020,620	5,076,412
	GE Capital Canada Funding Company		
41,566,000	5.10% due Jun. 1, 2016	42,281,175	42,454,933
	Golden Credit Card Trust		
74,014,000	3.51% due May 15, 2016	74,641,755	74,970,062
	Greater Toronto Airports Authority		
42,251,000	4.70% due Feb. 15, 2016	42,444,753	43,189,429
	Manulife Bank of Canada (Floating Rate)		
12,037,000	1.39% due Mar. 14, 2016	12,043,373	12,051,199
3,000,000	1.27% due Mar. 27, 2017	3,000,075	3,000,387
	Master Credit Card Trust		
52,778,000	3.50% due May 21, 2016	53,304,434	53,507,542
	Master Credit Card Trust (Floating Rate)		
20,000,000	1.41% due Feb. 21, 2016	20,012,417	20,043,278
	National Bank of Canada		
4,100,000	3.58% due Apr. 26, 2016	4,134,668	4,161,137
64,700,000	2.70% due Dec. 15, 2016	65,674,018	65,750,444
	National Bank of Canada (Floating Rate)		
7,000,000	1.11% due Jun. 23, 2016	7,000,206	7,001,914
	NAV Canada		
40,572,000	4.71% due Feb. 24, 2016	40,796,932	41,467,226
	Royal Bank of Canada		
3,700,000	3.03% due Jul. 26, 2016	3,743,821	3,791,955
	Royal Bank of Canada (Floating Rate)		
4,900,000	0.99% due Jun. 23, 2016	4,900,000	4,900,794
63,800,000	1.03% due Sep. 16, 2016	63,800,000	63,823,450
	Toronto-Dominion Bank, The		
16,380,000	2.95% due Aug. 2, 2016	16,568,564	16,766,702
	Toronto-Dominion Bank, The (Floating Rate)		
59,258,000	1.00% due Apr. 21, 2016	59,259,830	59,375,100

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

Scotia Money Market Fund (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

Face Value ($)	Issuer	Average Cost ($)	Carrying Value ($)
MONEY MARKET INSTRUMENTS (cont'd)			
Short-Term Bonds (cont'd)			
	Toyota Credit Canada Inc.		
11,132,000	3.55% due Feb. 22, 2016	11,170,831	11,311,510
	VW Credit Canada		
12,730,000	3.60% due Feb. 1, 2016	12,757,115	12,946,405
	Wells Fargo Company		
29,063,000	3.70% due Mar. 30, 2016	29,258,414	29,530,201
		951,930,086	956,506,717
	TOTAL INVESTMENT PORTFOLIO	1,547,549,218	1,552,793,805
	OTHER ASSETS, LESS LIABILITIES – 0.0%		163,775
	NET ASSETS – 100.0%		1,552,957,580

Instruments with a 0.00% stated interest rate are purchased at a discount to face value. The discount represents the implied effective interest.

Scotia Money Market Fund

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

1. The Fund (note 1)

The Fund's investment objective is to provide income and liquidity, while maintaining a high level of safety. It invests primarily in high quality, short-term fixed income securities issued by Canadian federal, provincial and municipal governments, Canadian chartered banks, trust companies, and 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 (earlier of maturity date or interest reset date) of the Fund's portfolio, excluding cash and overdrafts, as applicable.

Interest rate exposure	December 31, 2015 ($)	December 31, 2014 ($)
Less than 1 year	1,431,859,055	1,498,310,647
1-3 years	120,934,750	–
3-5 years	–	–
5-10 years	–	–
> 10 years	–	–
	1,552,793,805	1,498,310,647

ii) Currency risk

The Fund did not have significant currency risk exposure as at December 31, 2015 or December 31, 2014.

iii) Price risk

The Fund did not have significant price risk exposure to equities, derivatives or commodities, if applicable, as at December 31, 2015 or December 31, 2014.

iv) Credit risk

The table below summarizes the credit ratings of the money market instruments, excluding cash, held by the Fund.

	December 31, 2015		December 31, 2014	
Credit ratings	Percentage of total money market instruments (%)	Percentage of net assets (%)	Percentage of total money market instruments (%)	Percentage of net assets (%)
Short-Term Rating				
R1-High	37.4	37.4	26.7	26.7
R1-Middle	–	–	3.6	3.6
R1-Low	1.0	1.0	12.8	12.8
Bond Credit Rating				
AAA	14.3	14.3	9.2	9.2
AA	36.4	36.4	29.0	29.0
A	10.9	10.9	18.7	18.7
	100.0	100.0	100.0	100.0

v) Liquidity risk

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

	December 31, 2015		December 31, 2014	
	On demand ($)	Less than 3 months ($)	On demand ($)	Less than 3 months ($)
Current liabilities	–	3,003	–	3,510
Liability for written options	–	–	–	–
Unrealized loss on derivatives	–	–	–	–
Redeemable units	1,552,957,580	–	1,498,445,914	–
	1,552,957,580	3,003	1,498,445,914	3,510

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, geographical location, asset type or industry sector, as applicable. The table below is a summary of the Fund's concentration risk:

	Percentage of net assets (%)	
	December 31, 2015	December 31, 2014
Bankers' Acceptances	2.7	1.6
Bearers' Deposit Notes	2.1	2.1
Commercial Paper	31.8	22.9
Promissory Notes	–	2.0
Short-Term Bonds	61.6	56.9
Treasury Bills	1.8	14.5

vii) Fair value classification (note 2)

The tables below illustrate the classification of the Fund's financial instruments within the fair value hierarchy.

December 31, 2015	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Bonds and debentures	–	956,506,717	–	956,506,717
Money market instruments	–	596,287,088	–	596,287,088
	–	1,552,793,805	–	1,552,793,805

December 31, 2014	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Bonds and debentures	–	851,951,566	–	851,951,566
Money market instruments	–	646,359,081	–	646,359,081
	–	1,498,310,647	–	1,498,310,647

Transfers between levels

During the periods ended December 31, 2015 and 2014, there were no significant transfers between Level 1 and Level 2.

Scotia Money Market Fund (Continued)

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

3. Offsetting of financial assets and liabilities (note 2)

As at December 31, 2015 or December 31, 2014, the Fund did not enter into any agreement whereby the financial instruments were eligible for offset.

4. Interest in Underlying Funds (note 2)

The Fund did not hold any interest in Underlying Funds as at December 31, 2015 or December 31, 2014.

5. Comparison of net asset value per unit and net assets per unit (note 2)

The table below provides a comparison of the net asset value per unit and net assets per unit. The primary reason for the difference between the net asset value per unit and net assets per unit, if any, is described in note 2.

	December 31, 2015		December 31, 2014	
	Net asset value per unit ($)	Net assets per unit ($)	Net asset value per unit ($)	Net assets per unit ($)
Series A	10.00	10.00	10.00	10.00
Advisor Series	10.00	10.00	10.00	10.00
Series M	10.00	10.00	10.00	10.00
Premium Series	10.00	10.00	10.00	10.00

Scotia U.S. $ Money Market Fund

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars except per unit amounts)	December 31, 2015	December 31, 2014
ASSETS		
Current assets		
Investments		
Non-derivative financial assets	61,511,378	64,704,404
Cash	80,449	97,823
Subscriptions receivable	–	6,221,310
Accrued investment income and other	177,255	174,670
	61,769,082	71,198,207
LIABILITIES		
Current liabilities		
Redemptions payable	–	7,239
Distributions payable	56	–
	56	7,239
Net assets attributable to holders of redeemable units	61,769,026	71,190,968
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series A	61,769,026	71,190,968
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series A	10.00	10.00

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except per unit amounts)	2015	2014
INCOME		
Net gain (loss) on investments (note 2)		
Interest for distribution purposes	199,224	158,849
Net gain (loss) on investments	199,224	158,849
Securities lending	44	164
Total income (loss)	199,268	159,013
EXPENSES		
Management fees (note 5)	648,171	665,194
Independent Review Committee fees	1,126	187
Audit fees	1,092	2,158
Custodian fees	3,413	3,414
Filing fees	18,969	19,451
Legal fees	295	397
Unitholder administration costs	23,712	25,154
Unitholder reporting costs	6,141	7,559
Other fund costs	83	–
Harmonized Sales Tax/Goods and Services Tax	17,753	14,811
Total expenses	720,755	738,325
Expenses absorbed by the Manager	(554,178)	(612,435)
Net expenses	166,577	125,890
Increase (decrease) in net assets attributable to holders of redeemable units from operations	32,691	33,123
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A	32,691	33,123
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT†		
Series A	0.01	0.01
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series A	6,481,700	6,560,290

† The increase (decrease) in net assets attributable to holders of redeemable units from operations 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 number of units per series.

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the periods ended December 31 (note 1),

(in dollars)	2015	2014
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series A	71,190,968	69,516,949
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A	32,691	33,123
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net investment income		
Series A	(32,692)	(33,123)
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A	36,847,144	47,365,337
Reinvested distributions		
Series A	32,276	32,980
Payments on redemption		
Series A	(46,301,361)	(45,724,298)
	(9,421,941)	1,674,019
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A	(9,421,942)	1,674,019
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series A	61,769,026	71,190,968

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	32,691	33,123
Adjustments for:		
Purchases of non-derivative financial assets	(364,810,997)	(303,323,782)
Proceeds from sale of non-derivative financial assets	368,004,023	307,857,343
Accrued investment income and other	(2,585)	1,040
Net cash provided by (used in) operating activities	3,223,132	4,567,724
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	43,068,454	41,144,027
Amounts paid on redemption of redeemable units	(46,308,600)	(45,717,059)
Distributions to unitholders of redeemable units	(360)	(144)
Net cash provided by (used in) financing activities	(3,240,506)	(4,573,176)
Net increase (decrease) in cash	(17,374)	(5,452)
Cash (bank overdraft), beginning of period	97,823	103,275
CASH (BANK OVERDRAFT), END OF PERIOD	80,449	97,823
Interest received[1]	196,639	172,766

[1] Classified as operating items.

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

Scotia U.S. $ Money Market Fund (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2015

Face Value ($)	Issuer	Average Cost ($)	Carrying Value ($)
U.S. $		U.S. $	U.S. $
MONEY MARKET INSTRUMENTS – 99.6%			
Promissory Notes – 23.6%			
	Alberta Province		
11,200,000	0.00% due Feb. 25, 2016	11,193,000	11,195,721
	Export Development Canada		
270,000	0.00% due Jan. 26, 2016	269,900	269,938
	Province of British Columbia		
1,100,000	0.00% due Jan. 29, 2016	1,099,527	1,099,699
2,000,000	0.00% due Feb. 29, 2016	1,998,380	1,998,950
		14,560,807	14,564,308
Bankers' Acceptances – 1.5%			
	HSBC Bank Canada		
900,000	0.00% due Mar. 23, 2016	898,821	898,938
Commercial Paper – 14.4%			
	Export Development Canada		
610,000	0.00% due Jan. 22, 2016	609,396	609,893
	Farm Credit Canada		
325,000	0.00% due Jan. 6, 2016	324,935	324,990
	Omers Finance Trust		
1,700,000	0.00% due Jan. 6, 2016	1,699,558	1,699,933
	Province of Ontario		
6,255,000	0.00% due Jan. 7, 2016	6,253,749	6,254,758
		8,887,638	8,889,574
Short Term Bonds – 60.1%			
	Province of Ontario		
3,800,000	1.60% due Sep. 21, 2016	3,823,058	3,839,777
	American Honda Finance (Floating Rate)		
350,000	0.82% due Oct. 7, 2016	350,961	351,641
	American Honda Finance Corporation (Floating Rate)		
1,230,000	0.78% due May 26, 2016	1,231,626	1,232,561
	Bank of Montreal (Floating Rate)		
3,050,000	0.84% due Jul. 15, 2016	3,056,243	3,061,584
	Bank of Nova Scotia, The (Floating Rate)		
2,900,000	0.84% due Jul. 15, 2016	2,905,189	2,910,289
	Caisse Centrale Desjardins (Floating Rate)		
2,000,000	1.00% due Mar. 27, 2017	1,998,564	1,998,675
	Canadian Imperial Bank of Commerce (Floating Rate)		
1,400,000	0.84% due Jul. 18, 2016	1,402,866	1,405,237
1,410,000	0.55% due Feb. 21, 2017	1,408,900	1,409,744
	Caterpillar Inc.		
1,600,000	2.05% due Aug. 1, 2016	1,613,135	1,626,711
	Deere & Company (Floating Rate)		
1,000,000	0.42% due Apr. 12, 2016	1,000,310	1,001,245
	General Electric Company (Floating Rate)		
800,000	0.52% due Jan. 8, 2016	800,021	800,988
500,000	0.97% due Jul. 12, 2016	501,523	502,601
	IBM Corp		
1,365,000	2.00% due Jan. 5, 2016	1,365,248	1,378,519
	IBM Corp (Floating Rate)		
200,000	0.40% due Feb. 5, 2016	200,020	200,146
	John Deere Capital Corporation		
700,000	0.75% due Jan. 22, 2016	700,118	702,422
	National Australia Bank Ltd. (Floating Rate)		
320,000	0.87% due Jul. 25, 2016	320,724	321,242
1,000,000	0.73% due Dec. 9, 2016	999,513	999,957
	National Bank of Canada (Floating Rate)		
2,800,000	0.53% due May 13, 2016	2,799,787	2,800,525
	Royal Bank of Canada (Floating Rate)		
979,000	0.94% due Sep. 9, 2016	980,453	981,014
1,900,000	0.59% due Feb. 3, 2017	1,900,164	1,901,951
	Shell International Financial (Floating Rate)		
155,000	0.57% due Nov. 15, 2016	155,038	155,149
	Toronto-Dominion Bank, The (Floating Rate)		
2,750,000	0.94% due Sep. 9, 2016	2,755,942	2,757,517
	Toyota Motor Credit Corporation (Floating Rate)		
1,320,000	0.69% due Sep. 23, 2016	1,320,259	1,320,462
	Volkswagen AG (Floating Rate)		
1,500,000	0.60% due May 23, 2016	1,500,572	1,501,518
	Wal-Mart Stores Inc.		
370,000	0.60% due Apr. 11, 2016	370,172	370,659
	Wells Fargo Canada Corporation (Floating Rate)		
600,000	0.85% due Jul. 20, 2016	601,362	602,379
	Wells Fargo Company		
1,000,000	3.68% due Jun. 15, 2016	1,013,323	1,024,045
		37,075,091	37,158,558
	TOTAL INVESTMENT PORTFOLIO	61,422,357	61,511,378
	OTHER ASSETS, LESS LIABILITIES – 0.4%		257,648
	NET ASSETS – 100.0%		61,769,026

Instruments with a 0.00% stated interest rate are purchased at a discount to face value. The discount represents the implied effective interest.

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

Scotia U.S. $ Money Market Fund

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

1. The Fund (note 1)

The Fund's investment objective is to provide income and liquidity, while maintaining a high level of safety. It invests primarily in treasury bills and other money market instruments that are denominated in U.S. dollars and are issued by Canadian federal, provincial and municipal governments and corporations, and by supranational entities, such as the World Bank.

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 (earlier of maturity date or interest reset date) of the Fund's portfolio, excluding cash and overdrafts, as applicable.

Interest rate exposure	December 31, 2015 (U.S.$)	December 31, 2014 (U.S.$)
Less than 1 year	56,201,007	64,704,404
1-3 years	5,310,371	–
3-5 years	–	–
5-10 years	–	–
> 10 years	–	–
	61,511,378	64,704,404

ii) Currency risk

The Fund did not have significant currency risk exposure as at December 31, 2015 or December 31, 2014.

iii) Price risk

The Fund did not have significant price risk exposure to equities, derivatives or commodities, if applicable, as at December 31, 2015 or December 31, 2014.

iv) Credit risk

The table below summarizes the credit ratings of the money market instruments, excluding cash, held by the Fund.

	December 31, 2015		December 31, 2014	
	Percentage of total money market instruments (%)	Percentage of net assets (%)	Percentage of total money market instruments (%)	Percentage of net assets (%)
Short-Term Rating				
R1-High	39.6	39.5	3.1	3.1
R1-Middle	–	–	25.8	25.7
Bond Credit Rating				
AA	49.2	48.9	51.6	51.4
A	11.2	11.2	19.5	19.4
	100.0	99.6	100.0	99.6

v) Liquidity risk

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

	December 31, 2015		December 31, 2014	
	On demand (U.S.$)	Less than 3 months (U.S.$)	On demand (U.S.$)	Less than 3 months (U.S.$)
Current liabilities	–	56	–	7,239
Liability for written options	–	–	–	–
Unrealized loss on derivatives	–	–	–	–
Redeemable units	61,769,026	–	71,190,968	–
	61,769,026	56	71,190,968	7,239

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, geographical location, asset type or industry sector, as applicable. The table below is a summary of the Fund's concentration risk:

	Percentage of net assets (%)	
	December 31, 2015	December 31, 2014
Bankers' Acceptances	1.5	2.4
Commercial Paper	14.4	21.2
Corporate Bonds	53.9	61.6
Promissory Notes	23.6	2.7
Provincial Bonds	6.2	3.0

vii) Fair value classification (note 2)

The tables below illustrate the classification of the Fund's financial instruments within the fair value hierarchy.

December 31, 2015	Level 1 (U.S.$)	Level 2 (U.S.$)	Level 3 (U.S.$)	Total (U.S.$)
Bonds and debentures	–	37,158,558	–	37,158,558
Money market instruments	–	24,352,820	–	24,352,820
	–	61,511,378	–	61,511,378

December 31, 2014	Level 1 (U.S.$)	Level 2 (U.S.$)	Level 3 (U.S.$)	Total (U.S.$)
Bonds and debentures	–	45,990,664	–	45,990,664
Money market instruments	–	18,713,740	–	18,713,740
	–	64,704,404	–	64,704,404

Transfers between levels

During the periods ended December 31, 2015 and 2014, there were no significant transfers between Level 1 and Level 2.

Scotia U.S. $ Money Market Fund (Continued)

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

3. Offsetting of financial assets and liabilities (note 2)

As at December 31, 2015 or December 31, 2014, the Fund did not enter into any agreement whereby the financial instruments were eligible for offset.

4. Interest in Underlying Funds (note 2)

The Fund did not hold any interest in Underlying Funds as at December 31, 2015 or December 31, 2014.

5. Comparison of net asset value per unit and net assets per unit (note 2)

The table below provides a comparison of the net asset value per unit and net assets per unit. The primary reason for the difference between the net asset value per unit and net assets per unit, if any, is described in note 2.

	December 31, 2015		December 31, 2014	
	Net asset value per unit (U.S.$)	Net assets per unit (U.S.$)	Net asset value per unit (U.S.$)	Net assets per unit (U.S.$)
Series A	10.00	10.00	10.00	10.00

Scotia Short Term Bond Fund

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars except per unit amounts)	December 31, 2015	December 31, 2014
ASSETS		
Current assets		
Investments		
Non-derivative financial assets	338,643,786	62,870,679
Cash	11,453,528	2,040,663
Receivable for securities sold	114,077,366	–
Subscriptions receivable	880,916	–
Accrued investment income and other	1,309,826	471,523
	466,365,422	65,382,865
LIABILITIES		
Current liabilities		
Payable for securities purchased	113,727,847	–
Redemptions payable	344,090	–
	114,071,937	–
Net assets attributable to holders of redeemable units	352,293,485	65,382,865
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series I	1,567,103	1,602,148
Series M	350,726,382	63,780,717
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series I	9.90	9.90
Series M	9.84	9.84

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except per unit amounts)	2015	2014
INCOME		
Net gain (loss) on investments (note 2)		
Interest for distribution purposes	3,134,026	3,473,160
Net realized gain (loss) on non-derivative financial assets	11,468	(1,054,865)
Change in unrealized gain (loss) on non-derivative financial assets	(477,059)	1,297,676
Net gain (loss) on investments	2,668,435	3,715,971
Securities lending	2,040	8,459
Total income (loss)	2,670,475	3,724,430
EXPENSES		
Management fees (note 5)	92,052	88,485
Fixed administration fees (note 6)	39,944	7,815
Independent Review Committee fees	889	323
Interest expense and bank overdraft charges	–	497
Audit fees	–	2,872
Custodian fees	–	3,371
Filing fees	–	6,237
Legal fees	–	560
Unitholder administration costs	–	12,846
Unitholder reporting costs	–	4,193
Other fund costs	426	–
Harmonized Sales Tax/Goods and Services Tax	14,639	11,006
Total expenses	147,950	138,205
Expenses absorbed by the Manager	–	(240)
Net expenses	147,950	137,965
Increase (decrease) in net assets attributable to holders of redeemable units from operations	2,522,525	3,586,465
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series I	38,178	21,314
Series M	2,484,347	3,565,151
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT†		
Series I	0.23	0.20
Series M	0.19	0.28
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series I	165,474	106,894
Series M	13,415,917	12,731,031

† The increase (decrease) in net assets attributable to holders of redeemable units from operations 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 number of units per series.

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the periods ended December 31 (note 1),

(in dollars)	2015	2014
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series I	1,602,148	–
Series M	63,780,717	252,780,570
	65,382,865	252,780,570
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series I	38,178	21,314
Series M	2,484,347	3,565,151
	2,522,525	3,586,465
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net investment income		
Series I	(38,911)	(28,598)
Series M	(2,705,465)	(3,511,294)
	(2,744,376)	(3,539,892)
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series I	595,750	1,845,534
Series M	320,668,535	79,528,298
Reinvested distributions		
Series I	38,911	28,598
Series M	2,531,779	2,996,815
Payments on redemption		
Series I	(668,973)	(264,700)
Series M	(36,033,531)	(271,578,823)
	287,132,471	(187,444,278)
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series I	(35,045)	1,602,148
Series M	286,945,665	(188,999,853)
	286,910,620	(187,397,705)
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series I	1,567,103	1,602,148
Series M	350,726,382	63,780,717
	352,293,485	65,382,865

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	2,522,525	3,586,465
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(11,468)	1,054,865
Change in unrealized (gain) loss on non-derivative financial assets	477,059	(1,297,676)
Purchases of non-derivative financial assets	(726,973,804)	(261,234,974)
Proceeds from sale of non-derivative financial assets	450,385,587	445,227,227
Accrued investment income and other	(838,303)	763,245
Net cash provided by (used in) operating activities	(274,438,404)	188,099,152
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	320,383,369	81,373,832
Amounts paid on redemption of redeemable units	(36,358,414)	(271,843,523)
Distributions to unitholders of redeemable units	(173,686)	(514,479)
Net cash provided by (used in) financing activities	283,851,269	(190,984,170)
Net increase (decrease) in cash	9,412,865	(2,885,018)
Cash (bank overdraft), beginning of period	2,040,663	4,925,681
CASH (BANK OVERDRAFT), END OF PERIOD	11,453,528	2,040,663
Interest received(1)	2,295,723	4,236,405

(1) Classified as operating items.

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

Scotia Short Term Bond Fund (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2015

Face Value ($)	Issuer	Average Cost ($)	Carrying Value ($)
BONDS AND DEBENTURES – 96.1%			
Federal Bonds – 49.5%			
	Canada Housing Trust No. 1		
92,650,000	2.05% due Jun. 15, 2017	94,542,893	94,556,872
	Government of Canada		
80,000,000	0.75% due Sep. 1, 2020	80,168,000	80,080,286
		174,710,893	174,637,158
Provincial Bonds – 19.2%			
	Province of Ontario		
35,500,000	4.30% due Mar. 8, 2017	37,515,690	37,009,948
	Province of Ontario Generic Coupon Strip		
33,000,000	0.00% due Dec. 2, 2020	30,079,500	30,523,086
		67,595,190	67,533,034
Corporate Bonds – 27.4%			
	AltaGas Ltd.		
3,000,000	4.07% due Jun. 1, 2020	3,219,960	3,166,691
	Anheuser-Busch InBev Finance Inc.		
3,500,000	2.38% due Jan. 25, 2018	3,483,130	3,540,864
	Bank of Montreal		
5,000,000	2.24% due Dec. 11, 2017	5,092,700	5,087,222
	bcIMC Realty Corporation		
7,500,000	2.79% due Aug. 2, 2018	7,745,400	7,736,082
	Bell Canada		
5,000,000	3.25% due Jun. 17, 2020	5,220,150	5,216,596
	Canadian Imperial Bank of Commerce		
2,470,000	1.70% due Oct. 9, 2018	2,468,567	2,482,250
	Daimler Canada Finance Inc.		
5,000,000	2.27% due Mar. 26, 2018	5,078,550	5,054,110
	Enbridge Gas Distribution Inc.		
5,000,000	4.04% due Nov. 23, 2020	5,449,800	5,459,661
	Ford Credit Canada Limited		
2,000,000	3.70% due Aug. 2, 2018	2,084,340	2,069,784
	General Electric Capital Corporation		
5,000,000	3.55% due Jun. 11, 2019	5,339,500	5,315,679
	Genesis Trust II		
2,900,000	1.68% due Sep. 17, 2018	2,900,000	2,908,932
	HSBC Bank of Canada		
2,245,000	2.90% due Jan. 13, 2017	2,295,846	2,281,323
	Hydro One Inc.		
5,000,000	4.40% due Jun. 1, 2020	5,619,400	5,588,617
	John Deere Canada Funding Inc.		
5,000,000	2.05% due Sep. 17, 2020	4,996,700	5,016,944
	Master Credit Card Trust		
3,040,000	2.72% due Nov. 21, 2018	3,040,000	3,140,989
	National Bank of Canada		
4,810,000	2.40% due Oct. 28, 2019	4,866,125	4,915,401
	NAV Canada		
5,000,000	5.30% due Apr. 17, 2019	5,672,150	5,632,238
	Rogers Communications Inc.		
4,750,000	2.80% due Mar. 13, 2019	4,825,140	4,868,915
	Royal Bank of Canada		
2,920,000	2.36% due Sep. 21, 2017	2,925,888	2,972,343
	Shaw Communications Inc.		
5,000,000	5.50% due Dec. 7, 2020	5,658,750	5,611,589
	Toronto-Dominion Bank, The		
5,000,000	2.43% due Aug. 15, 2017	5,100,450	5,097,608
	VW Credit Canada, Inc.		
3,330,000	2.45% due Nov. 14, 2017	3,324,073	3,309,756
		96,406,619	96,473,594
	TOTAL INVESTMENT PORTFOLIO	338,712,702	338,643,786
	OTHER ASSETS, LESS LIABILITIES – 3.9%		13,649,699
	NET ASSETS – 100.0%		352,293,485

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

Scotia Short Term Bond Fund

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

1. The Fund (note 1)

The Fund's investment objective is to provide regular interest income and modest capital gains. It invests primarily in:

- bonds and treasury bills issued or guaranteed by Canadian federal, provincial and municipal governments, any agency of such governments and Canadian corporations or;
- money market instruments of Canadian issuers including commercial paper, bankers' acceptances, asset-backed or mortgage-backed securities and guaranteed investment certificates.

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 (earlier of maturity date or interest reset date) of the Fund's portfolio, excluding cash, money market instruments, underlying funds, preferred shares and overdrafts, as applicable.

Interest rate exposure	December 31, 2015 ($)	December 31, 2014 ($)
Less than 1 year	–	76,046
1-3 years	177,248,083	45,852,500
3-5 years	161,395,703	16,942,133
5-10 years	–	–
> 10 years	–	–
	338,643,786	62,870,679

As at December 31, 2015, 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 $2,461,853 or approximately 0.7% (December 31, 2014 – $397,362 or approximately 0.6%).

ii) Currency risk

The Fund did not have significant currency risk exposure as at December 31, 2015 or December 31, 2014.

iii) Price risk

The Fund did not have significant price risk exposure to equities, derivatives or commodities, if applicable, as at December 31, 2015 or December 31, 2014.

iv) Credit risk

The table below summarizes the credit ratings of the bonds and debentures, excluding cash and money market instruments but including preferred shares and derivatives, as applicable, held by the Fund.

	December 31, 2015		December 31, 2014	
	Percentage of total bonds and debentures (%)	Percentage of net assets (%)	Percentage of total bonds and debentures (%)	Percentage of net assets (%)
Credit ratings				
AAA	53.4	51.2	32.7	31.5
AA	30.0	28.8	46.9	45.1
A	12.0	11.6	11.0	10.6
BBB	4.6	4.5	9.4	9.0
	100.0	96.1	100.0	96.2

v) Liquidity risk

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

	December 31, 2015		December 31, 2014	
	On demand ($)	Less than 3 months ($)	On demand ($)	Less than 3 months ($)
Current liabilities	–	114,071,937	–	–
Liability for written options	–	–	–	–
Unrealized loss on derivatives	–	–	–	–
Redeemable units	352,293,485	–	65,382,865	–
	352,293,485	114,071,937	65,382,865	–

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, geographical location, asset type or industry sector, as applicable. The table below is a summary of the Fund's concentration risk:

	Percentage of net assets (%)	
	December 31, 2015	December 31, 2014
Corporate Bonds	27.4	61.9
Federal Bonds	49.5	15.4
Mortgage-Backed Securities	–	0.1
Provincial Bonds	19.2	18.8

vii) Fair value classification (note 2)

The tables below illustrate the classification of the Fund's financial instruments within the fair value hierarchy.

December 31, 2015	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Bonds and debentures	–	338,643,786	–	338,643,786
	–	338,643,786	–	338,643,786

Scotia Short Term Bond Fund (Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1.

December 31, 2014	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Bonds and debentures	–	62,870,679	–	62,870,679
	–	62,870,679	–	62,870,679

Transfers between levels

During the periods ended December 31, 2015 and 2014, there were no significant transfers between Level 1 and Level 2.

3. Offsetting of financial assets and liabilities (note 2)

As at December 31, 2015 or December 31, 2014, the Fund did not enter into any agreement whereby the financial instruments were eligible for offset.

4. Interest in Underlying Funds (note 2)

The Fund did not hold any interest in Underlying Funds as at December 31, 2015 or December 31, 2014.

5. Comparison of net asset value per unit and net assets per unit (note 2)

The table below provides a comparison of the net asset value per unit and net assets per unit. The primary reason for the difference between the net asset value per unit and net assets per unit, if any, is described in note 2.

	December 31, 2015		December 31, 2014	
	Net asset value per unit ($)	Net assets per unit ($)	Net asset value per unit ($)	Net assets per unit ($)
Series I	9.90	9.90	9.90	9.90
Series M	9.84	9.84	9.84	9.84

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

Scotia Private Short-Mid Government Bond Pool

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars except per unit amounts)	December 31, 2015	December 31, 2014
ASSETS		
Current assets		
Investments		
Non-derivative financial assets	1,244,118,754	1,569,311,545
Cash	11,388,938	65,641,427
Margin deposited on futures	1,217,222	677,600
Receivable for securities sold	159,342,633	–
Subscriptions receivable	1,653,897	2,093,059
Accrued investment income and other	2,266,392	3,579,215
	1,419,987,836	1,641,302,846
LIABILITIES		
Current liabilities		
Payable for securities purchased	160,744,557	–
Redemptions payable	1,586,026	1,219,293
Unrealized loss on futures contracts	628,782	–
	162,959,365	1,219,293
Net assets attributable to holders of redeemable units	1,257,028,471	1,640,083,553
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series I	434,963,090	481,430,988
Series M	822,065,381	1,158,652,565
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series I	10.62	10.61
Series M	10.63	10.61

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except per unit amounts)	2015	2014
INCOME		
Net gain (loss) on investments (note 2)		
Interest for distribution purposes	38,357,767	40,322,208
Net realized gain (loss) on non-derivative financial assets	5,342,600	(3,686,126)
Net realized gain (loss) on futures contracts	(4,795,915)	(3,504,935)
Change in unrealized gain (loss) on non-derivative financial assets	5,440,983	38,358,000
Change in unrealized gain (loss) on futures contracts	(628,782)	–
Net gain (loss) on investments	43,716,653	71,489,147
Securities lending	41,534	82,737
Total income (loss)	43,758,187	71,571,884
EXPENSES		
Management fees (note 5)	692,998	691,117
Fixed administration fees (note 6)	289,995	114,581
Independent Review Committee fees	1,641	2,885
Interest expense and bank overdraft charges	–	78
Audit fees	–	30,788
Custodian fees	–	13,804
Filing fees	–	4,930
Legal fees	–	4,358
Unitholder administration costs	–	105,248
Unitholder reporting costs	–	10,921
Other fund costs	1,571	–
Harmonized Sales Tax/Goods and Services Tax	103,038	98,451
Transaction costs	23,051	5,181
Total expenses	1,112,294	1,082,342
Expenses absorbed by the Manager	–	(372)
Net expenses	1,112,294	1,081,970
Increase (decrease) in net assets attributable to holders of redeemable units from operations	42,645,893	70,489,914
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series I	12,666,322	23,965,076
Series M	29,979,571	46,524,838
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT†		
Series I	0.29	0.55
Series M	0.32	0.50
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series I	43,068,359	43,858,221
Series M	92,594,277	93,777,550

† The increase (decrease) in net assets attributable to holders of redeemable units from operations 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 number of units per series.

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

Scotia Private Short-Mid Government Bond Pool (Continued)

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the periods ended December 31 (note 1),

(in dollars)	2015	2014
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series I	481,430,988	560,942,762
Series M	1,158,652,565	734,450,581
	1,640,083,553	1,295,393,343
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series I	12,666,322	23,965,076
Series M	29,979,571	46,524,838
	42,645,893	70,489,914
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net investment income		
Series I	(12,673,780)	(12,755,851)
Series M	(26,284,831)	(26,161,025)
	(38,958,611)	(38,916,876)
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series I	62,061,746	170,281,324
Series M	358,245,395	606,773,609
Reinvested distributions		
Series I	12,673,780	12,755,851
Series M	22,451,577	22,212,700
Payments on redemption		
Series I	(121,195,966)	(273,758,174)
Series M	(720,978,896)	(225,148,138)
	(386,742,364)	313,117,172
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series I	(46,467,898)	(79,511,774)
Series M	(336,587,184)	424,201,984
	(383,055,082)	344,690,210
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series I	434,963,090	481,430,988
Series M	822,065,381	1,158,652,565
	1,257,028,471	1,640,083,553

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	42,645,893	70,489,914
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(5,342,600)	3,686,126
Change in unrealized (gain) loss on non-derivative financial assets	(5,440,983)	(38,358,000)
Change in unrealized (gain) loss on futures contracts	628,782	–
Purchases of non-derivative financial assets	(1,149,081,465)	(3,812,291,103)
Proceeds from sale of non-derivative financial assets	1,486,459,764	3,567,779,785
Margin deposited on futures	(539,622)	(276,707)
Accrued investment income and other	1,312,823	830,647
Net cash provided by (used in) operating activities	370,642,592	(208,139,338)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	420,746,303	775,739,165
Amounts paid on redemption of redeemable units	(841,808,129)	(498,066,710)
Distributions to unitholders of redeemable units	(3,833,255)	(3,948,325)
Net cash provided by (used in) financing activities	(424,895,081)	273,724,130
Net increase (decrease) in cash	(54,252,489)	65,584,792
Cash (bank overdraft), beginning of period	65,641,427	56,635
CASH (BANK OVERDRAFT), END OF PERIOD	11,388,938	65,641,427
Interest received[1]	39,670,590	41,152,855

[1] Classified as operating items.

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2015

Face Value ($)	Issuer	Average Cost ($)	Carrying Value ($)
BONDS AND DEBENTURES – 99.0%			
Federal Bonds – 33.8%			
	Canada Housing Trust No. 1		
157,350,000	2.05% due Jun. 15, 2017	160,567,808	160,588,490
145,000,000	2.90% due Jun. 15, 2024	155,119,365	156,942,059
	Government of Canada		
100,000,000	2.25% due Jun. 1, 2025	105,853,700	107,512,143
		421,540,873	425,042,692
Provincial Bonds – 61.8%			
	Financement-Quebec		
50,000,000	3.50% due Dec. 1, 2016	51,801,500	51,294,099
95,000,000	2.40% due Dec. 1, 2018	95,871,150	98,738,473
50,000,000	2.45% due Dec. 1, 2019	49,999,000	52,255,258
	Province of Alberta		
60,000,000	2.00% due Jun. 1, 2019	60,278,460	61,774,159
50,000,000	3.10% due Jun. 1, 2024	53,046,000	53,427,246
	Province of New Brunswick		
40,000,000	3.35% due Dec. 3, 2021	41,828,800	43,500,029
67,200,000	2.85% due Jun. 2, 2023	66,251,256	70,415,622
	Province of Nova Scotia		
45,000,000	4.10% due Jun. 1, 2021	49,277,100	50,655,656
	Province of Ontario		
135,000,000	4.40% due Jun. 2, 2019	149,576,698	149,760,332
20,000,000	4.00% due Jun. 2, 2021	22,432,800	22,514,269
55,000,000	3.50% due Jun. 2, 2024	57,834,995	60,578,348
	Province of Ontario Generic Coupon Strip		
25,000,000	0.00% due Dec. 2, 2022	21,316,250	21,670,313
45,000,000	0.00% due Jun. 2, 2022	38,919,761	39,651,683
		758,433,770	776,235,487
Corporate Bonds – 3.4%			
	Hydro Quebec Interest Strip		
50,000,000	0.00% due Feb. 15, 2023	41,898,950	42,840,575
	TOTAL INVESTMENT PORTFOLIO	1,221,873,593	1,244,118,754
	Futures Contracts – (0.1%)		(628,782)
	OTHER ASSETS, LESS LIABILITIES – 1.1%		13,538,499
	NET ASSETS – 100.0%		1,257,028,471

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

Scotia Private Short-Mid Government Bond Pool (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

Expiry Date	Number of Contracts	Futures Contracts	Counterparty	Credit Risk	Contractual Value Canadian ($)	Fair Value Canadian ($)	Appreciation/ (Depreciation) ($)
BOND FUTURES CONTRACTS							
Mar. 2016	(235)	Canada 10 Year Bond Future	BMO	AA	(32,503,868)	(33,132,650)	(628,782)

The above bond futures contracts are financial agreements to purchase/sell the bond at a contracted price on a specific future date.

However, the Fund does not intend to purchase/sell the bond on settlement. Rather, it intends to close out each bond futures contracts before settlement by entering into equal, but offsetting bond futures contracts.

Scotia Private Short-Mid Government Bond Pool

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

1. The Fund (note 1)

The Fund's investment objective is to provide regular interest income and modest capital gains. It invests primarily in bonds and treasury bills issued or guaranteed by Canadian federal, provincial and municipal governments, or any agency of such governments; and money market instruments of Canadian issuers. These include commercial paper, bankers' acceptances, asset-backed or mortgage-backed securities and guaranteed investment certificates.

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 (earlier of maturity date or interest reset date) of the Fund's portfolio, excluding cash, money market instruments, underlying funds, preferred shares and overdrafts, as applicable.

Interest rate exposure	December 31, 2015 ($)	December 31, 2014 ($)
Less than 1 year	51,294,098	–
1-3 years	259,326,965	619,748,904
3-5 years	263,789,749	457,279,125
5-10 years	669,707,942	492,283,516
> 10 years	–	–
	1,244,118,754	1,569,311,545

As at December 31, 2015, 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 $15,255,903 or approximately 1.2% (December 31, 2014 – $16,479,857 or approximately 1.0%). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

ii) Currency risk

The Fund did not have significant currency risk exposure as at December 31, 2015 or December 31, 2014.

iii) Price risk

The Fund did not have significant price risk exposure to equities, derivatives or commodities, if applicable, as at December 31, 2015 or December 31, 2014.

iv) Credit risk

The table below summarizes the credit ratings of the bonds and debentures, excluding cash and money market instruments but including preferred shares and derivatives, as applicable, held by the Fund.

	December 31, 2015		December 31, 2014	
	Percentage of total bonds and debentures (%)	Percentage of net assets (%)	Percentage of total bonds and debentures (%)	Percentage of net assets (%)
Credit ratings				
AAA	43.5	43.0	53.0	50.7
AA	23.6	23.4	27.2	26.0
A	32.9	32.6	19.8	19.0
	100.0	99.0	100.0	95.7

v) Liquidity risk

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

	December 31, 2015		December 31, 2014	
	On demand ($)	Less than 3 months ($)	On demand ($)	Less than 3 months ($)
Current liabilities	–	162,330,583	–	1,219,293
Liability for written options	–	–	–	–
Unrealized loss on derivatives	–	628,782	–	–
Redeemable units	1,257,028,471	–	1,640,083,553	–
	1,257,028,471	162,959,365	1,640,083,553	1,219,293

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, geographical location, asset type or industry sector, as applicable. The table below is a summary of the Fund's concentration risk:

	Percentage of net assets (%)	
	December 31, 2015	December 31, 2014
Corporate Bonds	3.4	-
Federal Bonds	33.8	44.5
Provincial Bonds	61.8	51.2

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

vii) Fair value classification (note 2)

The tables below illustrate the classification of the Fund's financial instruments within the fair value hierarchy.

December 31, 2015	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Bonds and debentures	–	1,244,118,754	–	1,244,118,754
Futures contracts–liabilities	(628,782)	–	–	(628,782)
	(628,782)	1,244,118,754	–	1,243,489,972

December 31, 2014	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Bonds and debentures	–	1,569,311,545	–	1,569,311,545
Futures contracts–liabilities	(657,517)	–	–	(657,517)
	(657,517)	1,569,311,545	–	1,568,654,028

Transfers between levels

During the periods ended December 31, 2015 and 2014, there were no significant transfers between Level 1 and Level 2.

3. Offsetting of financial assets and liabilities (note 2)

As at December 31, 2015 or December 31, 2014, the Fund did not enter into any agreement whereby the financial instruments were eligible for offset.

4. Interest in Underlying Funds (note 2)

The Fund did not hold any interest in Underlying Funds as at December 31, 2015 or December 31, 2014.

5. Comparison of net asset value per unit and net assets per unit (note 2)

The table below provides a comparison of the net asset value per unit and net assets per unit. The primary reason for the difference between the net asset value per unit and net assets per unit, if any, is described in note 2.

	December 31, 2015		December 31, 2014	
	Net asset value per unit ($)	Net assets per unit ($)	Net asset value per unit ($)	Net assets per unit ($)
Series I	10.62	10.62	10.61	10.61
Series M	10.63	10.63	10.61	10.61

Scotia Mortgage Income Fund

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars except per unit amounts)	December 31, 2015	December 31, 2014
ASSETS		
Current assets		
Investments		
Non-derivative financial assets	147,661,700	138,041,488
Cash	–	19,274,699
Subscriptions receivable	167,133	99,693
Accrued investment income and other	248,672	231,355
Mortgage payments receivable	12,704,514	165,190
	160,782,019	157,812,425
LIABILITIES		
Current liabilities		
Bank overdraft	30,122	–
Redemptions payable	72,577	244,244
Distributions payable	57	81
	102,756	244,325
Net assets attributable to holders of redeemable units	160,679,263	157,568,100
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series A	99,411,616	121,873,510
Series F	212,419	376,586
Series I	1,246,856	1,332,703
Series M	59,808,372	33,985,301
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series A	10.64	10.67
Series F	10.62	10.65
Series I	10.57	10.61
Series M	9.91	9.94

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except per unit amounts)	2015	2014
INCOME		
Net gain (loss) on investments (note 2)		
Interest for distribution purposes	4,783,963	8,861,810
Net realized gain (loss) on non-derivative financial assets	(43,265)	(313,445)
Change in unrealized gain (loss) on non-derivative financial assets	(402,901)	(800,168)
Net gain (loss) on investments	4,337,797	7,748,197
Other income	786	2,384
Total income (loss)	4,338,583	7,750,581
EXPENSES		
Management fees (note 5)	1,409,366	1,738,210
Fixed administration fees (note 6)	706,058	292,810
Independent Review Committee fees	1,136	571
Interest expense and bank overdraft charges	2,339	–
Audit fees	–	8,250
Custodian fees	–	(6)
Filing fees	–	12,451
Legal fees	–	4,003
Unitholder administration costs	–	85,488
Unitholder reporting costs	–	16,439
Other fund costs	204	–
Harmonized Sales Tax/Goods and Services Tax	236,813	314,880
Mortgage service fees	–	710,168
Total expenses	2,355,916	3,183,264
Expenses absorbed by the Manager	–	(148,343)
Net expenses	2,355,916	3,034,921
Increase (decrease) in net assets attributable to holders of redeemable units from operations	1,982,667	4,715,660
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A	879,657	1,506,192
Series F	4,684	14,145
Series I	31,479	2,806,368
Series M	1,066,847	388,955
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT†		
Series A	0.09	0.12
Series F	0.16	0.25
Series I	0.24	0.33
Series M	0.20	0.16
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series A	10,279,152	12,794,729
Series F	29,699	57,498
Series I	129,262	8,572,628
Series M	5,223,457	2,448,498

† The increase (decrease) in net assets attributable to holders of redeemable units from operations 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 number of units per series.

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

Scotia Mortgage Income Fund (Continued)

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the periods ended December 31 (note 1),

(in dollars)	2015	2014
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series A	121,873,510	152,001,209
Series F	376,586	922,801
Series I	1,332,703	145,681,087
Series M	33,985,301	–
	157,568,100	298,605,097
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A	879,657	1,506,192
Series F	4,684	14,145
Series I	31,479	2,806,368
Series M	1,066,847	388,955
	1,982,667	4,715,660
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net investment income		
Series A	(1,152,811)	(2,318,055)
Series F	(5,401)	(14,195)
Series I	(35,133)	(3,025,578)
Series M	(1,239,066)	(675,379)
	(2,432,411)	(6,033,207)
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A	3,892,166	9,012,434
Series F	8,091	20,300
Series I	460,704	11,438,868
Series M	39,467,432	44,868,418
Reinvested distributions		
Series A	1,091,126	2,203,658
Series F	4,894	13,447
Series I	35,133	3,025,578
Payments on redemption		
Series A	(27,172,032)	(40,531,928)
Series F	(176,435)	(579,912)
Series I	(578,030)	(158,593,620)
Series M	(13,472,142)	(10,596,693)
	3,560,907	(139,719,450)
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A	(22,461,894)	(30,127,699)
Series F	(164,167)	(546,215)
Series I	(85,847)	(144,348,384)
Series M	25,823,071	33,985,301
	3,111,163	(141,036,997)
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series A	99,411,616	121,873,510
Series F	212,419	376,586
Series I	1,246,856	1,332,703
Series M	59,808,372	33,985,301
	160,679,263	157,568,100

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	1,982,667	4,715,660
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	43,265	313,445
Change in unrealized (gain) loss on non-derivative financial assets	402,901	800,168
Purchases of non-derivative financial assets	(237,554,999)	(219,228,401)
Proceeds from sale of non-derivative financial assets	214,949,299	350,253,013
Accrued investment income and other	(17,317)	140,898
Net cash provided by (used in) operating activities	(20,194,184)	136,994,783
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	43,760,952	65,293,441
Amounts paid on redemption of redeemable units	(41,570,307)	(210,176,794)
Distributions to unitholders of redeemable units	(1,301,282)	(790,583)
Net cash provided by (used in) financing activities	889,363	(145,673,936)
Net increase (decrease) in cash	(19,304,821)	(8,679,153)
Cash (bank overdraft), beginning of period	19,274,699	27,953,852
CASH (BANK OVERDRAFT), END OF PERIOD	(30,122)	19,274,699
Interest paid[1]	2,339	–
Interest received[1]	4,766,646	8,996,250

[1] Classified as operating items.

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

Scotia Mortgage Income Fund (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2015

Interest Rate (%)	Number	Principal Balance ($)	Amortized Cost ($)	Market Value ($)
CONVENTIONAL MORTGAGES – 91.9%				
0.50 – 0.74	1	207,423	205,178	204,598
2.00 – 2.24	25	4,308,316	4,309,898	4,280,445
2.25 – 2.49	23	4,975,836	4,977,905	4,968,780
2.50 – 2.74	26	5,048,249	5,057,796	5,069,463
2.75 – 2.99	164	31,951,705	32,119,436	32,143,507
3.00 – 3.24	59	10,049,520	10,158,517	10,202,763
3.25 – 3.49	149	25,763,712	25,915,078	26,075,048
3.50 – 3.74	59	5,954,319	5,975,762	5,998,639
3.75 – 3.99	113	11,289,011	11,321,150	11,319,383
4.00 – 4.24	51	3,636,154	3,638,652	3,636,868
4.25 – 4.49	25	2,938,923	2,940,517	2,939,253
4.50 – 4.74	323	38,282,835	38,303,521	38,302,908
4.75 – 4.99	7	1,266,384	1,267,661	1,267,873
5.00 – 5.24	3	219,395	220,695	227,396
5.25 – 5.49	3	157,565	158,137	158,631
5.50 – 5.74	1	13,691	13,873	13,940
5.75 – 5.99	1	196,865	199,397	210,215
6.00 – 6.24	1	5,895	6,179	6,033
6.25 – 6.49	2	504,204	508,795	516,318
6.50 – 6.74	1	11,612	11,700	11,884
7.00 – 7.24	1	100,583	102,991	107,755
TOTAL	1,038	146,882,197	147,412,838	147,661,700
TOTAL INVESTMENT PORTFOLIO			147,412,838	147,661,700
OTHER ASSETS, LESS LIABILITIES – 8.1%				13,017,563
NET ASSETS – 100.0%				160,679,263

Mortgages by Geographic Location

As at December 31, 2015

	Number of Mortgages	Principal Balance ($)	Market Value ($)
Ontario	397	62,699,535	62,997,906
Alberta	160	25,315,937	25,459,666
British Columbia	122	20,143,047	20,251,547
Quebec	117	16,783,169	16,906,156
Nova Scotia	72	6,374,932	6,421,177
Newfoundland and Labrador	49	3,776,021	3,788,334
Saskatchewan	45	5,519,500	5,534,537
New Brunswick	41	3,146,258	3,167,604
Manitoba	24	2,085,351	2,093,381
Prince Edward Island	11	1,038,447	1,041,392
TOTAL	1,038	146,882,197	147,661,700

Mortgages by Type of Property

As at December 31, 2015

	Number of Mortgages	Principal Balance ($)	Market Value ($)
Single Family Dwelling	767	106,406,375	106,868,588
Multi-Unit Dwelling of up to 8 Units	149	23,770,608	24,019,527
Condominiums	122	16,705,214	16,773,585
TOTAL	1,038	146,882,197	147,661,700

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

Scotia Mortgage Income Fund

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

1. The Fund (note 1)

The Fund's investment objective is to provide regular interest income. It invests primarily in high quality mortgages on residential properties in Canada. The mortgages purchased by the Fund are generally either:

- insured or guaranteed by Canadian federal or provincial governments or their agencies, or conventional first mortgages with loan-to-value ratios of no more than 80%, unless the excess is insured by an insurance company registered or licensed under federal or provincial legislation.

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 (earlier of maturity date or interest reset date) of the Fund's portfolio, excluding cash, money market instruments, underlying funds, preferred shares and overdrafts, as applicable.

	December 31, 2015	December 31, 2014
	Percentage of Net Assets (%)	Percentage of Net Assets (%)
Mortgages of more than 7 years to 10 years	0.1	0.1
Mortgages of more than 6 years to 7 years	–	–
Mortgages of more than 5 years to 6 years	–	–
Mortgages of more than 4 years to 5 years	4.3	6.1
Mortgages of more than 3 years to 4 years	0.8	2.8
Mortgages of more than 2 years to 3 years	10.1	6.7
Mortgages of more than 1 years to 2 years	16.8	36.5
Mortgages of more than 6 months to 1 year	19.4	10.9
Mortgages of 6 months or less	40.4	24.5
	91.9	87.6

As at December 31, 2015, 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 $44,490 or approximately 0.0% (December 31, 2014 – $48,045 or approximately 0.0%). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

ii) Currency risk

The Fund did not have significant currency risk exposure as at December 31, 2015 or December 31, 2014.

iii) Price risk

The Fund did not have significant price risk exposure to equities, derivatives or commodities, if applicable, as at December 31, 2015 or December 31, 2014.

iv) Credit risk

As the Fund invests primarily in mortgages, this represents the main concentration of credit risk. The market value of debt instruments includes consideration of the creditworthiness of the issuer and accordingly, represents the maximum credit risk exposure to the Fund. The Bank of Nova Scotia ("Scotiabank") will buy any mortgage that is in default if it was purchased from Scotia Mortgage Corporation or from Scotiabank.

v) Liquidity risk

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

	December 31, 2015		December 31, 2014	
	On demand ($)	Less than 3 months ($)	On demand ($)	Less than 3 months ($)
Current liabilities	–	102,756	–	244,325
Liability for written options	–	–	–	–
Unrealized loss on derivatives	–	–	–	–
Redeemable units	160,679,263	–	157,568,100	–
	160,679,263	102,756	157,568,100	244,325

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, geographical location, asset type or industry sector, as applicable. The table below is a summary of the Fund's concentration risk:

	Percentage of net assets (%)	
	December 31, 2015	December 31, 2014
Mortgage-Backed Securities	91.9	87.6

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

vii) Fair value classification (note 2)

The tables below illustrate the classification of the Fund's financial instruments within the fair value hierarchy.

December 31, 2015	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Conventional Mortgages	–	147,661,700	–	147,661,700
	–	147,661,700	–	147,661,700

December 31, 2014	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Conventional Mortgages	–	138,041,488	–	138,041,488
	–	138,041,488	–	138,041,488

Transfers between levels

During the periods ended December 31, 2015 and 2014, there were no significant transfers between Level 1 and Level 2.

3. Offsetting of financial assets and liabilities (note 2)

As at December 31, 2015 or December 31, 2014, the Fund did not enter into any agreement whereby the financial instruments were eligible for offset.

4. Interest in Underlying Funds (note 2)

The Fund did not hold any interest in Underlying Funds as at December 31, 2015 or December 31, 2014.

5. Comparison of net asset value per unit and net assets per unit (note 2)

The table below provides a comparison of the net asset value per unit and net assets per unit. The primary reason for the difference between the net asset value per unit and net assets per unit, if any, is described in note 2.

	December 31, 2015		December 31, 2014	
	Net asset value per unit ($)	Net assets per unit ($)	Net asset value per unit ($)	Net assets per unit ($)
Series A	10.64	10.64	10.67	10.67
Series F	10.62	10.62	10.65	10.65
Series I	10.57	10.57	10.61	10.61
Series M	9.91	9.91	9.94	9.94

Scotia Floating Rate Income Fund

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars except per unit amounts)	December 31, 2015	December 31, 2014
ASSETS		
Current assets		
Investments		
Non-derivative financial assets	905,806,246	629,434,280
Unrealized gain on currency forward contracts	121,178	83,119
Unrealized gain on swap contracts	50,434	–
Cash	203,143,757	21,104,521
Subscriptions receivable	1,530,221	446,645
Accrued investment income and other	5,883,625	4,748,197
	1,116,535,461	655,816,762
LIABILITIES		
Current liabilities		
Redemptions payable	262,157	129,057
Unrealized loss on currency forward contracts	2,970,539	3,691,332
Unrealized loss on swap contracts	15,005,548	4,924,098
	18,238,244	8,744,487
Net assets attributable to holders of redeemable units	1,098,297,217	647,072,275
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series I	669,766,899	577,590,229
Series M	428,530,318	69,482,046
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series I	9.81	9.99
Series M	9.80	9.98

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except per unit amounts)	2015	2014**
INCOME		
Net gain (loss) on investments (note 2)		
Interest for distribution purposes	17,004,743	14,155,873
Net realized gain (loss) on non-derivative financial assets	7,979,393	(527,552)
Net realized gain (loss) on currency forward contracts	(19,675,594)	(2,689,840)
Net realized gain (loss) on swap contracts	–	(34,664)
Change in unrealized gain (loss) on non-derivative financial assets	6,564,715	8,649,984
Change in unrealized gain (loss) on currency forward contracts	758,852	(3,608,213)
Change in unrealized gain (loss) on swap contracts	(10,031,016)	(4,924,098)
Net gain (loss) on investments	2,601,093	11,021,490
Securities lending	44,929	21,055
Net realized and unrealized gain(loss) on foreign exchange	453,931	(36,997)
Total income (loss)	3,099,953	11,005,548
EXPENSES		
Management fees (note 5)	84,168	45,276
Fixed administration fees (note 6)	252,655	75,248
Independent Review Committee fees	1,074	946
Interest expense and bank overdraft charges	4,623	260
Audit fees	–	10,711
Filing fees	–	316
Legal fees	–	1,334
Unitholder administration costs	–	33,980
Unitholder reporting costs	–	5,908
Other fund costs	1,345	–
Harmonized Sales Tax/Goods and Services Tax	36,450	15,969
Total expenses	380,315	189,948
Expenses absorbed by the Manager	–	(3)
Net expenses	380,315	189,945
Increase (decrease) in net assets attributable to holders of redeemable units from operations	2,719,638	10,815,603
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series I	1,639,111	9,577,305
Series M	1,080,527	1,238,298
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT†		
Series I	0.03	0.20
Series M	0.09	0.17
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series I	64,762,278	48,766,617
Series M	12,299,419	7,183,203

† The increase (decrease) in net assets attributable to holders of redeemable units from operations 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 number of units per series.

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

Scotia Floating Rate Income Fund (Continued)

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the periods ended December 31 (note 1),

(in dollars)	2015	2014**
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series I	577,590,229	–
Series M	69,482,046	–
	647,072,275	–
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series I	1,639,111	9,577,305
Series M	1,080,527	1,238,298
	2,719,638	10,815,603
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net investment income		
Series I	(13,667,456)	(10,895,639)
Series M	(2,048,680)	(1,524,236)
	(15,716,136)	(12,419,875)
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series I	191,254,082	570,981,143
Series M	415,924,416	120,461,607
Reinvested distributions		
Series I	13,667,455	10,895,639
Payments on redemption		
Series I	(100,716,522)	(2,968,219)
Series M	(55,907,991)	(50,693,623)
	464,221,440	648,676,547
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series I	92,176,670	577,590,229
Series M	359,048,272	69,482,046
	451,224,942	647,072,275
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series I	669,766,899	577,590,229
Series M	428,530,318	69,482,046
	1,098,297,217	647,072,275

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2015	2014**
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	2,719,638	10,815,603
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(7,979,393)	527,552
Unrealized (gain) loss on foreign exchange of cash	(250,979)	36,997
Change in unrealized (gain) loss on non-derivative financial assets	(6,564,715)	(8,649,984)
Change in unrealized (gain) loss on currency forward contracts	(758,852)	3,608,213
Change in unrealized (gain) loss on swap contracts	10,031,016	4,924,098
Purchases of non-derivative financial assets	(837,205,669)	(1,215,236,787)
Proceeds from sale of non-derivative financial assets	575,377,811	593,924,939
Accrued investment income and other	(1,135,428)	(4,748,197)
Net cash provided by (used in) operating activities	(265,766,571)	(614,797,566)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	606,094,922	690,996,105
Amounts paid on redemption of redeemable units	(156,491,413)	(53,532,785)
Distributions to unitholders of redeemable units	(2,048,681)	(1,524,236)
Net cash provided by (used in) financing activities	447,554,828	635,939,084
Unrealized gain (loss) on foreign exchange of cash	250,979	(36,997)
Net increase (decrease) in cash	181,788,257	21,141,518
Cash (bank overdraft), beginning of period	21,104,521	–
CASH (BANK OVERDRAFT), END OF PERIOD	203,143,757	21,104,521
Interest paid[1]	4,623	–
Interest received[1]	15,869,513	9,407,676

** Fund's inception date was January 27, 2014.
(1) Classified as operating items.

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2015

Face Value ($)	Issuer	Average Cost ($)	Carrying Value ($)
BONDS AND DEBENTURES – 82.6%			
Federal Bonds – 3.4%			
	Government of Canada		
4,200,000	2.00% due Jun. 1, 2016	4,241,580	4,225,934
32,266,000	0.75% due Sep. 1, 2020	32,196,776	32,298,377
	United States Treasury Notes		
400,000	1.38% due Aug. 31, 2020	521,609	544,907
		36,959,965	37,069,218
Provincial Bonds – 5.1%			
	Province of Ontario		
25,000,000	4.20% due Jun. 2, 2020	27,975,150	28,058,177
	Province of Quebec		
24,000,000	4.50% due Dec. 1, 2020	27,326,600	27,458,771
		55,301,750	55,516,948
Corporate Bonds – 72.5%			
	Algonquin Power & Utilities Corporation		
4,900,000	4.82% due Feb. 15, 2021	5,237,762	5,248,837
	AltaGas Ltd.		
4,715,000	4.07% due Jun. 1, 2020	4,960,145	4,976,983
	AltaGas Ltd. (Floating Rate)		
5,350,000	1.31% due Mar. 24, 2016	5,964,652	7,352,985
	American Express Canada		
10,000,000	2.31% due Mar. 29, 2018	10,106,740	10,174,976
	Aon Corporation		
18,959,000	4.76% due Mar. 8, 2018	20,320,211	20,081,113
	AT&T Inc.		
4,000,000	2.30% due Mar. 11, 2019	4,414,985	5,553,155
2,500,000	3.83% due Nov. 25, 2020	2,691,025	2,654,441
	Bank of America Corporation (Floating Rate)		
1,000,000	1.00% due Aug. 25, 2017	1,094,403	1,379,959
	Bank of America, N.A.		
5,000,000	1.25% due Feb. 14, 2017	5,502,429	6,904,795
	Bank of Montreal		
4,330,000	3.98% due Jul. 8, 2016	4,532,817	4,388,249
7,000,000	2.24% due Dec. 11, 2017	7,019,390	7,122,111
42,000,000	2.10% due Oct. 6, 2020	41,921,266	42,260,269
	Bank of Nova Scotia, The		
3,600,000	2.24% due Mar. 22, 2018	3,625,442	3,662,821
2,750,000	1.33% due May 1, 2018	2,752,680	2,741,207
1,100,000	2.27% due Jan. 13, 2020	1,099,582	1,117,237
6,500,000	2.13% due Jun. 15, 2020	6,521,580	6,546,210
30,000,000	2.09% due Sep. 9, 2020	29,889,600	30,068,536
	Bank of Nova Scotia, The (callable)		
10,000,000	2.90% due Aug. 3, 2022-(2017)	10,211,500	10,193,012
	bcIMC Realty Corporation		
3,000,000	2.79% due Aug. 2, 2018	3,069,600	3,094,433
4,000,000	2.96% due Mar. 7, 2019	4,125,250	4,165,229
14,000,000	2.10% due Jun. 3, 2021	13,994,540	14,039,243
	Bell Aliant Regional Communications, Limited Partnership		
1,000,000	5.41% due Sep. 26, 2016	1,083,580	1,029,150
4,500,000	4.37% due Sep. 13, 2017	4,792,680	4,704,006
3,150,000	4.88% due Apr. 26, 2018	3,417,061	3,368,085
	Bell Canada		
5,740,000	5.00% due Feb. 15, 2017	6,220,241	5,956,937
2,500,000	4.40% due Mar. 16, 2018	2,679,325	2,642,516
5,000,000	3.50% due Sep. 10, 2018	5,173,700	5,215,967
2,500,000	3.35% due Jun. 18, 2019	2,648,100	2,609,023
3,500,000	3.54% due Jun. 12, 2020	3,677,100	3,685,314
	BMW Canada Inc.		
3,000,000	2.33% due Sep. 26, 2018	2,998,860	3,050,854
	Brookfield Asset Management Inc.		
12,200,000	3.95% due Apr. 9, 2019	12,682,340	12,778,267
	Brookfield Infrastructure Finance ULC		
5,500,000	3.54% due Oct. 30, 2020	5,500,000	5,539,772

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

Scotia Floating Rate Income Fund (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

Face Value ($)	Issuer	Average Cost ($)	Carrying Value ($)
BONDS AND DEBENTURES (cont'd)			
Corporate Bonds (cont'd)			
	Calloway Real Estate Investment Trust		
5,000,000	3.75% due Feb. 11, 2021	5,003,950	5,236,899
	Cameco Corporation		
4,658,000	5.67% due Sep. 2, 2019	5,258,460	5,167,413
	Canadian Imperial Bank of Commerce		
2,700,000	2.22% due Mar. 7, 2018	2,716,038	2,747,849
25,000,000	1.70% due Oct. 9, 2018	25,030,050	25,123,992
	Canadian Imperial Bank of Commerce (callable)		
2,690,000	3.00% due Oct. 28, 2024-(2019)	2,689,381	2,697,976
	CARDS II Trust		
13,300,000	2.16% due Oct. 15, 2020	13,300,000	13,399,767
	Choice Properties LP		
1,250,000	3.00% due Apr. 20, 2017	1,277,788	1,267,528
4,500,000	3.00% due Sep. 20, 2019	4,560,475	4,634,855
19,600,000	3.60% due Apr. 20, 2020	20,099,250	20,657,936
	Choice Properties Real Estate Investment Trust		
4,000,000	3.55% due Jul. 5, 2018	4,169,645	4,161,521
4,650,000	3.50% due Feb. 8, 2021	4,826,484	4,868,643
	CI Financial Corporation		
13,250,000	2.65% due Dec. 7, 2020	13,250,000	13,401,676
	Citigroup Inc.		
1,600,000	2.55% due Apr. 8, 2019	1,762,487	2,229,527
3,500,000	2.40% due Feb. 18, 2020	4,391,063	4,815,301
	CNH Industrial Capital LLC		
3,125,000	3.38% due Jul. 15, 2019	3,332,747	4,116,562
	Cominar Real Estate Investment Trust		
14,725,000	3.62% due Jun. 21, 2019	14,819,563	14,863,908
3,500,000	4.23% due Dec. 4, 2019	3,505,355	3,592,858
1,300,000	4.25% due Dec. 8, 2021	1,300,000	1,314,308
	Crombie Real Estate Investment Trust		
2,500,000	3.96% due Jun. 1, 2021	2,509,825	2,568,034
	CVS Health Corp (callable)		
1,000,000	2.80% due Jul. 20, 2020-(Jun. 20, 2020)	1,272,408	1,394,948
	Daimler Canada Finance Inc.		
7,400,000	1.42% due Oct. 2, 2018	7,398,520	7,315,587
	Dollarama Inc.		
17,400,000	3.10% due Nov. 5, 2018	17,749,136	17,892,885
	Dream Office Real Estate Investment Trust		
2,000,000	3.42% due Jun. 13, 2018	2,003,198	2,021,462
3,900,000	4.07% due Jan. 21, 2020	3,948,622	4,000,945
	Enbridge Inc.		
4,183,000	4.85% due Nov. 12, 2020	4,572,354	4,497,759
	Enbridge Income Fund Holdings Inc.		
127,000	4.10% due Feb. 22, 2019	135,101	131,935
	First Capital Realty Inc.		
1,000,000	5.85% due Jan. 31, 2017	1,078,160	1,044,096
382,000	4.95% due Nov. 30, 2018	417,106	412,312
	Ford Credit Canada Limited		
2,000,000	3.70% due Aug. 2, 2018	2,088,880	2,069,784
9,000,000	2.94% due Feb. 19, 2019	9,001,003	9,131,888
	Ford Credit Canada Ltd.		
2,700,000	2.45% due May 7, 2020	2,700,000	2,667,532
7,475,000	2.92% due Sep. 16, 2020	7,451,300	7,501,951
	GATX Corp.		
2,400,000	2.50% due Jul. 30, 2019	2,670,006	3,295,399
	General Electric Capital Corporation		
6,350,000	2.42% due May 31, 2018	6,370,766	6,496,764
	General Motors Financial of Canada Ltd.		
12,400,000	3.25% due May 30, 2017	12,401,975	12,584,276
5,500,000	3.08% due May 22, 2020	5,557,270	5,510,836
	Genesis Trust II		
9,900,000	1.68% due Sep. 17, 2018	9,897,550	9,930,493
4,000,000	2.43% due May 15, 2019	4,000,000	4,098,936
6,000,000	1.70% due Apr. 15, 2020	6,000,000	5,968,585
	Glacier Credit Card Trust		
2,000,000	2.76% due Nov. 20, 2018	2,056,800	2,059,687
950,000	2.57% due Sep. 20, 2019	950,000	973,568
	Goldman Sachs Group, Inc.		
9,900,000	3.38% due Feb. 1, 2018	10,160,222	10,255,091
	H&R Real Estate Investment Trust		
1,250,000	5.90% due Feb. 3, 2017	1,371,888	1,300,056
3,500,000	3.34% due Jun. 20, 2018	3,537,485	3,576,979
4,000,000	4.45% due Mar. 2, 2020	4,168,560	4,253,498
	HCA Inc.		
1,000,000	3.75% due Mar. 15, 2019	1,107,849	1,405,175
	HCA Inc.		
2,100,000	4.25% due Sep. 15, 2019	2,339,143	3,000,938
	Hollis Receivables Term Trust		
3,750,000	2.24% due Sep. 26, 2016	3,789,488	3,783,855
11,300,000	2.43% due Jun. 26, 2019	11,308,456	11,564,329
1,800,000	1.79% due Feb. 26, 2020	1,800,000	1,793,153
	HSBC Bank of Canada		
3,000,000	2.49% due May 13, 2019	3,023,200	3,053,366
2,500,000	2.94% due Jan. 14, 2020	2,548,450	2,582,083
	HSBC USA Inc.		
3,500,000	2.25% due Jun. 23, 2019	3,784,727	4,819,488
	Industrial Alliance Insurance & Financial Services Inc. (callable)		
3,700,000	4.75% due Dec. 14, 2021-(2016)	3,942,570	3,807,588
	Intact Financial Corporation		
1,500,000	5.41% due Sep. 3, 2019	1,696,305	1,678,068
	JPMorgan Chase & Co.		
20,400,000	2.92% due Sep. 19, 2017	20,854,669	20,922,572
4,000,000	3.19% due Mar. 5, 2021	3,998,520	4,175,895
	JPMorgan Chase & Co. (callable)		
800,000	5.00% due Dec. 29, 2049-(Jul. 1, 2019)	872,039	1,060,268
1,500,000	2.25% due Jan. 23, 2020-(Dec. 23, 2019)	1,795,053	2,055,247
	JPMorgan Chase & Co. (Floating Rate)		
2,900,000	0.88% due Feb. 15, 2017	3,218,688	4,005,162
	Kellogg Canada Inc.		
3,000,000	2.05% due May 23, 2017	2,999,400	3,016,438
	Lennar Corporation (callable)		
350,000	4.50% due Nov. 15, 2019-(Aug. 15, 2019)	395,467	493,292
	Manufacturers Life Insurance Company (callable)		
2,500,000	4.21% due Nov. 18, 2021-(2016)	2,640,625	2,557,747
	Manulife Bank of Canada		
4,800,000	2.38% due Oct. 17, 2016	4,857,840	4,842,415
9,500,000	1.41% due Feb. 27, 2018	9,465,564	9,471,951
	Manulife Financial Corporation (callable)		
1,000,000	4.17% due Jun. 1, 2022-(2017)	1,056,970	1,034,731
	Master Credit Card Trust		
9,000,000	2.72% due Nov. 21, 2018	9,132,230	9,298,982
	Molson Coors International LP		
6,900,000	3.95% due Oct. 6, 2017	7,246,073	7,115,796
	Omers Realty Corporation		
3,760,000	2.50% due Jun. 5, 2018	3,901,639	3,849,374
2,400,000	2.47% due Nov. 12, 2019	2,400,000	2,470,120
	Penske Truck Leasing Canada		
10,800,000	3.65% due Feb. 1, 2018	11,254,725	11,145,337
	Penske Truck Leasing Canada (callable)		
4,250,000	3.05% due Jan. 9, 2020-(Dec. 9, 2019)	4,908,215	5,841,832
	RioCan Real Estate Investment Trust		
1,127,000	2.87% due Mar. 5, 2018	1,139,264	1,148,949
6,750,000	3.85% due Jun. 28, 2019	7,048,225	7,130,250
900,000	3.62% due Jun. 1, 2020	913,509	944,319
	Rogers Communications Inc.		
6,500,000	2.80% due Mar. 13, 2019	6,523,036	6,662,726
300,000	4.70% due Sep. 29, 2020	340,257	330,421
	Rogers Communications, Inc. (Floating Rate)		
3,000,000	1.44% due Mar. 13, 2017	3,000,000	2,992,155

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

Scotia Floating Rate Income Fund (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

Face Value ($)	Issuer	Average Cost ($)	Carrying Value ($)
BONDS AND DEBENTURES (cont'd)			
Corporate Bonds (cont'd)			
	Royal Bank of Canada		
5,000,000	2.77% due Dec. 11, 2018	5,096,250	5,169,876
2,500,000	1.36% due Feb. 11, 2020	2,507,525	2,481,525
4,750,000	1.92% due Jul. 17, 2020	4,750,000	4,748,868
	Saputo Inc.		
5,125,000	2.65% due Nov. 26, 2019	5,167,000	5,252,595
	Shaw Communications Inc.		
10,350,000	5.65% due Oct. 1, 2019	11,621,361	11,502,865
	Standard Life Canada (callable)		
17,407,000	3.94% due Sep. 21, 2022-(2017)	18,278,232	18,025,219
	Sun Life Financial Inc.		
12,900,000	4.38% due Mar. 2, 2017	13,689,651	13,281,465
	TELUS Corporation		
12,350,000	1.50% due Mar. 27, 2018	12,308,457	12,288,821
	Toronto-Dominion Bank, The		
1,000,000	2.17% due Apr. 2, 2018	1,027,690	1,017,595
	Toronto-Dominion Bank, The (callable)		
7,000,000	2.98% due Sep. 30, 2025-(2020)	7,000,000	6,963,738
	Toyota Credit Canada Inc.		
2,000,000	2.75% due Jul. 18, 2018	2,033,440	2,058,950
2,100,000	2.25% due May 23, 2019	2,096,241	2,137,303
4,700,000	1.80% due Feb. 19, 2020	4,695,535	4,697,847
4,200,000	2.05% due May 20, 2020	4,199,202	4,234,569
	TransAlta Corporation		
3,000,000	5.00% due Nov. 25, 2020	3,164,340	2,745,852
	Veresen Inc.		
6,450,000	3.95% due Mar. 14, 2017	6,690,603	6,560,611
3,200,000	3.06% due Jun. 13, 2019	3,194,298	3,188,984
	Verizon Communications Inc.		
1,350,000	2.55% due Jun. 17, 2019	1,496,305	1,888,977
	Wells Fargo Financial Canada Corporation		
15,084,000	2.78% due Nov. 15, 2018	15,329,345	15,598,672
5,250,000	2.94% due Jul. 25, 2019	5,424,338	5,477,794
4,000,000	3.04% due Jan. 29, 2021	4,179,160	4,191,777
		781,940,626	795,127,422
Mortgage-backed Securities – 1.6%			
	OPB Finance Trust		
10,650,000	1.88% due Feb. 24, 2022	10,394,015	10,550,227
	OZLM Ltd. (Floating Rate)		
2,500,000	1.81% due Jul. 17, 2026	2,705,544	3,430,222
	Washington Mill CLO Ltd.		
3,000,000	1.82% due Apr. 20, 2026	3,289,647	4,112,209
		16,389,206	18,092,658
	TOTAL INVESTMENT PORTFOLIO	890,591,547	905,806,246
	Currency Forward Contracts – (0.3%)		(2,849,361)
	Swap Contracts – (1.4%)		(14,955,114)
	OTHER ASSETS, LESS LIABILITIES – 19.1%		210,295,446
	NET ASSETS – 100.0%		1,098,297,217

INTEREST RATE SWAP CONTRACTS

Description	Counterparty	Currency	Termination Date	Notional Amount	Interest Rate (%)	Appreciation/ (Depreciation) ($)
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	TD Securities Inc.	CAD	Feb. 4, 2019	1,000,000	1.906%	–
Fixed to Floating Interest Rate Swap – CAD-BA-CDOR Variable Rate Coupon	TD Securities Inc.	CAD	Feb. 4, 2019	(1,000,000)	0.745%	(33,862)
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	TD Securities Inc.	CAD	Feb. 4, 2019	5,000,000	1.933%	–
Fixed to Floating Interest Rate Swap – CAD-BA-CDOR Variable Rate Coupon	TD Securities Inc.	CAD	Feb. 4, 2019	(5,000,000)	0.745%	(174,072)
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	Merrill Lynch International	CAD	Feb. 5, 2016	10,000,000	1.293%	–
Fixed to Floating Interest Rate Swap – CAD-BA-CDOR Variable Rate Coupon	Merrill Lynch International	CAD	Feb. 5, 2016	(10,000,000)	0.745%	(25,519)
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	Merrill Lynch International	CAD	Feb. 5, 2017	25,000,000	1.485%	–
Fixed to Floating Interest Rate Swap – CAD-BA-CDOR Variable Rate Coupon	Merrill Lynch International	CAD	Feb. 5, 2017	(25,000,000)	0.745%	(263,658)
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	TD Securities Inc.	CAD	Feb. 5, 2018	25,000,000	1.731%	–
Fixed to Floating Interest Rate Swap – CAD-BA-CDOR Variable Rate Coupon	TD Securities Inc.	CAD	Feb. 5, 2018	(25,000,000)	0.745%	(560,085)
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	TD Securities Inc.	CAD	Feb. 5, 2019	25,000,000	1.970%	–
Fixed to Floating Interest Rate Swap – CAD-BA-CDOR Variable Rate Coupon	TD Securities Inc.	CAD	Feb. 5, 2019	(25,000,000)	0.745%	(902,243)
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	TD Securities Inc.	CAD	Feb. 6, 2018	15,000,000	1.751%	–
Fixed to Floating Interest Rate Swap – CAD-BA-CDOR Variable Rate Coupon	TD Securities Inc.	CAD	Feb. 6, 2018	(15,000,000)	0.745%	(343,443)
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	Merrill Lynch International	CAD	Feb. 6, 2019	20,000,000	1.995%	–
Fixed to Floating Interest Rate Swap – CAD-BA-CDOR Variable Rate Coupon	Merrill Lynch International	CAD	Feb. 6, 2019	(20,000,000)	0.745%	(739,137)
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	Merrill Lynch International	CAD	Feb. 6, 2020	10,000,000	2.208%	–
Fixed to Floating Interest Rate Swap – CAD-BA-CDOR Variable Rate Coupon	Merrill Lynch International	CAD	Feb. 6, 2020	(10,000,000)	0.745%	(515,841)
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	Merrill Lynch International	CAD	Feb. 7, 2020	10,000,000	2.188%	–
Fixed to Floating Interest Rate Swap – CAD-BA-CDOR Variable Rate Coupon	Merrill Lynch International	CAD	Feb. 7, 2020	(10,000,000)	0.745%	(506,837)
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	Merrill Lynch International	CAD	Feb. 11, 2019	20,000,000	2.003%	–
Fixed to Floating Interest Rate Swap – CAD-BA-CDOR Variable Rate Coupon	Merrill Lynch International	CAD	Feb. 11, 2019	(20,000,000)	0.744%	(743,018)
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	Merrill Lynch International	CAD	Feb. 11, 2020	4,600,000	1.215%	–
Fixed to Floating Interest Rate Swap – CAD-BA-CDOR Variable Rate Coupon	Merrill Lynch International	CAD	Feb. 11, 2020	(4,600,000)	0.744%	(34,784)
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	Merrill Lynch International	USD	Feb. 12, 2020	3,500,000	1.680%	–
Fixed to Floating Interest Rate Swap – USD-LIBOR-BBA Variable Rate Coupon	Merrill Lynch International	USD	Feb. 12, 2020	(3,500,000)	0.000%	(47,080)
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	TD Securities Inc.	CAD	Feb. 14, 2018	15,000,000	1.804%	–
Fixed to Floating Interest Rate Swap – CAD-BA-CDOR Variable Rate Coupon	TD Securities Inc.	CAD	Feb. 14, 2018	(15,000,000)	0.743%	(363,117)
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	Merrill Lynch International	CAD	Feb. 21, 2016	25,000,000	1.325%	–
Fixed to Floating Interest Rate Swap – CAD-BA-CDOR Variable Rate Coupon	Merrill Lynch International	CAD	Feb. 21, 2016	(25,000,000)	0.743%	(68,251)
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	TD Securities Inc.	CAD	Feb. 21, 2018	15,000,000	1.779%	–
Fixed to Floating Interest Rate Swap – CAD-BA-CDOR Variable Rate Coupon	TD Securities Inc.	CAD	Feb. 21, 2018	(15,000,000)	0.743%	(352,788)
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	Bank of Nova Scotia, The	CAD	Feb. 24, 2018	5,000,000	0.933%	–
Fixed to Floating Interest Rate Swap – CAD-BA-CDOR Variable Rate Coupon	Bank of Nova Scotia, The	CAD	Feb. 24, 2018	(5,000,000)	0.740%	(12,302)
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	Merrill Lynch International	CAD	Feb. 26, 2019	10,000,000	1.950%	–
Fixed to Floating Interest Rate Swap – CAD-BA-CDOR Variable Rate Coupon	Merrill Lynch International	CAD	Feb. 26, 2019	(10,000,000)	0.743%	(351,204)
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	TD Securities Inc.	CAD	Feb. 26, 2021	5,000,000	2.342%	–
Fixed to Floating Interest Rate Swap – CAD-BA-CDOR Variable Rate Coupon	TD Securities Inc.	CAD	Feb. 26, 2021	(5,000,000)	0.743%	(311,922)
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	Bank of Nova Scotia, The	CAD	Feb. 27, 2018	2,400,000	1.665%	–
Fixed to Floating Interest Rate Swap – CAD-BA-CDOR Variable Rate Coupon	Bank of Nova Scotia, The	CAD	Feb. 27, 2018	(2,400,000)	0.743%	(49,551)
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	TD Securities Inc.	CAD	Mar. 5, 2018	4,000,000	1.123%	–

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

Scotia Floating Rate Income Fund (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

INTEREST RATE SWAP CONTRACTS

Description	Counterparty	Currency	Termination Date	Notional Amount	Interest Rate (%)	Appreciation/ (Depreciation) ($)
Fixed to Floating Interest Rate Swap – CAD-BA-CDOR Variable Rate Coupon	TD Securities Inc.	CAD	Mar. 5, 2018	(4,000,000)	0.750%	(28,157)
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	Bank of Nova Scotia, The	CAD	Mar. 5, 2019	4,500,000	1.244%	–
Fixed to Floating Interest Rate Swap – CAD-BA-CDOR Variable Rate Coupon	Bank of Nova Scotia, The	CAD	Mar. 5, 2019	(4,500,000)	0.750%	(47,148)
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	Merrill Lynch International	CAD	Mar. 6, 2020	5,000,000	2.240%	–
Fixed to Floating Interest Rate Swap – CAD-BA-CDOR Variable Rate Coupon	Merrill Lynch International	CAD	Mar. 6, 2020	(5,000,000)	0.750%	(260,957)
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	Merrill Lynch International	USD	Mar. 7, 2019	20,000,000	1.623%	–
Fixed to Floating Interest Rate Swap – USD-LIBOR-BBA Variable Rate Coupon	Merrill Lynch International	USD	Mar. 7, 2019	(20,000,000)	0.000%	(314,066)
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	TD Securities Inc.	CAD	Mar. 13, 2017	16,000,000	1.523%	–
Fixed to Floating Interest Rate Swap – CAD-BA-CDOR Variable Rate Coupon	TD Securities Inc.	CAD	Mar. 13, 2017	(16,000,000)	0.755%	(176,321)
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	Merrill Lynch International	CAD	Mar. 24, 2018	6,250,000	0.918%	–
Fixed to Floating Interest Rate Swap – CAD-BA-CDOR Variable Rate Coupon	Merrill Lynch International	CAD	Mar. 24, 2018	(6,250,000)	0.780%	(10,875)
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	Merrill Lynch International	CAD	Mar. 26, 2021	3,000,000	2.423%	–
Fixed to Floating Interest Rate Swap – CAD-BA-CDOR Variable Rate Coupon	Merrill Lynch International	CAD	Mar. 26, 2021	(3,000,000)	0.783%	(196,378)
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	Merrill Lynch International	CAD	Mar. 27, 2017	2,700,000	0.920%	–
Fixed to Floating Interest Rate Swap – CAD-BA-CDOR Variable Rate Coupon	Merrill Lynch International	CAD	Mar. 27, 2017	(2,700,000)	0.783%	(5,290)
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	Merrill Lynch International	CAD	Mar. 27, 2019	3,800,000	1.105%	–
Fixed to Floating Interest Rate Swap – CAD-BA-CDOR Variable Rate Coupon	Merrill Lynch International	CAD	Mar. 27, 2019	(3,800,000)	0.783%	(20,155)
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	Merrill Lynch International	CAD	Apr. 4, 2019	5,000,000	2.100%	–
Fixed to Floating Interest Rate Swap – CAD-BA-CDOR Variable Rate Coupon	Merrill Lynch International	CAD	Apr. 4, 2019	(5,000,000)	0.798%	(197,363)
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	TD Securities Inc.	CAD	Apr. 9, 2018	5,000,000	1.861%	–
Fixed to Floating Interest Rate Swap – CAD-BA-CDOR Variable Rate Coupon	TD Securities Inc.	CAD	Apr. 9, 2018	(5,000,000)	0.798%	(125,057)
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	Merrill Lynch International	CAD	Apr. 9, 2017	5,000,000	1.613%	–
Fixed to Floating Interest Rate Swap – CAD-BA-CDOR Variable Rate Coupon	Merrill Lynch International	CAD	Apr. 9, 2017	(5,000,000)	0.798%	(61,417)
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	Merrill Lynch International	CAD	Apr. 10, 2018	10,000,000	1.823%	–
Fixed to Floating Interest Rate Swap – CAD-BA-CDOR Variable Rate Coupon	Merrill Lynch International	CAD	Apr. 10, 2018	(10,000,000)	0.798%	(239,297)
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	Bank of Nova Scotia, The	CAD	Apr. 16, 2020	6,500,000	1.250%	–
Fixed to Floating Interest Rate Swap – CAD-BA-CDOR Variable Rate Coupon	Bank of Nova Scotia, The	CAD	Apr. 16, 2020	(6,500,000)	0.798%	(48,805)
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	Merrill Lynch International	CAD	May. 6, 2018	5,000,000	1.815%	–
Fixed to Floating Interest Rate Swap – CAD-BA-CDOR Variable Rate Coupon	Merrill Lynch International	CAD	May. 6, 2018	(5,000,000)	0.824%	(117,959)
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	Merrill Lynch International	CAD	May. 7, 2020	20,000,000	2.195%	–
Fixed to Floating Interest Rate Swap – CAD-BA-CDOR Variable Rate Coupon	Merrill Lynch International	CAD	May. 7, 2020	(20,000,000)	0.822%	(971,415)
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	Merrill Lynch International	CAD	May. 13, 2019	5,500,000	2.005%	–
Fixed to Floating Interest Rate Swap – CAD-BA-CDOR Variable Rate Coupon	Merrill Lynch International	CAD	May. 13, 2019	(5,500,000)	0.821%	(195,799)
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	TD Securities Inc.	CAD	May. 15, 2019	4,000,000	1.888%	–
Fixed to Floating Interest Rate Swap – CAD-BA-CDOR Variable Rate Coupon	TD Securities Inc.	CAD	May. 15, 2019	(4,000,000)	0.821%	(125,954)
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	TD Securities Inc.	CAD	May. 21, 2017	5,000,000	1.559%	–
Fixed to Floating Interest Rate Swap – CAD-BA-CDOR Variable Rate Coupon	TD Securities Inc.	CAD	May. 21, 2017	(5,000,000)	0.828%	(57,072)
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	TD Securities Inc.	CAD	May. 22, 2019	5,000,000	1.970%	–
Fixed to Floating Interest Rate Swap – CAD-BA-CDOR Variable Rate Coupon	TD Securities Inc.	CAD	May. 22, 2019	(5,000,000)	0.828%	(171,035)
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	Merrill Lynch International	CAD	May. 28, 2017	16,000,000	1.530%	–
Fixed to Floating Interest Rate Swap – CAD-BA-CDOR Variable Rate Coupon	Merrill Lynch International	CAD	May. 28, 2017	(16,000,000)	0.836%	(175,172)
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	Merrill Lynch International	CAD	May. 31, 2021	14,000,000	1.498%	–
Fixed to Floating Interest Rate Swap – CAD-BA-CDOR Variable Rate Coupon	Merrill Lynch International	CAD	May. 31, 2021	(14,000,000)	0.836%	(194,886)
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	Merrill Lynch International	CAD	Jun. 1, 2020	13,000,000	1.385%	–
Fixed to Floating Interest Rate Swap – CAD-BA-CDOR Variable Rate Coupon	Merrill Lynch International	CAD	Jun. 1, 2020	(13,000,000)	0.837%	(160,676)
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	Merrill Lynch International	CAD	Jun. 3, 2019	3,000,000	1.993%	–
Fixed to Floating Interest Rate Swap – CAD-BA-CDOR Variable Rate Coupon	Merrill Lynch International	CAD	Jun. 3, 2019	(3,000,000)	0.840%	(104,488)
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	Merrill Lynch International	CAD	Jun. 9, 2018	4,000,000	1.785%	–
Fixed to Floating Interest Rate Swap – CAD-BA-CDOR Variable Rate Coupon	Merrill Lynch International	CAD	Jun. 9, 2018	(4,000,000)	0.840%	(90,382)
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	Merrill Lynch International	CAD	Jun. 11, 2019	8,500,000	1.995%	–
Fixed to Floating Interest Rate Swap – CAD-BA-CDOR Variable Rate Coupon	Merrill Lynch International	CAD	Jun. 11, 2019	(8,500,000)	0.840%	(295,793)
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	Merrill Lynch International	CAD	Jun. 17, 2019	45,000,000	2.000%	–
Fixed to Floating Interest Rate Swap – CAD-BA-CDOR Variable Rate Coupon	Merrill Lynch International	CAD	Jun. 17, 2019	(45,000,000)	0.856%	(1,567,714)
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	Merrill Lynch International	CAD	Jul. 11, 2019	10,000,000	1.958%	–
Fixed to Floating Interest Rate Swap – CAD-BA-CDOR Variable Rate Coupon	Merrill Lynch International	CAD	Jul. 11, 2019	(10,000,000)	0.956%	(383,169)
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	Merrill Lynch International	CAD	Aug. 12, 2017	15,000,000	1.685%	–
Fixed to Floating Interest Rate Swap – CAD-BA-CDOR Variable Rate Coupon	Merrill Lynch International	CAD	Aug. 12, 2017	(15,000,000)	0.743%	(266,352)
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	TD Securities Inc.	CAD	Sep. 17, 2019	5,000,000	2.053%	–
Fixed to Floating Interest Rate Swap – CAD-BA-CDOR Variable Rate Coupon	TD Securities Inc.	CAD	Sep. 17, 2019	(5,000,000)	0.768%	(206,629)
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	Merrill Lynch International	CAD	Sep. 20, 2018	7,400,000	0.968%	–
Fixed to Floating Interest Rate Swap – CAD-BA-CDOR Variable Rate Coupon	Merrill Lynch International	CAD	Sep. 20, 2018	(7,400,000)	0.771%	(16,151)
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	Merrill Lynch International	CAD	Sep. 24, 2019	4,000,000	2.025%	–
Fixed to Floating Interest Rate Swap – CAD-BA-CDOR Variable Rate Coupon	Merrill Lynch International	CAD	Sep. 24, 2019	(4,000,000)	0.780%	(160,294)
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	Bank of Nova Scotia, The	CAD	Oct. 21, 2019	2,500,000	1.808%	–
Fixed to Floating Interest Rate Swap – CAD-BA-CDOR Variable Rate Coupon	Bank of Nova Scotia, The	CAD	Oct. 21, 2019	(2,500,000)	0.800%	(77,421)
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	Bank of Nova Scotia, The	CAD	Oct. 24, 2019	2,750,000	1.876%	–
Fixed to Floating Interest Rate Swap – CAD-BA-CDOR Variable Rate Coupon	Bank of Nova Scotia, The	CAD	Oct. 24, 2019	(2,750,000)	0.807%	(92,241)
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	Bank of Nova Scotia, The	CAD	Oct. 27, 2018	5,000,000	0.850%	–
Fixed to Floating Interest Rate Swap – CAD-BA-CDOR Variable Rate Coupon	Bank of Nova Scotia, The	CAD	Oct. 27, 2018	(5,000,000)	0.815%	9,051
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	Canadian Imperial Bank of Commerce	CAD	Nov. 4, 2020	20,000,000	1.310%	–
Fixed to Floating Interest Rate Swap – CAD-BA-CDOR Variable Rate Coupon	Canadian Imperial Bank of Commerce	CAD	Nov. 4, 2020	(20,000,000)	0.827%	(150,653)
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	Canadian Imperial Bank of Commerce	CAD	Nov. 5, 2020	25,000,000	1.306%	–
Fixed to Floating Interest Rate Swap – CAD-BA-CDOR Variable Rate Coupon	Canadian Imperial Bank of Commerce	CAD	Nov. 5, 2020	(25,000,000)	0.825%	(182,979)
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	Merrill Lynch International	CAD	Nov. 12, 2020	25,000,000	1.325%	–
Fixed to Floating Interest Rate Swap – CAD-BA-CDOR Variable Rate Coupon	Merrill Lynch International	CAD	Nov. 12, 2020	(25,000,000)	0.821%	(201,927)
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	Merrill Lynch International	CAD	Nov. 14, 2019	3,000,000	1.898%	–
Fixed to Floating Interest Rate Swap – CAD-BA-CDOR Variable Rate Coupon	Merrill Lynch International	CAD	Nov. 14, 2019	(3,000,000)	0.821%	(101,903)
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	Canadian Imperial Bank of Commerce	CAD	Nov. 18, 2020	25,000,000	1.304%	–

Scotia Floating Rate Income Fund (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

INTEREST RATE SWAP CONTRACTS

Description	Counterparty	Currency	Termination Date	Notional Amount	Interest Rate (%)	Appreciation/ (Depreciation) ($)
Fixed to Floating Interest Rate Swap – CAD-BA-CDOR Variable Rate Coupon	Canadian Imperial Bank of Commerce	CAD	Nov. 18, 2020	(25,000,000)	0.826%	(171,960)
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	Canadian Imperial Bank of Commerce	CAD	Nov. 20, 2020	25,000,000	1.240%	–
Fixed to Floating Interest Rate Swap – CAD-BA-CDOR Variable Rate Coupon	Canadian Imperial Bank of Commerce	CAD	Nov. 20, 2020	(25,000,000)	0.826%	(93,044)
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	Merrill Lynch International	CAD	Nov. 21, 2019	2,500,000	1.910%	–
Fixed to Floating Interest Rate Swap – CAD-BA-CDOR Variable Rate Coupon	Merrill Lynch International	CAD	Nov. 21, 2019	(2,500,000)	0.828%	(85,767)
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	Canadian Imperial Bank of Commerce	CAD	Nov. 25, 2020	25,000,000	1.231%	–
Fixed to Floating Interest Rate Swap – CAD-BA-CDOR Variable Rate Coupon	Canadian Imperial Bank of Commerce	CAD	Nov. 25, 2020	(25,000,000)	0.830%	(77,515)
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	Merrill Lynch International	CAD	Nov. 30, 2017	10,000,000	1.635%	–
Fixed to Floating Interest Rate Swap – CAD-BA-CDOR Variable Rate Coupon	Merrill Lynch International	CAD	Nov. 30, 2017	(10,000,000)	0.836%	(161,114)
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	Bank of Nova Scotia, The	CAD	Dec. 3, 2019	2,500,000	1.889%	–
Fixed to Floating Interest Rate Swap – CAD-BA-CDOR Variable Rate Coupon	Bank of Nova Scotia, The	CAD	Dec. 3, 2019	(2,500,000)	0.840%	(83,196)
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	Bank of Nova Scotia, The	CAD	Dec. 3, 2021	1,500,000	2.133%	–
Fixed to Floating Interest Rate Swap – CAD-BA-CDOR Variable Rate Coupon	Bank of Nova Scotia, The	CAD	Dec. 3, 2021	(1,500,000)	0.840%	(71,776)
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	Merrill Lynch International	USD	Dec. 10, 2019	4,450,000	1.806%	–
Fixed to Floating Interest Rate Swap – USD-LIBOR-BBA Variable Rate Coupon	Merrill Lynch International	USD	Dec. 10, 2019	(4,450,000)	0.487%	(63,112)
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	Canadian Imperial Bank of Commerce	CAD	Dec. 21, 2020	25,000,000	1.148%	–
Fixed to Floating Interest Rate Swap – CAD-BA-CDOR Variable Rate Coupon	Canadian Imperial Bank of Commerce	CAD	Dec. 21, 2020	(25,000,000)	0.860%	41,383
						(14,955,114)

The swap contracts outstanding at December 31. 2015 are placed with a financial institution with a minimum credit rating of A by DBRS.

CURRENCY FORWARD CONTRACTS

Settlement Date	Currency To Be Received	Contractual Amount	Currency To Be Delivered	Contractual Amount	Canadian Value as at December 31, 2015 ($)	Canadian ($) Appreciation/ (Depreciation)
Jan. 20, 2016	Canadian Dollar	20,136,656	U.S. Dollar	15,200,000	21,016,537	(879,881)
Jan. 20, 2016	U.S. Dollar	2,300,000	Canadian Dollar	3,059,437	3,060,172	120,710
Jan. 20, 2016	U.S. Dollar	100,000	Canadian Dollar	137,798	137,831	468
Feb. 18, 2016	Canadian Dollar	24,901,102	U.S. Dollar	19,160,000	26,487,503	(1,586,400)
Feb. 18, 2016	U.S. Dollar	400,000	Canadian Dollar	553,036	553,257	(60)
Mar. 17, 2016	Canadian Dollar	10,543,024	U.S. Dollar	7,900,000	10,920,502	(377,478)
Apr. 22, 2016	Canadian Dollar	18,863,509	U.S. Dollar	13,740,000	18,990,228	(126,720)
						(2,849,361)

The currency forward contracts outstanding at December 31, 2015 are placed with a financial institution with a credit rating of AA by DBRS.

Scotia Floating Rate Income Fund

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

1. The Fund (note 1)

The Fund's investment objective is to generate income consistent with prevailing short-term corporate bond yields while stabilizing market value from the effects of interest rate fluctuations.

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 (earlier of maturity date or interest reset date) of the Fund's portfolio, excluding cash, money market instruments, underlying funds, preferred shares and overdrafts, as applicable.

Interest rate exposure	December 31, 2015 ($)	December 31, 2014 ($)
Less than 1 year	31,987,923	34,805,632
1-3 years	330,530,590	164,280,042
3-5 years	458,562,483	297,294,176
5-10 years	77,182,819	87,291,942
> 10 years	7,542,431	45,762,488
	905,806,246	629,434,280

As at December 31, 2015, 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 $8,978,995 or approximately 0.8% (December 31, 2014 – $6,974,119 or approximately 1.1%). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

ii) Currency risk

The tables below indicate the currencies to which the Fund had significant exposure, net of the impact of currency forward contracts and currency spot contracts, if any, based on the monetary and non-monetary assets and liabilities of the Fund. The tables also illustrate the potential impact on the Fund if the functional currency of the Fund had strengthened or weakened by 10% in relation to each of the other currencies, with all other variables held constant.

	December 31, 2015			
Currency	Net currency exposure ($)	Percentage of net assets (%)	Impact on the Fund ($)	Percentage of net assets (%)
US Dollar	(2,070,798)	(0.2)	(207,080)	(0.0)
	(2,070,798)	(0.2)	(207,080)	(0.0)

	December 31, 2014			
Currency	Net currency exposure ($)	Percentage of net assets (%)	Impact on the Fund ($)	Percentage of net assets (%)
US Dollar	759,428	0.1	75,943	0.0
	759,428	0.1	75,943	0.0

iii) Price risk

The Fund did not have significant price risk exposure to equities, derivatives or commodities, if applicable, as at December 31, 2015 or December 31, 2014.

iv) Credit risk

The table below summarizes the credit ratings of the bonds and debentures, excluding cash and money market instruments but including preferred shares and derivatives, as applicable, held by the Fund.

	December 31, 2015		December 31, 2014	
	Percentage of total bonds and debentures (%)	Percentage of net assets (%)	Percentage of total bonds and debentures (%)	Percentage of net assets (%)
Credit ratings				
AAA	11.9	9.8	12.4	11.9
AA	28.0	23.2	16.2	15.7
A	27.8	22.9	29.1	28.1
BBB	31.3	25.9	34.6	33.5
BB	1.0	0.8	6.0	5.8
B	–	–	1.7	1.6
	100.0	82.6	100.0	96.6

v) Liquidity risk

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

	December 31, 2015		December 31, 2014	
	On demand ($)	Less than 3 months ($)	On demand ($)	Less than 3 months ($)
Current liabilities	–	262,157	–	129,057
Liability for written options	–	–	–	–
Unrealized loss on derivatives	–	17,976,087	–	8,615,430
Redeemable units	1,098,297,217	–	647,072,275	–
	1,098,297,217	18,238,244	647,072,275	8,744,487

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, geographical location,

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

asset type or industry sector, as applicable. The table below is a summary of the Fund's concentration risk:

	Percentage of net assets (%)	
	December 31, 2015	December 31, 2014
Corporate Bonds	72.5	95.8
Federal Bonds	3.4	–
Mortgage-Backed Securities	1.6	1.5
Provincial Bonds	5.1	–

vii) Fair value classification (note 2)

The tables below illustrate the classification of the Fund's financial instruments within the fair value hierarchy.

December 31, 2015	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Bonds and debentures	–	905,806,246	–	905,806,246
Currency forward contracts–assets	–	121,178	–	121,178
Swap contracts–assets	–	50,434	–	50,434
	–	905,977,858	–	905,977,858
Currency forward contracts–liabilities	–	(2,970,539)	–	(2,970,539)
Swap contracts–liabilities	–	(15,005,548)	–	(15,005,548)
	–	888,001,771	–	888,001,771

December 31, 2014	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Bonds and debentures	–	629,434,280	–	629,434,280
Currency forward contracts–assets	–	83,119	–	83,119
	–	629,517,399	–	629,517,399
Currency forward contracts–liabilities	–	(3,691,332)	–	(3,691,332)
Swap contracts–liabilities	–	(4,924,098)	–	(4,924,098)
	–	620,901,969	–	620,901,969

Transfers between levels

During the periods ended December 31, 2015 and 2014, there were no significant transfers between Level 1 and Level 2.

3. Offsetting of financial assets and liabilities (note 2)

The following tables present offsetting of financial assets and liabilities and collateral amounts that would occur if future events, such as bankruptcy or termination of contracts were to arise. No amounts were offset in the financial statements.

	December 31, 2015			
Financial assets – by type	Gross amount of assets ($)	Master netting offset ($)	Collateral pledged ($)	Net Amount ($)
Currency forward contracts	121,178	(121,178)	–	–
Options contracts – OTC	–	–	–	–
Swap contracts	50,434	(50,434)	–	–
	171,612	(171,612)	–	–

	December 31, 2015			
Financial liabilities – by type	Gross amount of liabilities ($)	Master netting offset ($)	Collateral pledged ($)	Net Amount ($)
Currency forward contracts	2,970,539	(121,178)	–	2,849,361
Options contracts – OTC	–	–	–	–
Swap contracts	15,005,548	(50,434)	–	14,955,114
	17,976,087	(171,612)	–	17,804,475

	December 31, 2014			
Financial assets – by type	Gross amount of assets ($)	Master netting offset ($)	Collateral pledged ($)	Net Amount ($)
Currency forward contracts	83,119	–	–	83,119
Options contracts – OTC	–	–	–	–
Swap contracts	–	–	–	–
	83,119	–	–	83,119

	December 31, 2014			
Financial liabilities – by type	Gross amount of liabilities ($)	Master netting offset ($)	Collateral pledged ($)	Net Amount ($)
Currency forward contracts	3,691,332	–	–	3,691,332
Options contracts – OTC	–	–	–	–
Swap contracts	4,924,098	–	–	4,924,098
	8,615,430	–	–	8,615,430

4. Interest in Underlying Funds (note 2)

The Fund did not hold any interest in Underlying Funds as at December 31, 2015 or December 31, 2014.

5. Comparison of net asset value per unit and net assets per unit (note 2)

The table below provides a comparison of the net asset value per unit and net assets per unit. The primary reason for the difference between the net asset value per unit and net assets per unit, if any, is described in note 2.

	December 31, 2015		December 31, 2014	
	Net asset value per unit ($)	Net assets per unit ($)	Net asset value per unit ($)	Net assets per unit ($)
Series I	9.81	9.81	9.99	9.99
Series M	9.80	9.80	9.98	9.98

Scotia Conservative Income Fund

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars except per unit amounts)	December 31, 2015	December 31, 2014
ASSETS		
Current assets		
Investments		
Non-derivative financial assets	4,841,926	5,333,659
Cash	27,639	94,641
Receivable for securities sold	120,000	–
Subscriptions receivable	3,533	4,327
Accrued investment income and other	15	74
	4,993,113	5,432,701
LIABILITIES		
Current liabilities		
Payable for securities purchased	50,000	–
Distributions payable	765	54
	50,765	54
Net assets attributable to holders of redeemable units	4,942,348	5,432,647
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series A	4,942,348	5,432,647
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series A	9.68	9.98

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except per unit amounts)	2015	2014**
INCOME		
Net gain (loss) on investments (note 2)		
Dividends	15,367	866
Interest for distribution purposes	128,439	91,111
Capital gains distributions received	–	105
Net realized gain (loss) on non-derivative financial assets	(91,952)	3,167
Change in unrealized gain (loss) on non-derivative financial assets	(76,065)	(11,286)
Net gain (loss) on investments	(24,211)	83,963
Other income	1,358	216
Total income (loss)	(22,853)	84,179
EXPENSES		
Management fees (note 5)	60,878	36,420
Fixed administration fees (note 6)	5,535	1,809
Independent Review Committee fees	1,144	6
Interest expense and bank overdraft charges	417	248
Foreign withholding taxes/tax reclaims	173	38
Audit fees	–	65
Filing fees	–	316
Legal fees	–	6
Unitholder administration costs	–	805
Unitholder reporting costs	–	3,223
Other fund costs	240	–
Harmonized Sales Tax/Goods and Services Tax	7,526	4,723
Total expenses	75,913	47,659
Expenses absorbed by the Manager	–	(2,360)
Net expenses	75,913	45,299
Increase (decrease) in net assets attributable to holders of redeemable units from operations	(98,766)	38,880
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A	(98,766)	38,880
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT†		
Series A	(0.18)	0.11
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series A	560,814	340,982

† The increase (decrease) in net assets attributable to holders of redeemable units from operations 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 number of units per series.

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the periods ended December 31 (note 1),

(in dollars)	2015	2014**
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series A	5,432,647	–
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A	(98,766)	38,880
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net investment income		
Series A	(72,095)	(57,283)
From net realized gains on investments		
Series A	–	(3,543)
	(72,095)	(60,826)
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A	3,467,171	7,062,617
Reinvested distributions		
Series A	70,061	60,027
Payments on redemption		
Series A	(3,856,670)	(1,668,051)
	(319,438)	5,454,593
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A	(490,299)	5,432,647
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series A	4,942,348	5,432,647

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2015	2014**
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	(98,766)	38,880
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	80,033	(3,167)
Change in unrealized (gain) loss on non-derivative financial assets	76,065	11,286
Purchases of non-derivative financial assets	(2,120,618)	(6,277,362)
Proceeds from sale of non-derivative financial assets	2,386,253	935,584
Accrued investment income and other	59	(74)
Net cash provided by (used in) operating activities	323,026	(5,294,853)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	3,467,965	7,058,290
Amounts paid on redemption of redeemable units	(3,856,670)	(1,668,051)
Distributions to unitholders of redeemable units	(1,323)	(745)
Net cash provided by (used in) financing activities	(390,028)	5,389,494
Net increase (decrease) in cash	(67,002)	94,641
Cash (bank overdraft), beginning of period	94,641	–
CASH (BANK OVERDRAFT), END OF PERIOD	27,639	94,641
Interest paid[1]	417	–
Interest received[1]	128,498	91,037
Dividends received, net of withholding taxes[1]	15,194	828

[1] Classified as operating items.
** Fund's inception date was January 27, 2014.

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

Scotia Conservative Income Fund (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2015

Number of Units	Issuer	Average Cost ($)	Carrying Value ($)
FIXED INCOME FUNDS – 94.0%			
124,394	Scotia Floating Rate Income Fund Series I	1,245,693	1,220,078
117,915	Scotia Mortgage Income Fund Series I	1,256,658	1,246,515
25,962	Scotia Private American Core-Plus Bond Pool Series I	246,333	244,893
40,867	Scotia Private High Yield Income Pool Series I	388,839	365,294
158,322	Scotia Short Term Bond Fund Series I	1,575,456	1,567,102
		4,712,979	4,643,882
CANADIAN EQUITY FUNDS – 4.0%			
21,554	1832 AM Canadian Preferred Share LP Series I	224,195	198,044
	TOTAL INVESTMENT PORTFOLIO	4,937,174	4,841,926
	OTHER ASSETS, LESS LIABILITIES – 2.0%		100,422
	NET ASSETS – 100.0%		4,942,348

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

Scotia Conservative Income Fund

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

1. The Fund (note 1)

The Fund's investment objective is to provide income by investing primarily in fixed income securities. It invests primarily in a diversified mix of income mutual funds managed by us or by other mutual fund managers.

The Fund invests primarily in mutual funds managed by the Manager and/or by the third party investment managers (the "Underlying Funds"). To ensure the Fund's composition meets the investment objectives of the Fund, the portfolio advisor monitors the Underlying Funds on an ongoing basis and rebalances the Fund's assets among the Underlying Funds.

2. Risks associated with financial instruments (note 4)

i) Interest rate risk

The Fund invests in Underlying Funds, which are exposed to interest rate risk. As at December 31, 2015, 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 $28,027 or approximately 0.6% (December 31, 2014 – $33,400, or approximately 0.6%). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

ii) Currency risk

The Fund could be exposed to indirect currency risk to the extent that the Underlying Funds held financial instruments that were denominated in a currency other than its functional currency.

iii) Price risk

Price risk is the risk that the carrying 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 price risk is mainly in equities, derivatives and commodities, if applicable. As at December 31, 2015, approximately 4.0% (December 31, 2014 – 9.9%) of the Fund's net assets were invested in Underlying Funds which were exposed to price risk. If prices of the Underlying Funds' investments had decreased or increased by 10%, with all other variables held constant, net assets of the Fund would have decreased or increased, respectively, by approximately $19,804 (December 31, 2014 – $53,479). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

iv) Credit risk

The Fund could be exposed to indirect credit risk to the extent that the Underlying Funds invested in bonds and debentures, preferred shares and derivatives.

v) Liquidity risk

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

	December 31, 2015		December 31, 2014	
	On demand ($)	Less than 3 months ($)	On demand ($)	Less than 3 months ($)
Current liabilities	–	50,765	–	54
Liability for written options	–	–	–	–
Unrealized loss on derivatives	–	–	–	–
Redeemable units	4,942,348	–	5,432,647	–
	4,942,348	50,765	5,432,647	54

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, geographical location, asset type or industry sector, as applicable. The table below is a summary of the Fund's concentration risk:

	Percentage of net assets (%)	
	December 31, 2015	December 31, 2014
Fixed Income Funds	94.0	88.3
Canadian Equity Fund	4.0	9.9

vii) Fair value classification (note 2)

The tables below illustrate the classification of the Fund's financial instruments within the fair value hierarchy.

December 31, 2015	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Underlying funds	4,841,926	–	–	4,841,926
	4,841,926	–	–	4,841,926

December 31, 2014	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Underlying funds	5,333,659	–	–	5,333,659
	5,333,659	–	–	5,333,659

Scotia Conservative Income Fund (Continued)

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

Transfers between levels

During the periods ended December 31, 2015 and December 31, 2014, there were no significant transfers between Level 1 and Level 2.

3. Offsetting of financial assets and liabilities (note 2)

As at December 31, 2015 or December 31, 2014, the Fund did not enter into any agreement whereby the financial instruments were eligible for offset.

4. Interest in Underlying Funds (note 2)

The following tables provide information about the Fund's interest in Underlying Funds.

	December 31, 2015	
Underlying Fund	Carrying value of the Underlying Fund ($)	Ownership percentage in Underlying Fund (%)
Scotia Mortgage Income Fund Series I	1,246,515	0.8
Scotia Short Term Bond Fund Series I	1,567,102	0.4
1832 AM Canadian Preferred Share LP Series I	198,044	0.2
Scotia Floating Rate Income Fund Series I	1,220,078	0.1
Scotia Private American Core-Plus Bond Pool Series I	244,893	0.0
Scotia Private High Yield Income Pool Series I	365,294	0.0
	4,841,926	

	December 31, 2014	
Underlying Fund	Carrying value of the Underlying Fund ($)	Ownership percentage in Underlying Fund (%)
Scotia Short Term Bond Fund Series I	1,602,155	2.5
Scotia Mortgage Income Fund Series I	1,332,773	0.8
1832 AM Canadian Preferred Share LP Series I	534,786	0.3
Scotia Floating Rate Income Fund Series I	1,332,240	0.2
Scotia Private American Core-Plus Bond Pool Series I	266,747	0.0
Scotia Private High Yield Income Pool Series I	264,958	0.0
	5,333,659	

5. Comparison of net asset value per unit and net assets per unit (note 2)

The table below provides a comparison of the net asset value per unit and net assets per unit. The primary reason for the difference between the net asset value per unit and net assets per unit, if any, is described in note 2.

	December 31, 2015		December 31, 2014	
	Net asset value per unit ($)	Net assets per unit ($)	Net asset value per unit ($)	Net assets per unit ($)
Series A	9.68	9.68	9.98	9.98

Scotia Bond Fund

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars except per unit amounts)	December 31, 2015	December 31, 2014
ASSETS		
Current assets		
Investments		
Non-derivative financial assets	82,752,220	91,199,018
Cash	161,313	106,492
Margin deposited on futures	78,312	210,477
Subscriptions receivable	105,936	39,106
Accrued investment income and other	644,218	628,227
	83,741,999	92,183,320
LIABILITIES		
Current liabilities		
Redemptions payable	40,931	75,803
Distributions payable	27	38
Unrealized loss on futures contracts	4,260	–
	45,218	75,841
Net assets attributable to holders of redeemable units	83,696,781	92,107,479
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series A	83,696,781	92,107,479
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series A	10.50	10.69

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except per unit amounts)	2015	2014
INCOME		
Net gain (loss) on investments (note 2)		
Interest for distribution purposes	3,292,418	11,345,580
Net realized gain (loss) on non-derivative financial assets	2,278,969	8,126,349
Net realized gain (loss) on futures contracts	(532,963)	(1,525,399)
Change in unrealized gain (loss) on non-derivative financial assets	(1,846,179)	8,953,277
Change in unrealized gain (loss) on futures contracts	(4,260)	–
Net gain (loss) on investments	3,187,985	26,899,807
Securities lending	4,951	16,825
Other income	982	3,475
Total income (loss)	3,193,918	26,920,107
EXPENSES		
Management fees (note 5)	978,147	1,126,509
Fixed administration fees (note 6)	62,243	31,552
Independent Review Committee fees	1,145	702
Interest expense and bank overdraft charges	13	9
Audit fees	–	7,760
Custodian fees	–	3,608
Filing fees	–	13,864
Legal fees	–	1,164
Unitholder administration costs	–	61,302
Unitholder reporting costs	–	11,474
Other fund costs	106	–
Harmonized Sales Tax/Goods and Services Tax	114,158	132,970
Transaction costs	2,174	11,189
Total expenses	1,157,986	1,402,103
Expenses absorbed by the Manager	–	(122)
Net expenses	1,157,986	1,401,981
Increase (decrease) in net assets attributable to holders of redeemable units from operations	2,035,932	25,518,126
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A	2,035,932	7,924,904
Series I	–	17,593,222
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT†		
Series A	0.25	0.82
Series I	–	0.77
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series A	8,267,221	9,706,270
Series I	–	22,887,923

† The increase (decrease) in net assets attributable to holders of redeemable units from operations 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 number of units per series.

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

Scotia Bond Fund (Continued)

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the periods ended December 31 (note 1),

(in dollars)	2015	2014
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series A	92,107,479	126,447,937
Series I	–	230,300,952
	92,107,479	356,748,889
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A	2,035,932	7,924,904
Series I	–	17,593,222
	2,035,932	25,518,126
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net investment income		
Series A	(2,153,760)	(2,947,438)
Series I	–	(7,432,410)
From net realized gains on investments		
Series A	(1,352,140)	–
	(3,505,900)	(10,379,848)
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A	11,890,415	10,080,338
Series I	–	20,503,275
Reinvested distributions		
Series A	3,404,234	2,865,985
Series I	–	7,432,410
Payments on redemption		
Series A	(22,235,379)	(52,264,247)
Series I	–	(268,397,449)
	(6,940,730)	(279,779,688)
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A	(8,410,698)	(34,340,458)
Series I	–	(230,300,952)
	(8,410,698)	(264,641,410)
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series A	83,696,781	92,107,479

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	2,035,932	25,518,126
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(2,278,969)	(8,126,349)
Change in unrealized (gain) loss on non-derivative financial assets	1,846,179	(8,953,277)
Change in unrealized (gain) loss on futures contracts	4,260	–
Purchases of non-derivative financial assets	(80,207,869)	(111,899,228)
Proceeds from sale of non-derivative financial assets	89,087,458	392,210,053
Margin deposited on futures	132,165	(133,998)
Accrued investment income and other	(15,991)	1,680,444
Net cash provided by (used in) operating activities	10,603,165	290,295,771
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	11,823,584	30,613,617
Amounts paid on redemption of redeemable units	(22,270,251)	(320,771,179)
Distributions to unitholders of redeemable units	(101,677)	(81,445)
Net cash provided by (used in) financing activities	(10,548,344)	(290,239,007)
Net increase (decrease) in cash	54,821	56,764
Cash (bank overdraft), beginning of period	106,492	49,728
CASH (BANK OVERDRAFT), END OF PERIOD	161,313	106,492
Interest paid[1]	13	–
Interest received[1]	3,276,426	13,026,024

[1] Classified as operating items.

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2015

Face Value ($)	Issuer	Average Cost ($)	Carrying Value ($)
BONDS AND DEBENTURES – 98.8%			
Federal Bonds – 31.2%			
	Canada Housing Trust No. 1		
3,990,000	2.40% due Dec. 15, 2022	4,079,892	4,194,246
3,845,000	2.35% due Sep. 15, 2023	3,699,267	4,015,161
	Government of Canada		
3,520,000	1.50% due Feb. 1, 2017	3,560,018	3,558,748
3,620,000	5.75% due Jun. 1, 2029	5,215,008	5,324,562
5,840,000	5.75% due Jun. 1, 2033	8,886,570	9,030,816
		25,440,755	26,123,533
Provincial Bonds – 35.9%			
	Province of Alberta		
4,130,000	2.90% due Sep. 20, 2029	4,116,371	4,145,081
	Province of Ontario		
15,240,000	6.50% due Mar. 8, 2029	21,303,765	21,479,243
3,270,000	5.60% due Jun. 2, 2035	4,719,056	4,445,531
		30,139,192	30,069,855
Municipal Bonds – 1.6%			
	Municipal Finance Authority of British Columbia		
1,250,000	4.60% due Apr. 23, 2018	1,396,463	1,352,749
Corporate Bonds – 28.2%			
	407 International Inc.		
650,000	4.30% due May 26, 2021	649,779	730,192
	Anheuser-Busch InBev Finance Inc.		
910,000	2.38% due Jan. 25, 2018	901,947	920,625
	Bank of Montreal		
910,000	3.21% due Sep. 13, 2018	909,955	950,887
	Bank of Nova Scotia, The (callable)		
780,000	3.04% due Oct. 18, 2024-(2019)	780,000	804,835
	Bell Canada		
650,000	3.35% due Jun. 18, 2019	655,369	678,346
	BMW Canada Inc.		
650,000	2.11% due May 26, 2016	649,805	652,358
	BRP Finance ULC		
650,000	5.14% due Oct. 13, 2020	649,747	721,274
	Canadian National Railway Company (callable)		
650,000	2.80% due Sep. 22, 2025-(Jun. 22, 2025)	647,920	657,585
	Canadian Natural Resources Limited		
330,000	3.05% due Jun. 19, 2019	329,792	335,391
	Canadian Natural Resources Limited (callable)		
295,000	3.55% due Jun. 3, 2024-(Mar. 3, 2024)	293,917	290,660
	Caterpillar Financial Services Limited		
650,000	2.63% due Jun. 1, 2017	649,851	661,427
	CIBC Capital Trust (callable)		
445,000	9.98% due Jun. 30, 2108-(2019)	594,934	549,621
	GE Capital Canada Funding Company		
780,000	5.73% due Oct. 22, 2037	695,589	991,189
	Genesis Trust II		
725,000	1.68% due Sep. 17, 2018	725,000	727,233
	Great-West Lifeco Inc.		
650,000	6.67% due Mar. 21, 2033	690,621	857,034
	Greater Toronto Airports Authority		
525,000	3.04% due Sep. 21, 2022	524,953	560,488
845,000	7.10% due Jun. 4, 2031	987,187	1,200,564
	HSBC Bank of Canada		
650,000	2.94% due Jan. 14, 2020	650,000	671,342
	Hydro-Quebec		
845,000	11.00% due Aug. 15, 2020	1,319,695	1,205,913
	John Deere Canada Funding Inc.		
625,000	2.05% due May 13, 2022	624,500	615,495
	Master Credit Card Trust		
780,000	2.72% due Nov. 21, 2018	780,000	805,912
	NAV Canada		
650,000	5.30% due Apr. 17, 2019	696,252	732,191

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

Scotia Bond Fund (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

Face Value ($)	Issuer	Average Cost ($)	Carrying Value ($)
BONDS AND DEBENTURES (cont'd)			
Corporate Bonds (cont'd)			
	Rogers Communications Inc.		
655,000	4.00% due Jun. 6, 2022	652,380	697,081
	Royal Bank of Canada		
780,000	1.97% due Mar. 2, 2022	780,000	764,073
	Sun Life Financial Inc. (callable)		
650,000	4.95% due Jun. 1, 2036-(2016)	663,106	658,777
	Suncor Energy, Inc.		
650,000	5.80% due May 22, 2018	684,917	710,068
	TELUS Corporation (callable)		
650,000	3.35% due Apr. 1, 2024-(Jan. 2, 2024)	646,328	652,956
	Teranet Holdings LP		
895,000	5.75% due Dec. 17, 2040	895,000	975,123
	Toronto Hydro Corporation		
525,000	3.54% due Nov. 18, 2021	524,738	572,078
	Toronto-Dominion Bank, The		
780,000	3.23% due Jul. 24, 2024	780,000	814,531
	VW Credit Canada Inc.		
800,000	2.15% due Jun. 24, 2020	798,568	764,262
	Wells Fargo Financial Canada Corporation		
650,000	3.04% due Jan. 29, 2021	649,714	681,164
		22,481,564	23,610,675
Mortgage-backed Securities – 1.9%			
	Real Estate Asset Liquidity Trust		
885,000	4.78% due Mar. 12, 2017	756,755	916,675
	Schooner Trust		
650,000	5.19% due Jun. 12, 2022	561,076	678,733
		1,317,831	1,595,408
	TOTAL INVESTMENT PORTFOLIO	80,775,805	82,752,220
	Futures Contracts – (0.0%)		(4,260)
	OTHER ASSETS, LESS LIABILITIES – 1.2%		948,821
	NET ASSETS – 100.0%		83,696,781

Expiry Date	Number of Contracts	Futures Contracts	Counterparty	Credit Risk	Contractual Value Canadian ($)	Fair Value Canadian ($)	Appreciation/ (Depreciation) ($)
BOND FUTURES CONTRACTS							
Mar. 2016	(34)	Canada 10 Year Bond Future	BMO	AA	(4,789,400)	(4,793,660)	(4,260)

The above bond futures contracts are financial agreements to purchase/sell the bond at a contracted price on a specific future date.

However, the Fund does not intend to purchase/sell the bond on settlement. Rather, it intends to close out each bond futures contracts before settlement by entering into equal, but offsetting bond futures contracts.

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

Scotia Bond Fund

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

1. The Fund (note 1)

The Fund's investment objective is to provide a steady flow of income and modest capital gains. It invests primarily in high-quality fixed income securities issued by Canadian federal, provincial and municipal governments and 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 (earlier of maturity date or interest reset date) of the Fund's portfolio, excluding cash, money market instruments, underlying funds, preferred shares and overdrafts, as applicable.

Interest rate exposure	December 31, 2015 ($)	December 31, 2014 ($)
Less than 1 year	1,311,136	653,294
1-3 years	11,283,057	11,186,753
3-5 years	6,463,175	16,363,834
5-10 years	15,245,711	17,805,825
> 10 years	48,449,141	45,189,312
	82,752,220	91,199,018

As at December 31, 2015, 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 $1,649,346 or approximately 2.0% (December 31, 2014 – $1,745,803 or approximately 1.9%). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

ii) Currency risk

The Fund did not have significant currency risk exposure as at December 31, 2015 or December 31, 2014.

iii) Price risk

The Fund did not have significant price risk exposure to equities, derivatives or commodities, if applicable, as at December 31, 2015 or December 31, 2014.

iv) Credit risk

The table below summarizes the credit ratings of the bonds and debentures, excluding cash and money market instruments but including preferred shares and derivatives, as applicable, held by the Fund.

	December 31, 2015		December 31, 2014	
	Percentage of total bonds and debentures (%)	Percentage of net assets (%)	Percentage of total bonds and debentures (%)	Percentage of net assets (%)
Credit ratings				
AAA	42.0	41.5	45.9	45.4
AA	37.1	36.6	34.8	34.5
A	16.5	16.3	15.0	14.8
BBB	4.4	4.4	4.3	4.3
	100.0	98.8	100.0	99.0

v) Liquidity risk

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

	December 31, 2015		December 31, 2014	
	On demand ($)	Less than 3 months ($)	On demand ($)	Less than 3 months ($)
Current liabilities	–	40,958	–	75,841
Liability for written options	–	–	–	–
Unrealized loss on derivatives	–	4,260	–	–
Redeemable units	83,696,781	–	92,107,479	–
	83,696,781	45,218	92,107,479	75,841

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, geographical location, asset type or industry sector, as applicable. The table below is a summary of the Fund's concentration risk:

	Percentage of net assets (%)	
	December 31, 2015	December 31, 2014
Corporate Bonds	28.2	27.0
Federal Bonds	31.2	38.1
Mortgage-Backed Securities	1.9	3.4
Municipal Bonds	1.6	1.5
Provincial Bonds	35.9	29.0

vii) Fair value classification (note 2)

The tables below illustrate the classification of the Fund's financial instruments within the fair value hierarchy.

December 31, 2015	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Bonds and debentures	–	82,752,220	–	82,752,220
Futures contracts–liabilities	(4,260)	–	–	(4,260)
	(4,260)	82,752,220	–	82,747,960

Scotia Bond Fund (Continued)

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

December 31, 2014	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Bonds and debentures	–	91,199,018	–	91,199,018
Futures contracts–liabilities	(260,100)	–	–	(260,100)
	(260,100)	91,199,018	–	90,938,918

Transfers between levels

During the periods ended December 31, 2015 and 2014, there were no significant transfers between Level 1 and Level 2.

3. Offsetting of financial assets and liabilities (note 2)

As at December 31, 2015 or December 31, 2014, the Fund did not enter into any agreement whereby the financial instruments were eligible for offset.

4. Interest in Underlying Funds (note 2)

The Fund did not hold any interest in Underlying Funds as at December 31, 2015 or December 31, 2014.

5. Comparison of net asset value per unit and net assets per unit (note 2)

The table below provides a comparison of the net asset value per unit and net assets per unit. The primary reason for the difference between the net asset value per unit and net assets per unit, if any, is described in note 2.

	December 31, 2015		December 31, 2014	
	Net asset value per unit ($)	Net assets per unit ($)	Net asset value per unit ($)	Net assets per unit ($)
Series A	10.50	10.50	10.69	10.69

Scotia Canadian Income Fund

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars except per unit amounts)	December 31, 2015	December 31, 2014
ASSETS		
Current assets		
Investments		
Non-derivative financial assets	6,062,639,463	5,865,741,064
Cash	5,295,776	79,311,665
Margin deposited on futures	44,316,203	4,551,309
Subscriptions receivable	3,158,063	3,025,158
Accrued investment income and other	43,957,998	39,339,056
	6,159,367,503	5,991,968,252
LIABILITIES		
Current liabilities		
Redemptions payable	1,070,302	1,903,179
Distributions payable	464	415
Unrealized loss on futures contracts	39,426,090	–
	40,496,856	1,903,594
Net assets attributable to holders of redeemable units	6,118,870,647	5,990,064,658
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series A	908,784,909	1,042,706,530
Advisor Series	2,954,452	6,390,031
Series F	382,236	258,070
Series I	4,255,911,942	4,158,385,364
Series M	950,837,108	782,324,663
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series A	13.86	13.98
Advisor Series	13.84	13.95
Series F	13.83	13.95
Series I	13.79	13.91
Series M	13.80	13.91

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except per unit amounts)	2015	2014
INCOME		
Net gain (loss) on investments (note 2)		
Interest for distribution purposes	195,515,488	209,233,180
Net realized gain (loss) on non-derivative financial assets	104,460,507	(27,274,821)
Net realized gain (loss) on futures contracts	(44,233,253)	(55,355,429)
Change in unrealized gain (loss) on non-derivative financial assets	(79,116,157)	370,769,841
Change in unrealized gain (loss) on futures contracts	(39,426,090)	–
Net gain (loss) on investments	137,200,495	497,372,771
Securities lending	655,859	594,542
Net realized and unrealized gain(loss) on foreign exchange	(383,101)	423,239
Other income	9,326	20,447
Total income (loss)	137,482,579	498,410,999
EXPENSES		
Management fees (note 5)	12,892,555	14,734,222
Fixed administration fees and operating expense (note 6)	1,727,544	619,254
Independent Review Committee fees	402	12,499
Interest expense and bank overdraft charges	72,742	62,031
Audit fees	–	129,269
Custodian fees	–	59,123
Filing fees	–	54,180
Legal fees	–	19,632
Unitholder administration costs	–	818,104
Unitholder reporting costs	–	102,273
Other fund costs	7,692	–
Harmonized Sales Tax/Goods and Services Tax	1,617,947	1,788,300
Transaction costs	1,339,375	1,365,775
Total expenses	17,658,257	19,764,662
Expenses absorbed by the Manager	(7,460)	(1,724)
Net expenses	17,650,797	19,762,938
Increase (decrease) in net assets attributable to holders of redeemable units from operations	119,831,782	478,648,061
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A	8,443,038	78,408,117
Advisor Series	59,041	524,498
Series F	4,256	31,091
Series I	90,726,332	345,838,050
Series M	20,599,115	53,846,305
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT†		
Series A	0.12	0.95
Advisor Series	0.20	0.92
Series F	0.16	1.42
Series I	0.29	1.14
Series M	0.34	1.09
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series A	70,111,058	82,232,248
Advisor Series	297,837	567,850
Series F	26,973	21,843
Series I	308,220,936	303,695,255
Series M	59,983,262	49,556,096

† The increase (decrease) in net assets attributable to holders of redeemable units from operations 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 number of units per series.

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

Scotia Canadian Income Fund (Continued)

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the periods ended December 31 (note 1),

(in dollars)	2015	2014
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series A	1,042,706,530	1,294,398,167
Advisor Series	6,390,031	8,841,710
Series F	258,070	820,988
Series I	4,158,385,364	4,361,295,723
Series M	782,324,663	608,408,568
	5,990,064,658	6,273,765,156
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A	8,443,038	78,408,117
Advisor Series	59,041	524,498
Series F	4,256	31,091
Series I	90,726,332	345,838,050
Series M	20,599,115	53,846,305
	119,831,782	478,648,061
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net investment income		
Series A	(16,307,880)	(22,960,840)
Advisor Series	(60,392)	(144,589)
Series F	(8,973)	(7,117)
Series I	(133,580,716)	(145,896,788)
Series M	(25,209,446)	(23,233,332)
	(175,167,407)	(192,242,666)
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A	72,239,116	69,052,918
Advisor Series	45,851	69,253
Series F	249,539	174,149
Series I	483,517,571	710,541,334
Series M	548,500,599	309,311,121
Reinvested distributions		
Series A	15,902,431	22,368,334
Advisor Series	23,848	58,001
Series F	3,098	4,806
Series I	133,580,716	145,896,788
Series M	21,992,326	19,773,022
Payments on redemption		
Series A	(214,198,326)	(398,560,166)
Advisor Series	(3,503,927)	(2,958,842)
Series F	(123,754)	(765,847)
Series I	(476,717,325)	(1,259,289,743)
Series M	(397,370,149)	(185,781,021)
	184,141,614	(570,105,893)
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A	(133,921,621)	(251,691,637)
Advisor Series	(3,435,579)	(2,451,679)
Series F	124,166	(562,918)
Series I	97,526,578	(202,910,359)
Series M	168,512,445	173,916,095
	128,805,989	(283,700,498)
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series A	908,784,909	1,042,706,530
Advisor Series	2,954,452	6,390,031
Series F	382,236	258,070
Series I	4,255,911,942	4,158,385,364
Series M	950,837,108	782,324,663
	6,118,870,647	5,990,064,658

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	119,831,782	478,648,061
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(104,460,507)	27,274,821
Unrealized (gain) loss on foreign exchange of cash	(210,689)	(423,239)
Change in unrealized (gain) loss on non-derivative financial assets	79,116,157	(370,769,841)
Change in unrealized (gain) loss on futures contracts	39,426,090	–
Purchases of non-derivative financial assets	(3,177,416,406)	(2,155,000,870)
Proceeds from sale of non-derivative financial assets	3,005,862,358	2,856,688,023
Margin deposited on futures	(39,764,894)	(4,135,717)
Accrued investment income and other	(4,618,942)	(512,468)
Net cash provided by (used in) operating activities	(82,235,051)	831,768,770
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	1,104,419,675	1,090,274,194
Amounts paid on redemption of redeemable units	(1,092,746,358)	(1,847,855,924)
Distributions to unitholders of redeemable units	(3,664,844)	(4,141,718)
Net cash provided by (used in) financing activities	8,008,473	(761,723,448)
Unrealized gain (loss) on foreign exchange of cash	210,689	423,239
Net increase (decrease) in cash	(74,226,578)	70,045,323
Cash (bank overdraft), beginning of period	79,311,665	8,843,103
CASH (BANK OVERDRAFT), END OF PERIOD	5,295,776	79,311,665
Interest paid[1]	72,742	–
Interest received[1]	190,896,547	208,720,712

[1] Classified as operating items.

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

Scotia Canadian Income Fund (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2015

Face Value ($)	Issuer	Average Cost ($)	Carrying Value ($)
BONDS AND DEBENTURES – 99.1%			
Federal Bonds – 37.8%			
	Canada Housing Trust No. 1		
646,695,000	2.40% due Dec. 15, 2022	646,480,819	679,798,948
644,410,000	2.35% due Sep. 15, 2023	618,428,666	672,928,423
	Government of Canada		
833,200,000	1.00% due Aug. 1, 2016	837,035,647	835,703,622
50,165,000	1.50% due Feb. 1, 2017	50,725,667	50,717,218
51,325,000	5.75% due Jun. 1, 2033	79,753,388	79,367,576
		2,232,424,187	2,318,515,787
Provincial Bonds – 29.3%			
	Province of Alberta		
305,165,000	2.90% due Sep. 20, 2029	304,157,956	306,279,353
	Province of British Columbia		
32,185,000	5.70% due Jun. 18, 2029	41,910,789	43,118,911
	Province of Ontario		
23,440,000	4.40% due Jun. 2, 2019	24,985,965	26,002,831
801,235,000	6.50% due Mar. 8, 2029	1,121,764,405	1,129,259,925
211,155,000	5.60% due Jun. 2, 2035	304,725,980	287,063,001
		1,797,545,095	1,791,724,021
Municipal Bonds – 0.5%			
	Municipal Finance Authority of British Columbia		
26,075,000	4.60% due Apr. 23, 2018	27,078,864	28,218,349
Corporate Bonds – 30.2%			
	407 International Inc.		
15,000,000	4.30% due May 26, 2021	15,433,280	16,850,584
	AltaLink LP (callable)		
31,000,000	3.40% due Jun. 6, 2024-(Mar. 6, 2024)	31,000,000	32,762,929
	Anheuser-Busch InBev Finance Inc.		
45,000,000	2.38% due Jan. 25, 2018	44,783,100	45,525,398
	Bank of Montreal		
39,000,000	3.21% due Sep. 13, 2018	38,998,050	40,752,301
	Bank of Nova Scotia, The (callable)		
60,680,000	3.04% due Oct. 18, 2024-(2019)	60,680,000	62,612,065
40,000,000	2.58% due Mar. 30, 2027-(2022)	39,990,000	37,882,959
	Bell Canada		
55,500,000	3.35% due Jun. 18, 2019	55,855,910	57,920,314
19,975,000	4.70% due Sep. 11, 2023	19,954,426	22,071,978
	BRP Finance ULC		
44,000,000	5.14% due Oct. 13, 2020	44,687,049	48,824,690
	Canadian Imperial Bank of Commerce		
25,000,000	1.70% due Oct. 9, 2018	25,065,750	25,123,992
	Canadian National Railway Company (callable)		
20,000,000	3.95% due Sep. 22, 2045-(Mar. 22, 2045)	19,933,800	20,409,197
	Canadian Natural Resources Limited		
25,660,000	3.05% due Jun. 19, 2019	25,643,834	26,079,170
	Canadian Natural Resources Limited (callable)		
26,000,000	3.55% due Jun. 3, 2024-(Mar. 3, 2024)	25,904,580	25,617,492
	Caterpillar Financial Services Limited		
55,455,000	2.63% due Jun. 1, 2017	55,442,245	56,429,902
	CIBC Capital Trust (callable)		
29,630,000	9.98% due Jun. 30, 2108-(2019)	38,694,080	36,596,133
	CU Inc.		
27,750,000	4.80% due Nov. 22, 2021	28,864,916	32,009,952
	Finning International Inc.		
20,000,000	6.02% due Jun. 1, 2018	23,251,491	21,958,815
	GE Capital Canada Funding Company		
56,915,000	5.73% due Oct. 22, 2037	60,089,423	72,325,006
	Genesis Trust II		
40,000,000	2.30% due Feb. 15, 2017	40,000,000	40,490,595
18,855,000	1.68% due Sep. 17, 2018	18,855,000	18,913,075
25,000,000	1.70% due Apr. 15, 2020	25,000,000	24,869,106
	Great-West Lifeco Inc.		
38,790,000	6.67% due Mar. 21, 2033	42,165,238	51,145,131
	Greater Toronto Airports Authority		
23,000,000	3.04% due Sep. 21, 2022	22,997,930	24,554,721
31,435,000	7.10% due Jun. 4, 2031	35,312,870	44,662,393
	HSBC Bank of Canada		
44,000,000	2.94% due Jan. 14, 2020	44,000,000	45,444,659
	Husky Energy Inc.		
24,000,000	5.00% due Mar. 12, 2020	24,999,613	26,268,669
	Husky Energy Inc. (callable)		
36,000,000	3.55% due Mar. 12, 2025-(Dec. 12, 2024)	35,888,760	34,816,161
	Hydro-Quebec		
69,350,000	11.00% due Aug. 15, 2020	110,228,464	98,970,493
	International Business Machines Corporation		
38,000,000	2.20% due Feb. 10, 2017	37,916,797	38,357,442
	John Deere Canada Funding Inc.		
20,000,000	1.95% due Apr. 12, 2017	19,986,200	20,162,319
24,900,000	2.05% due May 13, 2022	24,880,080	24,521,310
	John Deere Credit Inc.		
24,000,000	2.30% due Jul. 5, 2016	23,994,480	24,150,396
	Master Credit Card Trust		
50,770,000	2.72% due Nov. 21, 2018	50,770,000	52,456,589
	NAV Canada		
54,000,000	5.30% due Apr. 17, 2019	58,145,760	60,828,171
	Rogers Communications Inc.		
55,000,000	4.00% due Jun. 6, 2022	54,780,000	58,533,549
	Royal Bank of Canada		
59,755,000	1.97% due Mar. 2, 2022	59,755,000	58,534,828
	Royal Bank of Canada (callable)		
25,700,000	2.48% due Jun. 4, 2025-(2020)	25,695,117	25,055,523
	Suncor Energy, Inc.		
39,785,000	5.80% due May 22, 2018	41,963,644	43,461,640
	TELUS Corporation (callable)		
41,465,000	3.35% due Apr. 1, 2024-(Jan. 2, 2024)	41,057,823	41,653,600
30,000,000	3.75% due Mar. 10, 2026-(Dec. 10, 2025)	30,028,200	30,231,387
	Teranet Holdings LP		
45,500,000	5.75% due Dec. 17, 2040	46,170,815	49,573,292
	Thomson Reuters Corporation		
24,600,000	4.35% due Sep. 30, 2020	24,518,430	26,621,590
	Toronto Hydro Corporation		
22,000,000	3.54% due Nov. 18, 2021	22,062,673	23,972,800
	Toronto-Dominion Bank, The		
60,000,000	3.23% due Jul. 24, 2024	60,661,310	62,656,243
	VW Credit Canada Inc.		
27,000,000	2.15% due Jun. 24, 2020	26,951,670	25,793,853
37,060,000	2.45% due Nov. 14, 2017	36,994,033	36,834,703
	Wells Fargo Financial Canada Corporation		
49,280,000	2.94% due Jul. 25, 2019	49,280,000	51,418,225
		1,789,331,841	1,846,705,340
Mortgage-Backed Securities – 1.3%			
	Real Estate Asset Liquidity Trust		
35,845,000	4.78% due Mar. 12, 2017	36,680,249	37,127,887
	Schooner Trust		
38,640,000	5.19% due Jun. 12, 2022	39,554,825	40,348,079
		76,235,074	77,475,966
	TOTAL INVESTMENT PORTFOLIO	5,922,615,061	6,062,639,463
	Futures Contracts – (0.6)%		(39,426,090)
	OTHER ASSETS, LESS LIABILITIES – 1.5%		95,657,274
	NET ASSETS – 100.0%		6,118,870,647

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

Scotia Canadian Income Fund (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

Expiry Date	Number of Contracts	Futures Contracts	Counterparty	Credit Risk	Contractual Value Canadian ($)	Fair Value Canadian ($)	Appreciation/ (Depreciation) ($)
BOND FUTURES CONTRACTS							
Mar. 2016	8,500	U.S. Treasury Long Bond Futures	BMO	AA	1,822,196,614	1,807,397,624	(14,798,990)
Mar. 2016	1,650	10-Year U.S. Treasury Note Futures	BMO	AA	287,115,542	287,310,098	194,556
Mar. 2016	(10,755)	Canada 10 Year Bond Future	BMO	AA	(1,491,525,794)	(1,516,347,450)	(24,821,656)
							(39,426,090)

The above bond futures contracts are financial agreements to purchase/sell the bond at a contracted price on a specific future date.

However, the Fund does not intend to purchase/sell the bond on settlement. Rather, it intends to close out each bond futures contracts before settlement by entering into equal, but offsetting bond futures contracts.

With respect to the above future contracts, $106,250,000 of the December 15, 2022 Canada Housing Trust No.1 2.4% is held on margin.

Scotia Canadian Income Fund

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

1. The Fund (note 1)

The Fund's investment objective is to provide a high level of regular interest income and modest capital gains. It invests primarily in:

- bonds and treasury bills issued by Canadian federal, provincial and municipal governments and Canadian corporations
- money market instruments issued by Canadian corporations. These include commercial paper, bankers' acceptances, mortgage-backed securities and guaranteed investment certificates
- high-quality dividend-paying 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 (earlier of maturity date or interest reset date) of the Fund's portfolio, excluding cash, money market instruments, underlying funds, preferred shares and overdrafts, as applicable.

Interest rate exposure	December 31, 2015 ($)	December 31, 2014 ($)
Less than 1 year	859,854,020	229,481,543
1-3 years	596,878,303	816,450,234
3-5 years	643,305,496	615,520,304
5-10 years	1,849,166,476	2,180,866,331
> 10 years	2,113,435,168	2,023,422,652
	6,062,639,463	5,865,741,064

As at December 31, 2015, 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 $98,107,849 or approximately 1.6% (December 31, 2014 – $103,047,130 or approximately 1.7%). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

ii) Currency risk

The table below indicates the currencies to which the Fund had significant exposure, net of the impact of currency forward contracts and currency spot contracts, if any, based on the monetary and non-monetary assets and liabilities of the Fund. The tables also illustrate the potential impact on the Fund if the functional currency of the Fund had strengthened or weakened by 10% in relation to each of the other currencies, with all other variables held constant.

	December 31, 2015			
Currency	Net currency exposure ($)	Percentage of net assets (%)	Impact on the Fund ($)	Percentage of net assets (%)
US Dollar	(49,601,934)	(0.8)	(4,960,193)	(0.1)
	(49,601,934)	(0.8)	(4,960,193)	(0.1)

The Fund did not have significant currency risk exposure as at December 31, 2014.

iii) Price risk

The Fund did not have significant price risk exposure to equities, derivatives or commodities, if applicable, as at December 31, 2015 or, 2014.

iv) Credit risk

The table below summarizes the credit ratings of the bonds and debentures, excluding cash and money market instruments but including preferred shares and derivatives, as applicable, held by the Fund.

	December 31, 2015		December 31, 2014	
	Percentage of total bonds and debentures (%)	Percentage of net assets (%)	Percentage of total bonds and debentures (%)	Percentage of net assets (%)
Credit ratings				
AAA	47.3	46.9	55.3	54.1
AA	31.1	30.8	24.0	23.5
A	16.5	16.4	16.0	15.7
BBB	5.1	5.0	4.7	4.6
	100.0	99.1	100.0	97.9

v) Liquidity risk

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

	December 31, 2015		December 31, 2014	
	On demand ($)	Less than 3 months ($)	On demand ($)	Less than 3 months ($)
Current liabilities	–	1,070,766	–	1,903,594
Liability for written options	–	–	–	–
Unrealized loss on derivatives	–	39,426,090	–	76,447
Redeemable units	6,118,870,647	–	5,990,064,658	–
	6,118,870,647	40,496,856	5,990,064,658	1,980,041

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.

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

vi) Concentration risk

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

	Percentage of net assets (%)	
	December 31, 2015	December 31, 2014
Corporate Bonds	30.2	29.4
Federal Bonds	37.8	47.5
Mortgage-Backed Securities	1.3	3.3
Municipal Bonds	0.5	0.5
Provincial Bonds	29.3	17.2

vii) Fair value classification (note 2)

The tables below illustrate the classification of the Fund's financial instruments within the fair value hierarchy.

December 31, 2015	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Bonds and debentures	–	6,062,639,463	–	6,062,639,463
Futures contracts–assets	194,556	–	–	194,556
	194,556	6,062,639,463	–	6,062,834,019
Futures contracts–liabilities	(39,620,646)	–	–	(39,620,646)
	(39,426,090)	6,062,639,463	–	6,023,213,373

December 31, 2014	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Bonds and debentures	–	5,865,741,064	–	5,865,741,064
Futures contracts–assets	148,689	–	–	148,689
	148,689	5,865,741,064	–	5,865,889,753
Futures contracts–liabilities	(32,188,001)	–	–	(32,188,001)
	(32,039,312)	5,865,741,064	–	5,833,701,752

Transfers between levels

During the periods ended December 31, 2015 and 2014, there were no significant transfers between Level 1 and Level 2.

3. Offsetting of financial assets and liabilities (note 2)

As at December 31, 2015 or December 31, 2014, the Fund did not enter into any agreement whereby the financial instruments were eligible for offset.

4. Interest in Underlying Funds (note 2)

The Fund did not hold any interest in Underlying Funds as at December 31, 2015 or December 31, 2014.

5. Comparison of net asset value per unit and net assets per unit (note 2)

The table below provides a comparison of the net asset value per unit and net assets per unit. The primary reason for the difference between the net asset value per unit and net assets per unit, if any, is described in note 2.

	December 31, 2015		December 31, 2014	
	Net asset value per unit ($)	Net assets per unit ($)	Net asset value per unit ($)	Net assets per unit ($)
Series A	13.86	13.86	13.98	13.98
Advisor Series	13.84	13.84	13.95	13.95
Series F	13.83	13.83	13.95	13.95
Series I	13.79	13.79	13.91	13.91
Series M	13.80	13.80	13.91	13.91

Scotia Private Canadian Corporate Bond Pool

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars except per unit amounts)	December 31, 2015	December 31, 2014
ASSETS		
Current assets		
Investments		
Non-derivative financial assets	5,044,385,433	4,092,869,215
Cash	13,591,640	11,988,227
Margin deposited on futures	30,831,546	7,610,224
Subscriptions receivable	3,844,407	3,679,375
Accrued investment income and other	36,965,509	29,297,814
	5,129,618,535	4,145,444,855
LIABILITIES		
Current liabilities		
Redemptions payable	2,277,517	1,765,273
Unrealized loss on futures contracts	18,935,044	–
	21,212,561	1,765,273
Net assets attributable to holders of redeemable units	5,108,405,974	4,143,679,582
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series I	2,783,054,165	1,871,893,210
Series M	2,325,351,809	2,271,786,372
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series I	10.78	10.84
Series M	10.78	10.84

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except per unit amounts)	2015	2014
INCOME		
Net gain (loss) on investments (note 2)		
Dividends	1,278,737	12,500
Interest for distribution purposes	159,280,803	137,072,610
Net realized gain (loss) on non-derivative financial assets	44,502,401	26,949,425
Net realized gain (loss) on futures contracts	(3,643,838)	(22,495,315)
Change in unrealized gain (loss) on non-derivative financial assets	(47,166,382)	85,874,471
Change in unrealized gain (loss) on futures contracts	(18,935,043)	–
Net gain (loss) on investments	135,316,678	227,413,691
Securities lending	116,165	85,204
Net realized and unrealized gain(loss) on foreign exchange	(70,105)	143,671
Total income (loss)	135,362,738	227,642,566
EXPENSES		
Management fees (note 5)	1,605,532	1,404,916
Fixed administration fees (note 6)	937,962	285,474
Independent Review Committee fees	181	7,437
Interest expense and bank overdraft charges	16,706	3,923
Audit fees	–	78,042
Custodian fees	–	31,600
Filing fees	–	(3,863)
Legal fees	–	11,367
Unitholder administration costs	–	273,030
Unitholder reporting costs	–	22,002
Other fund costs	6,419	–
Harmonized Sales Tax/Goods and Services Tax	266,485	201,234
Transaction costs	239,679	227,105
Total expenses	3,072,964	2,542,267
Expenses absorbed by the Manager	–	(1,160)
Net expenses	3,072,964	2,541,107
Increase (decrease) in net assets attributable to holders of redeemable units from operations	132,289,774	225,101,459
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series I	64,302,452	101,322,940
Series M	67,987,322	123,778,519
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT†		
Series I	0.29	0.65
Series M	0.32	0.66
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series I	219,491,268	156,556,211
Series M	209,640,919	186,470,808

† The increase (decrease) in net assets attributable to holders of redeemable units from operations 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 number of units per series.

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

Scotia Private Canadian Corporate Bond Pool (Continued)

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the periods ended December 31 (note 1),

(in dollars)	2015	2014
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series I	1,871,893,210	1,356,859,788
Series M	2,271,786,372	1,931,974,119
	4,143,679,582	3,288,833,907
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series I	64,302,452	101,322,940
Series M	67,987,322	123,778,519
	132,289,774	225,101,459
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net investment income		
Series I	(84,118,003)	(61,597,081)
Series M	(79,076,514)	(72,329,321)
From net realized gains on investments		
Series I	(2,036,672)	–
Series M	(1,699,597)	–
	(166,930,786)	(133,926,402)
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series I	925,290,148	617,306,114
Series M	583,364,477	729,309,217
Reinvested distributions		
Series I	86,154,675	61,597,081
Series M	68,081,738	60,153,344
Payments on redemption		
Series I	(78,431,645)	(203,595,632)
Series M	(585,091,989)	(501,099,506)
	999,367,404	763,670,618
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series I	911,160,955	515,033,422
Series M	53,565,437	339,812,253
	964,726,392	854,845,675
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series I	2,783,054,165	1,871,893,210
Series M	2,325,351,809	2,271,786,372
	5,108,405,974	4,143,679,582

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	132,289,774	225,101,459
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(44,502,401)	(26,949,425)
Unrealized (gain) loss on foreign exchange of cash	21,890	(143,671)
Change in unrealized (gain) loss on non-derivative financial assets	47,166,382	(85,874,471)
Change in unrealized (gain) loss on futures contracts	18,935,043	–
Purchases of non-derivative financial assets	(3,071,026,012)	(2,207,653,726)
Proceeds from sale of non-derivative financial assets	2,116,786,414	1,479,352,091
Transaction costs	59,400	2,000
Margin deposited on futures	(23,221,322)	(4,447,724)
Accrued investment income and other	(7,667,695)	(3,667,189)
Net cash provided by (used in) operating activities	(831,158,527)	(624,280,656)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	1,508,489,593	1,344,439,521
Amounts paid on redemption of redeemable units	(663,011,390)	(706,315,327)
Distributions to unitholders of redeemable units	(12,694,373)	(12,175,977)
Net cash provided by (used in) financing activities	832,783,830	625,948,217
Unrealized gain (loss) on foreign exchange of cash	(21,890)	143,671
Net increase (decrease) in cash	1,625,303	1,667,561
Cash (bank overdraft), beginning of period	11,988,227	10,176,995
CASH (BANK OVERDRAFT), END OF PERIOD	13,591,640	11,988,227
Interest paid[1]	16,706	–
Interest received[1]	151,736,857	133,405,421
Dividends received, net of withholding taxes[1]	1,154,987	12,500

[1] Classified as operating items.

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

Scotia Private Canadian Corporate Bond Pool (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2015

Number of Shares/ Face Value ($)	Issuer	Average Cost ($)	Carrying Value ($)
EQUITIES – 1.2%			
550,000	Bank of Montreal, 3.80%, Preferred, Series 33	13,532,416	11,885,500
550,000	Canadian Imperial Bank of Commerce, 3.60%, Preferred, Series 43	12,917,755	11,412,500
400,000	Royal Bank of Canada, 3.60%, Preferred, Series BD	10,045,029	8,300,000
400,000	Royal Bank of Canada, 3.60%, Preferred, Series BF	9,296,903	8,256,000
475,000	Royal Bank of Canada, 5.50%, Preferred, Series BK	11,875,000	12,250,250
510,000	Toronto-Dominion Bank, The, 3.60%, Preferred, Series 7	11,895,543	10,801,800
		69,562,646	62,906,050
BONDS AND DEBENTURES – 97.5%			
Federal Bonds – 5.1%			
	Canada Housing Trust No. 1		
250,000,000	2.55% due Mar. 15, 2025	261,052,191	262,547,690
Corporate Bonds – 91.4%			
	Caterpillar Financial Services Ltd.		
50,000,000	1.75% due Jun. 3, 2019	50,061,900	49,990,020
	407 International Inc. (callable)		
46,000,000	3.35% due May 16, 2024-(Feb. 16, 2024)	46,419,200	49,371,115
	AltaGas Ltd. (callable)		
50,000,000	3.84% due Jan. 15, 2025-(Oct. 15, 2024)	49,985,500	49,678,058
	AltaLink LP (callable)		
60,000,000	3.40% due Jun. 6, 2024-(Mar. 6, 2024)	60,000,000	63,412,121
	Anheuser-Busch InBev Finance Inc.		
75,000,000	2.38% due Jan. 25, 2018	74,832,300	75,875,664
	Bank of Montreal		
90,000,000	2.10% due Oct. 6, 2020	89,971,500	90,557,728
52,500,000	2.12% due Mar. 16, 2022	52,428,000	51,980,643
	Bank of Montreal (callable)		
38,000,000	3.34% due Dec. 8, 2025-(2020)	37,985,940	38,329,183
	Bank of Montreal Capital Trust II (callable)		
30,000,000	10.22% due Dec. 31, 2018-(2107)	40,274,006	36,792,386
	Bank of Nova Scotia, The (callable)		
80,000,000	3.04% due Oct. 18, 2024-(2019)	80,000,000	82,547,218
96,000,000	2.58% due Mar. 30, 2027-(2022)	94,904,760	90,919,102
	Bell Canada		
60,000,000	3.25% due Jun. 17, 2020	59,924,680	62,599,148
45,000,000	4.70% due Sep. 11, 2023	47,297,500	49,724,105
	Brookfield Renewable Energy Partners (callable)		
45,000,000	3.75% due Jun. 2, 2025-(Mar. 2, 2025)	44,616,400	44,671,643
	BRP Finance ULC		
47,000,000	5.14% due Oct. 13, 2020	47,055,200	52,153,646
	Calloway Real Estate Investment Trust		
30,000,000	3.75% due Feb. 11, 2021	30,023,700	31,421,393
	Canadian Imperial Bank of Commerce		
62,000,000	1.85% due Jul. 14, 2020	61,880,860	61,925,345
	Canadian Imperial Bank of Commerce (callable)		
30,500,000	3.00% due Oct. 28, 2024-(2019)	30,492,985	30,590,438
	Canadian National Railway Company (callable)		
85,000,000	2.80% due Sep. 22, 2025-(Jun. 22, 2025)	84,728,000	85,991,943
	Canadian Natural Resources Limited		
37,500,000	3.05% due Jun. 19, 2019	37,648,157	38,112,584
	Canadian Natural Resources Limited (callable)		
39,000,000	3.55% due Jun. 3, 2024-(Mar. 3, 2024)	38,856,870	38,426,238
	Canadian Pacific Railway Company		
22,000,000	6.25% due Jun. 1, 2018	21,882,571	24,295,771
	CIBC Capital Trust (callable)		
65,000,000	9.98% due Jun. 30, 2108-(2019)	75,666,317	80,281,764
	Corus Entertainment Inc.		
17,000,000	4.25% due Feb. 11, 2020	16,974,815	15,811,417
	Enbridge Gas Distribution Inc.		
66,000,000	4.04% due Nov. 23, 2020	69,089,923	72,067,525
35,000,000	3.15% due Aug. 22, 2024	34,901,650	35,807,521

Face Value ($)	Issuer	Average Cost ($)	Carrying Value ($)
BONDS AND DEBENTURES (cont'd)			
Corporate Bonds (cont'd)			
	Enbridge Pipelines Inc.		
41,000,000	4.45% due Apr. 6, 2020	46,269,830	44,607,278
32,000,000	3.79% due Aug. 17, 2023	32,890,360	33,582,984
	Finning International Inc.		
46,000,000	6.02% due Jun. 1, 2018	47,960,776	50,505,275
	First Capital Realty Inc.		
43,000,000	3.90% due Oct. 30, 2023	43,459,600	44,688,757
51,000,000	4.79% due Aug. 30, 2024	54,566,660	55,810,596
	Ford Credit Canada Limited		
15,000,000	3.70% due Aug. 2, 2018	14,997,579	15,523,382
35,000,000	3.28% due Jul. 2, 2021	35,000,000	35,426,199
	Ford Credit Canada Ltd.		
65,000,000	2.45% due May 7, 2020	65,000,000	64,218,363
20,000,000	2.92% due Sep. 16, 2020	20,000,000	20,072,108
	General Electric Capital Corporation		
45,000,000	2.42% due May 31, 2018	44,815,623	46,040,057
30,000,000	4.60% due Jan. 26, 2022	30,631,618	33,973,603
	Genesis Trust II		
50,000,000	1.70% due Apr. 15, 2020	50,000,000	49,738,212
	Great-West Lifeco Inc.		
48,000,000	4.65% due Aug. 13, 2020	50,168,150	53,843,725
	Greater Toronto Airports Authority		
75,000,000	5.96% due Nov. 20, 2019	85,879,750	87,814,370
	Honda Canada Finance Inc.		
25,000,000	2.28% due Dec. 11, 2017	25,000,000	25,380,460
	HSBC Bank of Canada		
56,000,000	2.94% due Jan. 14, 2020	56,000,000	57,838,656
40,000,000	2.91% due Sep. 29, 2021	40,365,200	40,872,354
	Husky Energy Inc.		
40,000,000	5.00% due Mar. 12, 2020	42,339,092	43,781,115
	Husky Energy Inc. (callable)		
60,000,000	3.55% due Mar. 12, 2025-(Dec. 12, 2024)	59,814,600	58,026,934
	Inter Pipeline Fund		
57,000,000	3.45% due Jul. 20, 2020	56,818,210	59,723,485
	International Business Machines Corporation		
55,000,000	2.20% due Feb. 10, 2017	55,279,475	55,517,351
	John Deere Canada Funding Inc.		
60,000,000	2.05% due Sep. 17, 2020	59,960,400	60,203,331
40,000,000	2.05% due May 13, 2022	39,968,000	39,391,662
	JPMorgan Chase & Co.		
50,500,000	3.19% due Mar. 5, 2021	50,754,940	52,720,675
	Loblaw Companies Limited		
60,000,000	3.75% due Mar. 12, 2019	60,000,000	63,484,586
	Loblaw Companies Limited (callable)		
36,000,000	4.86% due Sep. 12, 2023-(Jun. 12, 2023)	40,374,360	40,473,472
	Manufacturers Life Insurance Company, The (callable)		
60,000,000	3.18% due Nov. 22, 2027-(2022)	60,000,000	60,923,694
	Master Credit Card Trust		
62,000,000	2.72% due Nov. 21, 2018	63,315,424	64,059,651
	Morgan Stanley		
60,000,000	3.13% due Aug. 5, 2021	60,599,000	61,957,942
	National Bank of Canada		
55,000,000	2.79% due Aug. 9, 2018	56,133,100	56,775,078
25,000,000	2.40% due Oct. 28, 2019	25,000,000	25,547,824
30,000,000	1.74% due Mar. 3, 2020	30,000,000	29,816,945
	NAV Canada		
47,000,000	5.30% due Apr. 17, 2019	52,269,387	52,943,038
34,000,000	4.40% due Feb. 18, 2021	35,156,180	38,590,142
	North West Redwater Partnership (callable)		
17,000,000	3.20% due Jul. 22, 2024-(Apr. 23, 2024)	17,076,970	17,484,319
	North West Redwater Partnership / NWR Financing Co Ltd (callable)		
80,000,000	3.20% due Apr. 24, 2026-(Jan. 24, 2026)	79,829,600	80,385,199

For equities, all common shares unless otherwise noted.

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

Scotia Private Canadian Corporate Bond Pool (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

Face Value ($)	Issuer	Average Cost ($)	Carrying Value ($)
BONDS AND DEBENTURES (cont'd)			
Corporate Bonds (cont'd)			
	RioCan Real Estate Investment Trust		
20,000,000	3.75% due May 30, 2022	20,000,000	20,825,247
56,500,000	3.29% due Feb. 12, 2024	56,447,075	55,987,457
	Rogers Communications Inc.		
68,000,000	5.34% due Mar. 22, 2021	71,400,500	77,036,611
27,500,000	4.00% due Jun. 6, 2022	27,434,150	29,266,775
	Royal Bank of Canada (callable)		
75,000,000	2.99% due Dec. 6, 2024-(2019)	75,230,426	77,391,041
	Royal Bank of Canada		
48,000,000	1.97% due Mar. 2, 2022	48,000,000	47,019,860
	Royal Bank of Canada (callable)		
110,000,000	2.48% due Jun.4,2025-(2020)	109,602,298	107,241,540
	Scotiabank Tier I Trust (callable)		
41,500,000	7.80% due Jun. 30, 2108-(2019)	46,270,484	48,764,421
	Shaw Communications Inc.		
50,000,000	5.65% due Oct. 1, 2019	50,173,826	55,569,396
27,000,000	4.35% due Jan. 31, 2024	28,091,210	28,267,379
	Sobeys Inc.		
38,000,000	3.52% due Aug. 8, 2018	37,984,420	39,374,149
	Suncor Energy, Inc.		
51,000,000	5.80% due May 22, 2018	53,759,724	55,713,045
	Suncor Energy, Inc. (callable)		
40,000,000	3.10% due Nov. 26, 2021-(Oct. 26, 2021)	39,921,150	41,111,212
	TELUS Corporation (callable)		
30,000,000	3.35% due Mar. 15, 2023-(Dec. 15, 2022)	29,964,900	30,606,006
60,000,000	3.35% due Apr. 1, 2024-(Jan. 2, 2024)	59,488,100	60,272,902
62,000,000	3.75% due Mar. 10, 2026-(Dec. 10, 2025)	61,512,680	62,478,197
	Teranet Holdings LP		
25,000,000	4.81% due Dec. 16, 2020	24,971,297	27,459,191
	Teranet Holdings LP (callable)		
25,000,000	3.65% due Nov. 18, 2022-(Oct. 18, 2022)	25,000,000	25,455,024
	Thomson Reuters Corporation		
60,500,000	4.35% due Sep. 30, 2020	64,134,120	65,471,795
	Toronto Hydro Corporation		
25,000,000	3.54% due Nov. 18, 2021	25,220,557	27,241,818
	Toronto Hydro Corporation (callable)		
25,000,000	2.91% due Apr. 10, 2023-(Jan. 10, 2023)	24,169,750	26,085,830
	Toronto-Dominion Bank, The		
70,000,000	2.62% due Dec. 22, 2021	70,684,839	71,535,118
125,000,000	3.23% due Jul. 24, 2024	128,306,550	130,533,837
	Toronto-Dominion Bank, The (callable)		
40,000,000	2.98% due Sep. 30, 2025-(2020)	40,000,000	39,792,791
	Toyota Credit Canada Inc.		
35,000,000	2.05% due May 20, 2020	34,993,350	35,288,076
	TransCanada PipeLines Ltd (callable)		
75,000,000	3.30% due Jul. 17, 2025-(Apr. 17, 2025)	74,904,750	75,844,280
	VW Credit Canada Inc.		
62,500,000	2.15% due Jun. 24, 2020	62,388,125	59,707,993
	Wells Fargo & Company		
50,000,000	3.87% due May 21, 2025	50,115,350	51,736,787
	Wells Fargo Financial Canada Corporation		
67,500,000	3.04% due Jan. 29, 2021	68,024,465	70,736,232
		4,573,790,714	4,668,890,551
Mortgage-backed Securities – 1.0%			
	Institutional Mortgage Securities Canada Inc.		
25,000,000	3.33% due Dec. 12, 2022	25,000,000	26,024,428
	Schooner Trust		
23,000,000	5.19% due Jun. 12, 2022	22,798,963	24,016,714
		47,798,963	50,041,142
	TOTAL INVESTMENT PORTFOLIO	4,952,204,514	5,044,385,433
	Futures Contracts – (0.3%)		(18,935,044)
	OTHER ASSETS, LESS LIABILITIES – 1.6%		82,955,585
	NET ASSETS – 100.0%		5,108,405,974

Expiry Date	Number of Contracts	Futures Contracts	Counterparty	Credit Risk	Contractual Value Canadian ($)	Fair Value Canadian ($)	Appreciation/ (Depreciation) ($)
BOND FUTURES CONTRACTS							
Mar. 2016	4,800	10-Year U.S. Treasury Note Futures	BMO	AA	838,692,222	835,811,194	(2,881,028)
Mar. 2016	(6,000)	Canada 10 Year Bond Future	BMO	AA	(829,885,984)	(845,940,000)	(16,054,016)
							(18,935,044)

The above bond futures contracts are financial agreements to purchase/sell the bond at a contracted price on a specific future date.

However, the Fund does not intend to purchase/sell the bond on settlement. Rather, it intends to close out each bond futures contracts before settlement by entering into equal, but offsetting bond futures contracts.

With respect to the above future contracts, $11,700,000 of the March 15, 2025 Canada Housing Trust No.1 2.55% is held on margin.

Scotia Private Canadian Corporate Bond Pool

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

1. The Fund (note 1)

The Fund's investment objective to provide a high level of regular interest income and modest capital gains. It invests primarily in bonds issued by Canadian corporations. The Fund can also invest up to 30% in foreign 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 (earlier of maturity date or interest reset date) of the Fund's portfolio, excluding cash, money market instruments, underlying funds, preferred shares and overdrafts, as applicable.

Interest Rate Exposure	December 31, 2015 ($)	December 31, 2014 ($)
Less than 1 year	–	–
1-3 years	533,076,599	526,744,641
3-5 years	1,863,955,702	1,376,370,006
5-10 years	2,380,659,989	2,122,176,576
> 10 years	203,787,093	66,298,242
	4,981,479,383	4,091,589,465

As at December 31, 2015, 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 $63,092,354 or approximately 1.2% (December 31, 2014 – $51,197,736 or approximately 1.2%).

ii) Currency risk

The tables below indicate the currencies to which the Fund had significant exposure, net of the impact of currency forward contracts and currency spot contracts, if any, based on the monetary and non-monetary assets and liabilities of the Fund. The tables also illustrate the potential impact on the Fund if the functional currency of the Fund had strengthened or weakened by 10% in relation to each of the other currencies, with all other variables held constant.

	December 31, 2015			
Currency	Net currency exposure ($)	Percentage of net assets (%)	Impact on the Fund ($)	Percentage of net assets (%)
US Dollar	(11,576,586)	(0.2)	(1,157,659)	(0.0)
	(11,576,586)	(0.2)	(1,157,659)	(0.0)

	December 31, 2014			
Currency	Net currency exposure ($)	Percentage of net assets (%)	Impact on the Fund ($)	Percentage of net assets (%)
US Dollar	(397,930)	(0.0)	(39,793)	(0.0)
	(397,930)	(0.0)	(39,793)	(0.0)

iii) Price risk

Price risk is the risk that the carrying 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 price risk is mainly in equities, derivatives and commodities, if applicable. As at December 31, 2015, approximately 1.2% (December 31, 2014 – nil) of the Fund's net assets were exposed to price risk. If prices of these investments had decreased or increased by 10%, with all other variables held constant, net assets of the Fund would have decreased or increased, respectively, by approximately $6,290,605 (December 31, 2014 – nil). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

iv) Credit risk

The table below summarizes the credit ratings of the bonds and debentures, excluding cash and money market instruments but including preferred shares and derivatives, as applicable, held by the Fund.

	December 31, 2015		December 31, 2014	
	Percentage of total bonds and debentures (%)	Percentage of net assets (%)	Percentage of total bonds and debentures (%)	Percentage of net assets (%)
Credit Ratings				
AAA	8.5	8.3	14.8	14.7
AA	21.7	21.4	24.7	24.4
A	44.6	44.1	38.2	37.8
BBB	24.9	24.6	21.7	21.3
BB	0.3	0.3	0.6	0.6
	100.0	98.7	100.0	98.8

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

v) Liquidity risk

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

	December 31, 2015		December 31, 2014	
	On demand ($)	Less than 3 months ($)	On demand ($)	Less than 3 months ($)
Current liabilities	–	2,277,517	–	1,765,273
Liability for written options	–	–	–	–
Unrealized loss on derivatives	–	18,935,044	–	–
Redeemable units	5,108,405,974	–	4,143,679,582	–
	5,108,405,974	21,212,561	4,143,679,582	1,765,273

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, geographical location, asset type or industry sector, as applicable. The table below is a summary of the Fund's concentration risk:

	Percentage of net assets (%)	
	December 31, 2015	December 31, 2014
Corporate Bonds	91.4	87.4
Federal Bonds	5.1	8.8
Financials	1.2	0.0
Mortgage-Backed Securities	1.0	2.6

vii) Fair value classification (note 2)

The tables below illustrate the classification of the Fund's financial instruments within the fair value hierarchy.

December 31, 2015	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Equities	62,906,050	–	–	62,906,050
Bonds and debentures	–	4,981,479,383	–	4,981,479,383
	62,906,050	4,981,479,383	–	5,044,385,433
Futures contracts–liabilities	(18,935,044)	–	–	(18,935,044)
	43,971,006	4,981,479,383	–	5,025,450,389

December 31, 2014	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Equities	1,279,750	–	–	1,279,750
Bonds and debentures	–	4,091,589,465	–	4,091,589,465
	1,279,750	4,091,589,465	–	4,092,869,215
Futures contracts–liabilities	(3,687,524)	–	–	(3,687,524)
	(2,407,774)	4,091,589,465	–	4,089,181,691

Transfers between levels

During the periods ended December 31, 2015 and 2014, there were no significant transfers between Level 1 and Level 2.

3. Offsetting of financial assets and liabilities (note 2)

As at December 31, 2015 or December 31, 2014, the Fund did not enter into any agreement whereby the financial instruments were eligible for offset.

4. Interest in Underlying Funds (note 2)

The Fund did not hold any interests in Underlying Funds as at December 31, 2015 and December 31, 2014.

5. Comparison of net asset value per unit and net assets per unit (note 2)

The table below provides a comparison of the net asset value per unit and net assets per unit. The primary reason for the difference between the net asset value per unit and net assets per unit, if any, is described in note 2.

	December 31, 2015		December 31, 2014	
	Net asset value per unit ($)	Net assets per unit ($)	Net asset value per unit ($)	Net assets per unit ($)
Series I	10.78	10.78	10.84	10.84
Series M	10.78	10.78	10.84	10.84

Scotia U.S. $ Bond Fund

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars except per unit amounts)	December 31, 2015	December 31, 2014
	U.S.$	U.S.$
ASSETS		
Current assets		
Investments		
Non-derivative financial assets	61,638,523	82,231,811
Cash	882,795	18,890
Subscriptions receivable	6,450	127,850
Accrued investment income and other	335,412	493,118
	62,863,180	82,871,669
LIABILITIES		
Current liabilities		
Redemptions payable	26,038	217,846
Distributions payable	5	12
	26,043	217,858
Net assets attributable to holders of redeemable units	62,837,137	82,653,811
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series A	62,286,574	82,361,099
Series F	550,563	292,712
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series A	11.11	11.34
Series F	11.09	11.33

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except per unit amounts)	2015	2014
	U.S.$	U.S.$
INCOME		
Net gain (loss) on investments (note 2)		
Interest for distribution purposes	1,591,129	1,929,697
Net realized gain (loss) on non-derivative financial assets	(345,856)	(368,214)
Net realized gain (loss) on futures contracts	–	45,477
Change in unrealized gain (loss) on non-derivative financial assets	(1,041,186)	4,108,664
Net gain (loss) on investments	204,087	5,715,624
Securities lending	1,047	1,465
Other income	112	200
Total income (loss)	205,246	5,717,289
EXPENSES		
Management fees (note 5)	1,086,234	1,337,574
Fixed administration fees (note 6)	43,730	18,482
Independent Review Committee fees	1,510	197
Interest expense and bank overdraft charges	555	139
Audit fees	–	1,950
Custodian fees	–	1,884
Filing fees	–	13,635
Legal fees	–	302
Unitholder administration costs	–	25,317
Unitholder reporting costs	–	7,367
Other fund costs	111	–
Harmonized Sales Tax/Goods and Services Tax	129,081	153,269
Transaction costs	–	2,137
Total expenses	1,261,221	1,562,253
Expenses absorbed by the Manager	–	(6)
Net expenses	1,261,221	1,562,247
Increase (decrease) in net assets attributable to holders of redeemable units from operations	(1,055,975)	4,155,042
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A	(1,050,334)	4,124,907
Series F	(5,641)	30,135
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT†		
Series A	(0.16)	0.52
Series F	(0.14)	0.58
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series A	6,387,162	7,965,827
Series F	39,935	51,546

† The increase (decrease) in net assets attributable to holders of redeemable units from operations 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 number of units per series.

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the periods ended December 31 (note 1),

(in dollars)	2015	2014
	U.S.$	U.S.$
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series A	82,361,099	108,476,364
Series F	292,712	603,792
	82,653,811	109,080,156
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A	(1,050,334)	4,124,907
Series F	(5,641)	30,135
	(1,055,975)	4,155,042
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net investment income		
Series A	(338,473)	(355,937)
Series F	(5,668)	(4,238)
	(344,141)	(360,175)
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A	5,798,786	8,562,160
Series F	295,761	133,640
Reinvested distributions		
Series A	314,496	330,053
Series F	3,268	3,444
Payments on redemption		
Series A	(24,799,000)	(38,776,448)
Series F	(29,869)	(474,061)
	(18,416,558)	(30,221,212)
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A	(20,074,525)	(26,115,265)
Series F	257,851	(311,080)
	(19,816,674)	(26,426,345)
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series A	62,286,574	82,361,099
Series F	550,563	292,712
	62,837,137	82,653,811

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2015	2014
	U.S.$	U.S.$
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	(1,055,975)	4,155,042
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	345,856	368,214
Change in unrealized (gain) loss on non-derivative financial assets	1,041,186	(4,108,664)
Purchases of non-derivative financial assets	(58,809,228)	(168,358,950)
Proceeds from sale of non-derivative financial assets	78,015,475	197,873,026
Accrued investment income and other	157,706	167,189
Net cash provided by (used in) operating activities	19,695,020	30,095,857
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	6,215,947	8,572,675
Amounts paid on redemption of redeemable units	(25,020,677)	(39,214,020)
Distributions to unitholders of redeemable units	(26,385)	(26,680)
Net cash provided by (used in) financing activities	(18,831,115)	(30,668,025)
Net increase (decrease) in cash	863,905	(572,168)
Cash (bank overdraft), beginning of period	18,890	591,058
CASH (BANK OVERDRAFT), END OF PERIOD	882,795	18,890
Interest paid[1]	555	–
Interest received[1]	1,748,836	2,096,886

[1] Classified as operating items.

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

Scotia U.S. $ Bond Fund (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2015

Face Value ($)	Issuer	Average Cost ($)	Carrying Value ($)
U.S.$		U.S.$	U.S.$
BONDS AND DEBENTURES – 98.1%			
Federal Bonds – 59.0%			
	United States Treasury Notes		
1,500,000	0.88% due Jan. 31, 2017	1,503,926	1,500,563
9,940,000	0.25% due Feb. 29, 2016	9,949,319	9,941,167
15,500,000	0.63% due Aug. 31, 2017	15,480,702	15,405,295
2,500,000	4.75% due Feb. 15, 2037	3,321,875	3,312,891
7,220,000	2.75% due Aug. 15, 2042	6,714,831	6,924,522
		36,970,653	37,084,438
Corporate Bonds – 39.1%			
	American Honda Finance Corporation		
926,000	3.88% due Sep. 21, 2020	997,873	982,278
	Anheuser-Busch InBev NV		
1,900,000	2.63% due Jan. 17, 2023	1,896,827	1,826,346
	Caterpillar Inc.		
1,500,000	3.40% due May 15, 2024	1,513,886	1,520,400
	Deere & Company (callable)		
1,900,000	2.60% due Jun. 08, 2022-(Mar. 08, 2022)	1,948,051	1,878,073
	GE Capital International Funding Company		
1,348,000	3.37% due Nov. 15, 2025	1,361,899	1,374,100
	General Electric Company		
544,000	3.10% due Jan. 9, 2023	546,366	550,422
	International Business Machines Corporation		
1,500,000	1.63% due May 15, 2020	1,436,985	1,468,733
	McDonald's Corporation		
1,500,000	3.63% due May 20, 2021	1,610,722	1,562,708
	Merck & Co., Inc.		
500,000	1.10% due Jan. 31, 2018	497,167	498,705
	Pfizer Inc.		
1,500,000	2.10% due May 15, 2019	1,514,900	1,513,260
	Shell International Finance BV		
1,900,000	2.25% due Nov. 10, 2020	1,891,906	1,874,182
	Suncor Energy, Inc. (callable)		
2,000,000	3.60% due Dec. 1, 2024-(Sep. 1, 2024)	2,026,420	1,889,629
	Total Capital SA		
1,900,000	2.70% due Jan. 25, 2023	1,941,515	1,839,571
	Toyota Motor Credit Corp.		
1,900,000	2.63% due Jan. 10, 2023	1,881,000	1,877,362
	Walt Disney Company, The		
1,900,000	2.75% due Aug. 16, 2021	1,890,500	1,936,756
	Wells Fargo & Company		
1,900,000	3.50% due Mar. 8, 2022	2,019,149	1,961,560
		24,975,166	24,554,085
	TOTAL INVESTMENT PORTFOLIO	61,945,819	61,638,523
	OTHER ASSETS, LESS LIABILITIES – 1.9%		1,198,614
	NET ASSETS – 100.0%		62,837,137

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

Scotia U.S. $ Bond Fund

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

1. The Fund (note 1)

The Fund's investment objective is to provide a high level of interest income. It invests primarily in bonds and treasury bills that are denominated in U.S. dollars and are issued by governments, corporations or supranational entities around the world.

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 (earlier of maturity date or interest reset date) of the Fund's portfolio, excluding cash, money market instruments, underlying funds, preferred shares and overdrafts, as applicable.

Interest rate exposure	December 31, 2015 ($)	December 31, 2014 ($)
Less than 1 year	9,941,168	–
1-3 years	17,404,563	41,048,745
3-5 years	5,838,453	2,012,087
5-10 years	18,216,926	28,149,294
> 10 years	10,237,413	11,021,685
	61,638,523	82,231,811

As at December 31, 2015, 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 $856,229 or approximately 1.4% (December 31, 2014 – $1,178,971 or approximately 1.4%). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

ii) Currency risk

The Fund did not have significant currency risk exposure as at December 31, 2015 or December 31, 2014.

iii) Price risk

The Fund did not have significant price risk exposure to equities, derivatives or commodities, if applicable, as at December 31, 2015 or December 31, 2014.

iv) Credit risk

The table below summarizes the credit ratings of the bonds and debentures, excluding cash and money market instruments but including preferred shares and derivatives, as applicable, held by the Fund.

	December 31, 2015		December 31, 2014	
	Percentage of total bonds and debentures (%)	Percentage of net assets (%)	Percentage of total bonds and debentures (%)	Percentage of net assets (%)
Credit ratings				
AAA	60.2	59.0	36.4	36.2
AA	14.6	14.4	42.5	42.3
A	22.7	22.2	21.1	21.0
BBB	2.5	2.5	–	–
	100.0	98.1	100.0	99.5

v) Liquidity risk

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

	December 31, 2015		December 31, 2014	
	On demand ($)	Less than 3 months ($)	On demand ($)	Less than 3 months ($)
Current liabilities	–	26,043	–	217,858
Liability for written options	–	–	–	–
Unrealized loss on derivatives	–	–	–	–
Redeemable units	62,837,137	–	82,653,811	–
	62,837,137	26,043	82,653,811	217,858

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, geographical location, asset type or industry sector, as applicable. The table below is a summary of the Fund's concentration risk:

	Percentage of net assets (%)	
	December 31, 2015	December 31, 2014
Corporate Bonds	39.1	36.5
Federal Bonds	59.0	36.2
Provincial Bonds	-	26.8

vii) Fair value classification (note 2)

The tables below illustrate the classification of the Fund's financial instruments within the fair value hierarchy.

December 31, 2015	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Bonds and debentures	–	61,638,523	–	61,638,523
		61,638,523	–	61,638,523

December 31, 2014	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Bonds and debentures	–	82,231,811	–	82,231,811
	–	82,231,811	–	82,231,811

Scotia U.S. $ Bond Fund (Continued)

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

Transfers between levels

During the periods ended December 31, 2015 and 2014, there were no significant transfers between Level 1 and Level 2.

3. Offsetting of financial assets and liabilities (note 2)

As at December 31, 2015 or December 31, 2014, the Fund did not enter into any agreement whereby the financial instruments were eligible for offset.

4. Interest in Underlying Funds (note 2)

The Fund did not hold any interest in Underlying Funds as at December 31, 2015 or December 31, 2014.

5. Comparison of net asset value per unit and net assets per unit (note 2)

The table below provides a comparison of the net asset value per unit and net assets per unit. The primary reason for the difference between the net asset value per unit and net assets per unit, if any, is described in note 2.

	December 31, 2015		December 31, 2014	
	Net asset value per unit ($)	Net assets per unit ($)	Net asset value per unit ($)	Net assets per unit ($)
Series A	11.11	11.11	11.34	11.34
Series F	11.09	11.09	11.33	11.33

Scotia Global Bond Fund

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars except per unit amounts)	December 31, 2015	December 31, 2014
ASSETS		
Current assets		
Investments		
Non-derivative financial assets	12,209,475	11,694,983
Unrealized gain on currency forward contracts	239,181	342,511
Cash	487,474	609,429
Subscriptions receivable	20,490	37,258
Accrued investment income and other	104,578	77,845
	13,061,198	12,762,026
LIABILITIES		
Current liabilities		
Redemptions payable	5,636	67,225
Unrealized loss on currency forward contracts	414,426	548,119
	420,062	615,344
Net assets attributable to holders of redeemable units	12,641,136	12,146,682
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series A	12,641,136	12,146,682
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series A	9.82	8.86

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except per unit amounts)	2015	2014
INCOME		
Net gain (loss) on investments (note 2)		
Interest for distribution purposes	298,257	310,348
Net realized gain (loss) on non-derivative financial assets	962,744	362,655
Net realized gain (loss) on currency forward contracts	(309,747)	(69,635)
Change in unrealized gain (loss) on non-derivative financial assets	426,515	732,407
Change in unrealized gain (loss) on currency forward contracts	30,363	(159,014)
Net gain (loss) on investments	1,408,132	1,176,761
Securities lending	434	256
Net realized and unrealized gain(loss) on foreign exchange	21,422	36,069
Other income	13,345	771
Total income (loss)	1,443,333	1,213,857
EXPENSES		
Management fees (note 5)	182,305	193,154
Fixed administration fees (note 6)	36,461	13,367
Independent Review Committee fees	1,140	27
Interest expense and bank overdraft charges	174	292
Audit fees	–	280
Custodian fees	–	357
Filing fees	–	8,807
Legal fees	–	43
Unitholder administration costs	–	22,505
Unitholder reporting costs	–	7,618
Other fund costs	16	–
Harmonized Sales Tax/Goods and Services Tax	23,992	25,813
Total expenses	244,088	272,263
Increase (decrease) in net assets attributable to holders of redeemable units from operations	1,199,245	941,594
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A	1,199,160	941,594
Series F	85	–
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT†		
Series A	0.92	0.64
Series F	0.29	–
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series A	1,309,303	1,467,334
Series F	298	–

† The increase (decrease) in net assets attributable to holders of redeemable units from operations 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 number of units per series.

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the periods ended December 31 (note 1),

(in dollars)	2015	2014
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series A	12,146,682	13,402,261
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A	1,199,160	941,594
Series F	85	–
	1,199,245	941,594
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A	3,125,663	1,722,155
Series F	2,778	–
Payments on redemption		
Series A	(3,830,369)	(3,919,328)
Series F	(2,863)	–
	(704,791)	(2,197,173)
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A	494,454	(1,255,579)
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series A	12,641,136	12,146,682

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	1,199,245	941,594
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(962,744)	(362,655)
Unrealized (gain) loss on foreign exchange of cash	(24,707)	(19,112)
Change in unrealized (gain) loss on non-derivative financial assets	(426,515)	(732,407)
Change in unrealized (gain) loss on currency forward contracts	(30,363)	159,014
Purchases of non-derivative financial assets	(16,711,901)	(21,724,505)
Proceeds from sale of non-derivative financial assets	17,586,667	23,927,895
Accrued investment income and other	(26,733)	(832)
Net cash provided by (used in) operating activities	602,949	2,188,992
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	3,145,209	1,688,064
Amounts paid on redemption of redeemable units	(3,894,820)	(3,860,248)
Net cash provided by (used in) financing activities	(749,611)	(2,172,184)
Unrealized gain (loss) on foreign exchange of cash	24,707	19,112
Net increase (decrease) in cash	(146,662)	16,808
Cash (bank overdraft), beginning of period	609,429	573,509
CASH (BANK OVERDRAFT), END OF PERIOD	487,474	609,429
Interest paid[1]	174	–
Interest received[1]	271,524	309,516

[1] Classified as operating items.

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

Scotia Global Bond Fund (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2015

Face Value ($)	Issuer	Average Cost ($)	Carrying Value ($)
BONDS AND DEBENTURES – 96.6%			
Australia – 11.3%			
	Government of Australia		
1,300,000	4.50% due Apr. 15, 2020	1,344,359	1,436,604
Germany – 7.0%			
	Bundesrepublik Deutschland		
500,000	3.25% due Jul. 4, 2021	868,795	885,005
Netherlands – 9.8%			
	Government of Netherlands		
700,000	3.25% due Jul. 15, 2021	1,185,486	1,235,444
Sweden – 2.6%			
	Swedish Government		
1,700,000	3.50% due Jun. 1, 2022	319,241	329,551
United Kingdom – 8.2%			
	United Kingdom Treasury Gilt		
400,000	5.00% due Mar. 7, 2025	790,484	1,033,053
United States – 57.7%			
	United States Treasury Notes		
2,210,000	0.88% due Jan. 31, 2017	2,981,749	3,057,559
1,010,000	2.75% due Nov. 15, 2023	1,349,537	1,460,098
2,090,000	2.75% due Aug. 15, 2042	2,456,298	2,772,161
		6,787,584	7,289,818
	TOTAL INVESTMENT PORTFOLIO	11,295,949	12,209,475
	Currency Forward Contracts – (1.4%)		(175,245)
	OTHER ASSETS, LESS LIABILITIES – 4.8%		606,906
	NET ASSETS – 100.0%		12,641,136

CURRENCY FORWARD CONTRACTS

Settlement Date	Currency To Be Received	Contractual Amount	Currency To Be Delivered	Contractual Amount	Canadian Value as at December 31, 2015 ($)	Canadian ($) Appreciation / (Depreciation)
Jan 29, 2016	British Pound	10,222	US Dollar	15,665	21,658	(812)
Jan 29, 2016	Canadian Dollar	600,000	European Euro	425,713	639,939	(39,939)
Jan 29, 2016	Canadian Dollar	3,935,302	US Dollar	2,981,515	4,121,986	(186,686)
Jan 29, 2016	Canadian Dollar	2,341,525	US Dollar	1,771,601	2,449,263	(107,738)
Jan 29, 2016	Canadian Dollar	1,500,000	US Dollar	1,102,775	1,524,602	(24,602)
Jan 29, 2016	European Euro	1,917,000	Canadian Dollar	2,802,750	2,804,421	78,893
Jan 29, 2016	European Euro	1,360,544	Canadian Dollar	1,950,000	1,951,162	95,200
Jan 29, 2016	European Euro	630,000	Japanese Yen	83,046,600	956,421	(8,853)
Jan 29, 2016	European Euro	867,780	US Dollar	930,000	1,286,505	18,703
Jan 29, 2016	European Euro	506,674	US Dollar	550,000	760,836	1,241
Jan 29, 2016	European Euro	505,375	US Dollar	550,000	760,836	(713)
Jan 29, 2016	European Euro	407,413	US Dollar	450,000	622,502	(9,722)
Jan 29, 2016	Japanese Yen	282,993,701	US Dollar	2,354,063	3,251,688	4,523
Jan 29, 2016	US Dollar	939,796	Australian Dollar	1,305,000	1,313,072	(13,342)
Jan 29, 2016	US Dollar	1,130,000	European Euro	1,038,527	1,561,643	1,138
Jan 29, 2016	US Dollar	1,130,000	European Euro	1,042,580	1,567,737	(4,956)
Jan 29, 2016	US Dollar	880,055	European Euro	794,776	1,195,112	21,997
Jan 29, 2016	US Dollar	691,111	European Euro	624,000	938,315	17,486
Jan 29, 2016	US Dollar	540,000	Japanese Yen	66,231,000	762,600	(15,784)
Jan 29, 2016	US Dollar	231,443	Swedish Krona	1,960,000	321,363	(1,279)
						(175,245)

The currency forward contracts outstanding at December 31, 2015 are placed with a financial institution with a credit rating of AA by DBRS.

Scotia Global Bond Fund

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

1. The Fund (note 1)

The Fund's investment objective is to provide a high level of regular interest income. It invests primarily in foreign currency denominated bonds and money market instruments issued by Canadian federal, provincial and municipal governments and Canadian corporations, and by foreign governments and corporations, and supranational entities, such as the World Bank.

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 (earlier of maturity date or interest reset date) of the Fund's portfolio, excluding cash, money market instruments, underlying funds, preferred shares and overdrafts, as applicable.

Interest rate exposure	December 31, 2015 ($)	December 31, 2014 ($)
Less than 1 year	–	–
1-3 years	3,057,558	3,286,179
3-5 years	1,436,604	–
5-10 years	4,943,152	6,830,587
> 10 years	2,772,161	1,578,217
	12,209,475	11,694,983

As at December 31, 2015, 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 $227,210 or approximately 1.8% (December 31, 2014 – $180,940 or approximately 1.5%). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

ii) Currency risk

The tables below indicate the currencies to which the Fund had significant exposure, net of the impact of currency forward contracts and currency spot contracts, if any, based on the monetary and non-monetary assets and liabilities of the Fund. The tables also illustrate the potential impact on the Fund if the functional currency of the Fund had strengthened or weakened by 10% in relation to each of the other currencies, with all other variables held constant.

	December 31, 2015			
Currency	Net currency exposure ($)	Percentage of net assets (%)	Impact on the Fund ($)	Percentage of net assets (%)
European Euro	5,408,184	42.8	540,818	4.3
Japanese Yen	1,532,667	12.1	153,267	1.2
British Pound	1,054,712	8.3	105,471	0.8
Australian Dollar	241,451	1.9	24,145	0.2
US Dollar	178,623	1.4	17,862	0.1
Swedish Krona	27,696	0.2	2,770	–
	8,443,333	66.7	844,333	6.6

	December 31, 2014			
Currency	Net currency exposure ($)	Percentage of net assets (%)	Impact on the Fund ($)	Percentage of net assets (%)
Japanese Yen	3,509,486	28.9	350,949	2.9
European Euro	3,450,631	28.4	345,063	2.8
British Pound	2,503,263	20.6	250,326	2.1
Australian Dollar	187,832	1.5	18,783	0.2
US Dollar	60,665	0.5	6,067	0.0
Swedish Krona	23,548	0.2	2,355	0.0
	9,735,425	80.1	973,543	8.0

iii) Price risk

The Fund did not have significant price risk exposure to equities, derivatives or commodities, if applicable, as at December 31, 2015 or December 31, 2014.

iv) Credit risk

The table below summarizes the credit ratings of the bonds and debentures, excluding cash and money market instruments but including preferred shares and derivatives, as applicable, held by the Fund.

	December 31, 2015		December 31, 2014	
	Percentage of total bonds and debentures (%)	Percentage of net assets (%)	Percentage of total bonds and debentures (%)	Percentage of net assets (%)
Credit ratings				
AAA	100.0	96.6	100.0	96.3
	100.0	96.6	100.0	96.3

v) Liquidity risk

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

	December 31, 2015		December 31, 2014	
	On demand ($)	Less than 3 months ($)	On demand ($)	Less than 3 months ($)
Current liabilities	–	5,636	–	67,225
Liability for written options	–	–	–	–
Unrealized loss on derivatives	–	414,426	–	548,119
Redeemable units	12,641,136	–	12,146,682	–
	12,641,136	420,062	12,146,682	615,344

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

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, geographical location, asset type or industry sector, as applicable. The table below is a summary of the Fund's concentration risk:

	Percentage of net assets (%)	
	December 31, 2015	December 31, 2014
Australia	11.3	11.3
Austria	–	2.0
Canada	–	7.0
Germany	7.0	7.0
Netherlands	9.8	9.6
Sweden	2.6	2.5
United Kingdom	8.2	7.8
United States	57.7	49.1

vii) Fair value classification (note 2)

The tables below illustrate the classification of the Fund's financial instruments within the fair value hierarchy.

December 31, 2015	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Bonds and debentures	–	12,209,475	–	12,209,475
Currency forward contracts–assets	–	239,181	–	239,181
	–	12,448,656	–	12,448,656
Currency forward contracts–liabilities	–	(414,426)	–	(414,426)
	–	12,034,230	–	12,034,230

December 31, 2014	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Bonds and debentures	–	11,694,983	–	11,694,983
Currency forward contracts–assets	–	342,511	–	342,511
		12,037,494	–	12,037,494
Currency forward contracts–liabilities	–	(548,119)	–	(548,119)
	–	11,489,375	–	11,489,375

Transfers between levels

During the periods ended December 31, 2015 and 2014, there were no significant transfers between Level 1 and Level 2.

3. Offsetting of financial assets and liabilities (note 2)

The following tables present offsetting of financial assets and liabilities and collateral amounts that would occur if future events, such as bankruptcy or termination of contracts were to arise. No amounts were offset in the financial statements.

	December 31, 2015			
Financial assets – by type	Gross amount of assets ($)	Master netting offset ($)	Collateral pledged ($)	Net Amount ($)
Currency forward contracts	239,181	(237,940)	–	1,241
Options contracts – OTC	–	–	–	–
Swap contracts	–	–	–	–
	239,181	(237,940)	–	1,241

Financial liabilities – by type	Gross amount of liabilities ($)	Master netting offset ($)	Collateral pledged ($)	Net Amount ($)
Currency forward contracts	414,426	(237,940)	–	176,486
Options contracts – OTC	–	–	–	–
Swap contracts	–	–	–	–
	414,426	(237,940)	–	176,486

	December 31, 2014			
Financial assets – by type	Gross amount of assets ($)	Master netting offset ($)	Collateral pledged ($)	Net Amount ($)
Currency forward contracts	342,511	(317,459)	–	25,052
Options contracts – OTC	–	–	–	–
Swap contracts	–	–	–	–
	342,511	(317,459)	–	25,052

Financial liabilities – by type	Gross amount of liabilities ($)	Master netting offset ($)	Collateral pledged ($)	Net Amount ($)
Currency forward contracts	548,119	(317,459)	–	230,660
Options contracts – OTC	–	–	–	–
Swap contracts	–	–	–	–
	548,119	(317,459)	–	230,660

4. Interest in Underlying Funds (note 2)

The Fund did not hold any interest in Underlying Funds as at December 31, 2015 or December 31, 2014.

5. Comparison of net asset value per unit and net assets per unit (note 2)

The table below provides a comparison of the net asset value per unit and net assets per unit. The primary reason for the difference between the net asset value per unit and net assets per unit, if any, is described in note 2.

	December 31, 2015		December 31, 2014	
	Net asset value per unit ($)	Net assets per unit ($)	Net asset value per unit ($)	Net assets per unit ($)
Series A	9.82	9.82	8.86	8.86

Scotia Diversified Monthly Income Fund

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars except per unit amounts)	December 31, 2015	December 31, 2014
ASSETS		
Current assets		
Investments		
Non-derivative financial assets	2,487,812,866	2,462,514,742
Unrealized gain on accumulator contracts	–	14,432
Unrealized gain on currency forward contracts	–	859,740
Cash*	312,805,265	311,861,823
Receivable for securities sold	–	6,969,315
Subscriptions receivable	2,411,260	3,053,850
Accrued investment income and other	3,063,205	4,530,899
	2,806,092,596	2,789,804,801
LIABILITIES		
Current liabilities		
Payable for securities purchased	–	107,450
Redemptions payable	1,318,963	1,949,280
Distributions payable	7,147,933	632,024
Liability for written options	1,053,671	1,911,413
Unrealized loss on currency forward contracts	1,428,887	1,618,778
	10,949,454	6,218,945
Net assets attributable to holders of redeemable units	2,795,143,142	2,783,585,856
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series A	2,790,607,998	2,777,525,341
Advisor Series	2,539,011	5,032,840
Series D	15,446	–
Series F	1,980,687	1,027,675
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series A	10.82	11.02
Advisor Series	10.43	10.68
Series D	9.45	–
Series F	11.44	11.56

* $44,112,857 held by brokers as collateral for options (December 31, 2014 – $40,614,085).

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except per unit amounts)	2015	2014
INCOME		
Net gain (loss) on investments (note 2)		
Dividends	37,730,433	45,595,081
Interest for distribution purposes	40,402,569	40,167,101
Capital gains distributions received	1,126,670	720,144
Net realized gain (loss) on non-derivative financial assets	136,451,618	143,719,058
Net realized gain (loss) on options contracts	11,913,701	–
Net realized gain (loss) on currency forward contracts	(14,537,235)	(12,467,737)
Net realized gain (loss) on futures contracts	(11,581,546)	(3,494,581)
Net realized gain (loss) on swap contracts	(2,460,222)	(4,051,096)
Change in unrealized gain (loss) on non-derivative financial assets	(97,203,977)	28,068,816
Change in unrealized gain (loss) on options contracts	3,215,026	–
Change in unrealized gain (loss) on accumulator contracts	(14,432)	14,432
Change in unrealized gain (loss) on currency forward contracts	(669,849)	(284,395)
Net gain (loss) on investments	104,372,756	237,986,823
Securities lending	20,809	85,597
Net realized and unrealized gain (loss) on foreign exchange	34,393,384	8,925,928
Other income	34,108	49,371
Total income (loss)	138,821,057	247,047,719
EXPENSES		
Management fees (note 5)	35,499,543	34,334,041
Fixed administration fees and operating expense (note 6)	1,719,180	601,312
Independent Review Committee fees	962	5,679
Interest expense and bank overdraft charges	1,253	28
Foreign withholding taxes/tax reclaims	1,935,029	1,820,224
Audit fees	–	59,450
Custodian fees	–	24,901
Filing fees	–	70,961
Legal fees	–	8,825
Unitholder administration costs	–	678,163
Unitholder reporting costs	–	123,666
Other fund costs	3,536	–
Harmonized Sales Tax/Goods and Services Tax	4,126,737	3,961,842
Transaction costs	1,983,821	1,826,057
Total expenses	45,270,061	43,515,149
Expenses absorbed by the Manager	(5,541)	(409)
Net expenses	45,264,520	43,514,740
Increase (decrease) in net assets attributable to holders of redeemable units from operations	93,556,537	203,532,979
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A	93,365,570	202,984,240
Advisor Series	145,573	473,042
Series D	(15)	–
Series F	45,409	75,697
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT†		
Series A	0.37	0.81
Advisor Series	0.41	0.79
Series D	(0.03)	–
Series F	0.33	0.89
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series A	253,429,111	250,969,184
Advisor Series	358,418	600,566
Series D	591	–
Series F	136,376	85,394

† The increase (decrease) in net assets attributable to holders of redeemable units from operations 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 number of units per series.

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

Scotia Diversified Monthly Income Fund (Continued)

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the periods ended December 31 (note 1),

(in dollars)	2015	2014
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series A	2,777,525,341	2,632,895,546
Advisor Series	5,032,840	9,030,665
Series F	1,027,675	816,507
	2,783,585,856	2,642,742,718
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A	93,365,570	202,984,240
Advisor Series	145,573	473,042
Series D	(15)	–
Series F	45,409	75,697
	93,556,537	203,532,979
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net investment income		
Series A	(34,119,284)	(39,864,159)
Advisor Series	(48,571)	(89,894)
Series D	(64)	–
Series F	(18,478)	(13,131)
From net realized gains on investments		
Series A	(109,972,653)	(51,514,310)
Advisor Series	(128,398)	(119,925)
Series D	(378)	–
Series F	(69,887)	(18,328)
	(144,357,713)	(91,619,747)
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A	389,108,324	439,797,135
Advisor Series	80,560	781,695
Series D	15,462	–
Series F	1,144,980	322,032
Reinvested distributions		
Series A	131,092,607	84,570,403
Advisor Series	72,813	122,017
Series D	441	–
Series F	63,559	23,732
Payments on redemption		
Series A	(456,391,907)	(491,343,514)
Advisor Series	(2,615,806)	(5,164,760)
Series F	(212,571)	(178,834)
	62,358,462	28,929,906
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A	13,082,657	144,629,795
Advisor Series	(2,493,829)	(3,997,825)
Series D	15,446	–
Series F	953,012	211,168
	11,557,286	140,843,138
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series A	2,790,607,998	2,777,525,341
Advisor Series	2,539,011	5,032,840
Series D	15,446	–
Series F	1,980,687	1,027,675
	2,795,143,142	2,783,585,856

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	93,556,537	203,532,979
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(136,451,618)	(143,719,058)
Net realized (gain) loss on options contracts	(11,913,701)	–
Unrealized (gain) loss on foreign exchange of cash	(34,401,466)	(9,133,032)
Change in unrealized (gain) loss on non-derivative financial assets	97,203,977	(28,068,816)
Change in unrealized (gain) loss on options contracts	(3,215,026)	–
Change in unrealized (gain) loss on accumulator contracts	14,432	(14,432)
Change in unrealized (gain) loss on currency forward contracts	669,849	284,395
Purchases of portfolio investments	(1,095,253,229)	(973,095,574)
Proceeds from sale of portfolio investments	1,128,381,536	1,057,857,527
Transaction costs	1,954,061	1,804,127
Accrued investment income and other	1,467,694	(72,357)
Net cash provided by (used in) operating activities	42,013,046	109,375,759
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	390,991,914	441,054,849
Amounts paid on redemption of redeemable units	(459,850,601)	(496,813,532)
Distributions to unitholders of redeemable units	(6,612,383)	(6,856,269)
Net cash provided by (used in) financing activities	(75,471,070)	(62,614,952)
Unrealized gain (loss) on foreign exchange of cash	34,401,466	9,133,032
Net increase (decrease) in cash	(33,458,024)	46,760,807
Cash (bank overdraft), beginning of period	311,861,823	255,967,984
CASH (BANK OVERDRAFT), END OF PERIOD	312,805,265	311,861,823
Interest paid[1]	1,253	–
Interest received[1]	40,542,074	40,173,910
Dividends received, net of withholding taxes[1]	37,123,594	43,695,691

[1] Classified as operating items.

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

Scotia Diversified Monthly Income Fund (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2015

Number of Shares/ Number of Contracts	Issuer	Average Cost ($)	Carrying Value ($)
EQUITIES – 45.4%			
Energy – 3.8%			
501,500	Enbridge Inc.	19,149,437	23,069,000
1,074,000	Pembina Pipeline Corporation	32,421,459	32,381,100
(2,020)	Suncor Energy Inc., Written Put Options $34.00 Jan. 15, 2016	(125,240)	(44,440)
782,400	TransCanada Corporation	32,512,708	35,356,656
(3,400)	TransCanada Corporation, Written Put Options $40.00 Jan. 15, 2016	(173,400)	(34,000)
407,299	Vermilion Energy, Inc.	20,498,803	15,318,515
		104,283,767	106,046,831
Industrials – 2.1%			
366,000	Canadian National Railway Company	28,689,026	28,310,100
211,500	Honeywell International Inc.	18,349,105	30,285,740
		47,038,131	58,595,840
Consumer Discretionary – 5.9%			
346,000	Comcast Corporation, Class A	9,019,306	27,002,614
129,000	Home Depot Inc., The	14,331,214	23,594,189
140,000	Lowe's Companies, Inc.	14,276,522	14,719,875
(1,400)	Lowe's Companies, Inc., Written Call Options $75.00 Jan. 15, 2016	(390,343)	(162,640)
232,000	Magna International Inc.	14,452,555	13,019,840
123,100	McDonald's Corporation	15,080,932	20,112,899
399,600	NIKE, Inc., Class B	22,506,372	34,548,514
(850)	NIKE, Inc., Written Put Options $60.00 Jan. 29, 2016	(70,098)	(89,929)
(900)	Starbucks Corporation, Written Call Options $56.50 Jan. 15, 2016	(63,467)	(27,383)
(904)	Starbucks Corporation, Written Put Options $58.50 Jan. 8, 2016	(74,893)	(30,005)
319,000	TJX Companies, Inc., The	29,435,273	31,283,679
		118,503,373	163,971,653
Consumer Staples – 5.2%			
129,024	Costco Wholesale Corporation	25,226,195	28,817,924
(348)	Costco Wholesale Corporation, Written Put Options $150.00 Jan. 15, 2016	(66,122)	(14,438)
(393)	Costco Wholesale Corporation, Written Put Options $152.50 Jan. 22, 2016	(64,504)	(27,719)
313,000	CVS Caremark Corporation	40,867,666	42,311,512
125,000	Estee Lauder Companies Inc., The	14,197,879	15,218,098
888,756	Loblaw Companies Limited	44,802,717	58,071,317
(1,770)	Loblaw Companies Limited, Written Call Options $66.00 Jan. 15, 2016	(292,050)	(216,825)
(1,128)	Loblaw Companies Limited, Written Put Options $64.00 Jan. 15, 2016	(72,192)	(42,300)
		124,599,589	144,117,569
Health Care – 4.1%			
33,800	Allergan, Inc.	14,193,329	14,607,853
(180)	Allergan, Inc., Written Put Options $295.00 Jan. 15, 2016	(88,836)	(42,320)
138,900	Becton, Dickinson and Company	25,179,716	29,600,317
138,728	Medtronic, Inc.	11,956,511	14,753,052
232,000	Novartis AG	29,673,536	27,422,751
635,000	Pfizer Inc.	29,297,301	28,348,293
		110,211,557	114,689,946
Financials – 14.4%			
456,000	Bank of Nova Scotia, The	24,686,874	25,522,320
(1,350)	Bank of Nova Scotia, The, Written Call Options $52.00 Jan. 15, 2016	(70,200)	(25,650)
405,000	Brookfield Asset Management Inc., Class A	13,982,188	17,678,250
1,071,800	Canadian Apartment Properties Real Estate Investment Trust	29,467,542	28,767,112
313,000	Canadian Imperial Bank of Commerce	29,116,413	28,542,470

Number of Shares/ Number of Contracts/ Number of Units	Issuer	Average Cost ($)	Carrying Value ($)
EQUITIES (cont'd)			
Financials (cont'd)			
(1,422)	Canadian Imperial Bank of Commerce, Written Put Options $92.00 Jan. 15, 2016	(231,782)	(222,543)
202,200	Citigroup Inc.	13,527,383	14,471,420
598,178	First Capital Realty, Inc.	7,873,293	10,976,566
782,000	Great-West Lifeco Inc.	22,374,048	27,002,460
331,000	JPMorgan Chase & Co.	26,054,669	30,226,576
(1,610)	JPMorgan Chase & Co., Written Put Options $61.50 Jan. 22, 2016	(152,578)	(73,478)
1,578,000	Manulife Financial Corporation	34,898,466	32,727,720
631,341	RioCan Real Estate Investment Trust	16,242,531	14,956,468
1,136,000	Royal Bank of Canada	82,892,707	84,234,400
536,900	Smart Real Estate Investment Trust	15,255,780	16,209,011
324,600	Sun Life Financial Inc.	13,042,709	14,006,490
760,000	Wells Fargo & Company	29,898,552	57,110,100
		358,858,595	402,109,692
Information Technology – 1.6%			
270,400	Automatic Data Processing, Inc.	28,637,024	31,681,978
135,351	Visa Inc.	12,620,510	14,516,534
		41,257,534	46,198,512
Telecommunication Services – 4.2%			
477,200	BCE Inc.	19,561,247	25,511,112
412,700	Rogers Communications, Inc., Class B	17,716,326	19,694,044
1,094,988	TELUS Corporation	35,145,593	41,894,241
474,000	Verizon Communications Inc.	25,029,255	30,298,975
		97,452,421	117,398,372
Utilities – 4.1%			
567,888	Brookfield Infrastructure Partners LP	14,229,398	29,745,973
736,900	Fortis, Inc.	25,742,042	27,567,429
723,665	Hydro One Limited	15,158,651	16,130,493
285,100	NextEra Energy, Inc.	38,324,944	40,953,036
		93,455,035	114,396,931
	TOTAL EQUITIES	1,095,660,002	1,267,525,346
FIXED INCOME FUNDS – 38.6%			
44,827,234	Scotia Canadian Income Fund Series I	611,163,981	618,261,700
42,894,295	Scotia Private Canadian Corporate Bond Pool Series I	446,745,490	462,233,217
		1,057,909,471	1,080,494,917
FOREIGN EQUITY FUND – 5.0%			
14,112,393	Scotia Private Options Income Pool Series I	142,507,875	138,738,932
	TOTAL INVESTMENT PORTFOLIO	2,296,077,348	2,486,759,195
	Currency Forward Contracts – (0.1%)		(1,428,887)
	OTHER ASSETS, LESS LIABILITIES – 11.1%		309,812,834
	NET ASSETS – 100.0%		2,795,143,142

For equities, all common shares unless otherwise noted.

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

Scotia Diversified Monthly Income Fund (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

CURRENCY FORWARD CONTRACTS

Settlement Date	Currency To Be Received	Contractual Amount	Currency To Be Delivered	Contractual Amount	Canadian Value as at December 31, 2015 ($)	Canadian ($) Appreciation/ (Depreciation)
Jan 28, 2016	Canadian Dollar	13,777,328	Swiss Franc	10,480,000	14,475,338	(698,011)
Jan 28, 2016	Canadian Dollar	9,734,234	Swiss Franc	7,395,000	10,214,229	(479,996)
Jan 28, 2016	Canadian Dollar	4,049,088	Swiss Franc	3,086,000	4,262,490	(213,402)
Jan 28, 2016	Swiss Franc	1,195,000	Canadian Dollar	1,678,366	1,677,653	(27,784)
Jan 28, 2016	Swiss Franc	500,000	Canadian Dollar	700,313	700,016	(9,694)
						(1,428,887)

The currency forward contracts outstanding at December 31, 2015 are placed with a financial institution with a credit rating of A by DBRS.

Scotia Diversified Monthly Income Fund

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

1. The Fund (note 1)

The Fund's investment objective is to provide regular monthly income and some capital appreciation. It invests primarily in a diversified portfolio of income-generating securities such as dividend-paying common shares, preferred shares, investment grade bonds, convertible debentures, mortgages, high yield bonds, asset-backed and mortgage-backed securities, and income trust units.

2. Risks associated with financial instruments (note 4)

i) Interest rate risk

The Fund invests in underlying funds, which are exposed to interest rate risk. As at December 31, 2015, 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 $14,999,903 or approximately 0.5% (December 31, 2014 – $15,067,477 or approximately 0.5%). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

ii) Currency risk

The tables below indicate the currencies to which the Fund had significant exposure, net of the impact of currency forward contracts and currency spot contracts, if any, based on the monetary and non-monetary assets and liabilities of the Fund. The tables also illustrate the potential impact on the Fund if the functional currency of the Fund had strengthened or weakened by 10% in relation to each of the other currencies, with all other variables held constant.

	December 31, 2015			
Currency	Net currency exposure ($)	Percentage of net assets (%)	Impact on the Fund ($)	Percentage of net assets (%)
US Dollar	832,093,029	29.8	83,209,303	3.0
Swiss Franc	848,370	0.0	84,837	0.0
	832,941,399	29.8	83,294,140	3.0

	December 31, 2014			
Currency	Net currency exposure ($)	Percentage of net assets (%)	Impact on the Fund ($)	Percentage of net assets (%)
US Dollar	702,387,548	25.2	70,238,755	2.5
	702,387,548	25.2	70,238,755	2.5

iii) Price risk

Price risk is the risk that the carrying 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 price risk is mainly in equities, derivatives and commodities, if applicable. As at December 31, 2015, approximately 50.3% (December 31, 2014 – 53.1%) of the Fund's net assets were exposed to price risk. If prices of these investments had decreased or increased by 10%, with all other variables held constant, net assets of the Fund would have decreased or increased, respectively, by approximately $140,626,428 (December 31, 2014 – $147,893,233). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

iv) Credit risk

The Fund had no significant exposure to bonds and debentures, preferred shares or derivatives as at December 31, 2015 or December 31, 2014. In addition, all investment transactions are executed by brokers with an approved credit rating. As such the risk of default on transactions with counterparties and brokers related to purchase and sale of securities is considered minimal. In instances where the credit rating were to fall below the approved rating, the Manager would take appropriate action.

v) Liquidity risk

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

	December 31, 2015		December 31, 2014	
	On demand ($)	Less than 3 months ($)	On demand ($)	Less than 3 months ($)
Current liabilities	–	8,466,896	–	2,688,754
Liability for written options	–	1,053,671	–	1,911,413
Unrealized loss on derivatives	–	1,428,887	–	1,618,778
Redeemable units	2,795,143,142	–	2,783,585,856	–
	2,795,143,142	10,949,454	2,783,585,856	6,218,945

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, geographical location,

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

asset type or industry sector, as applicable. The table below is a summary of the Fund's concentration risk:

	Percentage of net assets (%)	
	December 31, 2015	December 31, 2014
Consumer Discretionary	5.9	7.7
Consumer Staples	5.2	2.2
Energy	3.8	10.3
Financials	14.4	13.9
Fixed Income Funds	38.6	35.3
Foreign Equity Fund	5.0	–
Health Care	4.1	3.6
Industrials	2.1	3.8
Information Technology	1.6	2.0
Materials	–	1.2
Telecommunication Services	4.2	5.7
Utilities	4.1	2.8

vii) Fair value classification (note 2)

The tables below illustrate the classification of the Fund's financial instruments within the fair value hierarchy.

December 31, 2015	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Equities	1,241,156,266	27,422,751	–	1,268,579,017
Underlying funds	1,219,233,849	–	–	1,219,233,849
	2,460,390,115	27,422,751	–	2,487,812,866
Liability for written options	(1,053,671)	–	–	(1,053,671)
Currency forward contracts–liabilities	–	(1,428,887)	–	(1,428,887)
	2,459,336,444	25,993,864	–	2,485,330,308

December 31, 2014	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Equities	1,480,843,744	–	–	1,480,843,744
Underlying funds	981,670,998	–	–	981,670,998
Accumulator contracts–assets	–	14,432	–	14,432
Currency forward contracts–assets	–	859,740	–	859,740
	2,462,514,742	874,172	–	2,463,388,914
Liability for written options	(1,911,413)	–	–	(1,911,413)
Currency forward contracts–liabilities	–	(1,618,778)	–	(1,618,778)
	2,460,603,329	(744,606)	–	2,459,858,723

Transfers between levels

During the periods ended December 31, 2015 and 2014, there were no significant transfers between Level 1 and Level 2.

3. Offsetting of financial assets and liabilities (note 2)

The following tables present offsetting of financial assets and liabilities and collateral amounts that would occur if future events, such as bankruptcy or termination of contracts were to arise. No amounts were offset in the financial statements.

	December 31, 2015			
Financial assets – by type	Gross amount of assets ($)	Master netting offset ($)	Collateral pledged ($)	Net Amount ($)
Currency forward contracts	–	–	–	–
Options contracts – OTC	–	–	–	–
Swap contracts	–	–	–	–
	–	–	–	–

Financial liabilities – by type	Gross amount of liabilities ($)	Master netting offset ($)	Collateral pledged ($)	Net Amount ($)
Currency forward contracts	1,428,887	–	–	1,428,887
Options contracts – OTC	–	–	–	–
Swap contracts	–	–	–	–
	1,428,887	–	–	1,428,887

	December 31, 2014			
Financial assets – by type	Gross amount of assets ($)	Master netting offset ($)	Collateral pledged ($)	Net Amount ($)
Currency forward contracts	859,740	(859,740)	–	–
Options contracts – OTC	–	–	–	–
Swap contracts	–	–	–	–
	859,740	(859,740)	–	–

Financial liabilities – by type	Gross amount of liabilities ($)	Master netting offset ($)	Collateral pledged ($)	Net Amount ($)
Currency forward contracts	1,618,778	(859,740)	–	759,038
Options contracts – OTC	–	–	–	–
Swap contracts	–	–	–	–
	1,618,778	(859,740)	–	759,038

4. Interest in Underlying Funds (note 2)

The following tables provide information about the Fund's interest in Underlying Funds.

	December 31, 2015	
Underlying Fund	Carrying value of the Underlying Fund ($)	Ownership percentage in Underlying Fund (%)
Scotia Private Options Income Pool Series I	138,738,932	17.8
Scotia Canadian Income Fund Series I	618,261,700	10.1
Scotia Private Canadian Corporate Bond Pool Series I	462,233,217	9.0
	1,219,233,849	–

	December 31, 2014	
Underlying Fund	Carrying value of the Underlying Fund ($)	Ownership percentage in Underlying Fund (%)
Scotia Private Canadian Corporate Bond Pool Series I	433,744,159	10.5
Scotia Canadian Income Fund Series I	547,926,839	9.1
	981,670,998	–

Scotia Diversified Monthly Income Fund (Continued)

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

5. Comparison of net asset value per unit and net assets per unit (note 2)

The table below provides a comparison of the net asset value per unit and net assets per unit. The primary reason for the difference between the net asset value per unit and net assets per unit, if any, is described in note 2.

	December 31, 2015		December 31, 2014	
	Net asset value per unit ($)	Net assets per unit ($)	Net asset value per unit ($)	Net assets per unit ($)
Series A	10.82	10.82	11.02	11.02
Advisor Series	10.43	10.43	10.68	10.68
Series D	9.45	9.45	–	–
Series F	11.44	11.44	11.56	11.56

Scotia Income Advantage Fund

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars except per unit amounts)	December 31, 2015	December 31, 2014
ASSETS		
Current assets		
Investments		
Non-derivative financial assets	175,201,521	212,662,758
Unrealized gain on accumulator contracts	–	1,161
Unrealized gain on currency forward contracts	–	42,959
Cash*	56,642,506	18,886,577
Margin deposited on futures	21	225,263
Receivable for securities sold	–	526,703
Subscriptions receivable	121,356	227,119
Accrued investment income and other	727,810	1,060,101
	232,693,214	233,632,641
LIABILITIES		
Current liabilities		
Non-derivative financial liabilities	–	158,767
Payable for securities purchased	–	8,644
Redemptions payable	307,214	252,088
Distributions payable	1,188,596	235,221
Liability for written options	103,058	–
Unrealized loss on currency forward contracts	360,284	395,007
Unrealized loss on swap contracts	35,172	60,818
	1,994,324	1,110,545
Net assets attributable to holders of redeemable units	230,698,890	232,522,096
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series A	209,763,779	208,061,989
Series M	20,935,111	24,460,107
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series A	10.95	11.12
Series M	11.08	11.11

* $4,205,659 held by brokers as collateral for options (December 31, 2014 – $3,655,268).

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except per unit amounts)	2015	2014
INCOME		
Net gain (loss) on investments (note 2)		
Dividends	3,242,648	3,836,373
Interest for distribution purposes	3,088,834	3,041,248
Capital gains distributions received	609,781	791,439
Net realized gain (loss) on non-derivative financial assets	13,292,121	7,783,610
Net realized gain (loss) on options contracts	1,193,759	–
Net realized gain (loss) on currency forward contracts	(2,664,425)	(1,551,637)
Net realized gain (loss) on futures contracts	(1,173,601)	(569,416)
Net realized gain (loss) on swap contracts	(1,106,680)	158,170
Change in unrealized gain (loss) on non-derivative financial assets	(7,370,219)	5,913,014
Change in unrealized gain (loss) on options contracts	310,278	–
Change in unrealized gain (loss) on accumulator contracts	(1,161)	1,161
Change in unrealized gain (loss) on currency forward contracts	(8,236)	(234,790)
Change in unrealized gain (loss) on swap contracts	25,646	(272,818)
Net gain (loss) on investments	9,438,745	18,896,354
Securities lending	10,737	20,866
Net realized and unrealized gain (loss) on foreign exchange	6,037,193	817,077
Other income	1,814	4,535
Total income (loss)	15,488,489	19,738,832
EXPENSES		
Management fees (note 5)	3,953,438	3,688,589
Fixed administration fees (note 6)	158,036	55,858
Independent Review Committee fees	1,132	454
Interest expense and bank overdraft charges	1,463	56
Foreign withholding taxes/tax reclaims	205,901	152,913
Audit fees	–	4,249
Custodian fees	–	2,356
Filing fees	–	15,438
Legal fees	–	693
Unitholder administration costs	–	47,435
Unitholder reporting costs	–	11,524
Other fund costs	293	–
Harmonized Sales Tax/Goods and Services Tax	417,830	387,410
Transaction costs	205,523	151,389
Total expenses	4,943,616	4,518,364
Increase (decrease) in net assets attributable to holders of redeemable units from operations	10,544,873	15,220,468
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A	9,053,030	13,181,329
Series M	1,491,843	2,039,139
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT†		
Series A	0.48	0.74
Series M	0.73	0.95
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series A	18,790,616	17,848,015
Series M	2,051,094	2,149,634

† The increase (decrease) in net assets attributable to holders of redeemable units from operations 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 number of units per series.

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

Scotia Income Advantage Fund (Continued)

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the periods ended December 31 (note 1),

(in dollars)	2015	2014
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series A	208,061,989	181,332,820
Series M	24,460,107	22,096,360
	232,522,096	203,429,180
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A	9,053,030	13,181,329
Series M	1,491,843	2,039,139
	10,544,873	15,220,468
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net investment income		
Series A	–	(1,977,344)
Series M	(244,960)	(715,964)
From net realized gains on investments		
Series A	(12,244,371)	(3,456,835)
Series M	(1,232,039)	(444,791)
From return of capital		
Series A	–	(2,077,588)
	(13,721,370)	(8,672,522)
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A	35,075,794	50,419,342
Series M	1,279,995	4,856,326
Reinvested distributions		
Series A	10,854,949	6,717,240
Payments on redemption		
Series A	(41,037,612)	(36,076,975)
Series M	(4,819,835)	(3,370,963)
	1,353,291	22,544,970
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A	1,701,790	26,729,169
Series M	(3,524,996)	2,363,747
	(1,823,206)	29,092,916
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series A	209,763,779	208,061,989
Series M	20,935,111	24,460,107
	230,698,890	232,522,096

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	10,544,873	15,220,468
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(13,292,121)	(7,783,610)
Net realized (gain) loss on options contracts	(1,193,759)	–
Unrealized (gain) loss on foreign exchange of cash	(4,686,173)	(824,026)
Change in unrealized (gain) loss on non-derivative financial assets	7,370,219	(5,913,014)
Change in unrealized (gain) loss on options contracts	(310,278)	–
Change in unrealized (gain) loss on accumulator contracts	1,161	(1,161)
Change in unrealized (gain) loss on currency forward contracts	8,236	234,790
Change in unrealized (gain) loss on swap contracts	(25,646)	272,818
Purchases of portfolio investments	(168,872,754)	(121,121,390)
Proceeds from sale of portfolio investments	214,018,827	87,093,688
Transaction costs	203,452	148,949
Margin deposited on futures	225,242	(225,263)
Accrued investment income and other	332,291	(205,451)
Net cash provided by (used in) operating activities	44,323,570	(33,103,202)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	36,461,553	55,447,313
Amounts paid on redemption of redeemable units	(45,802,321)	(39,378,440)
Distributions to unitholders of redeemable units	(1,913,046)	(1,867,486)
Net cash provided by (used in) financing activities	(11,253,814)	14,201,386
Unrealized gain (loss) on foreign exchange of cash	4,686,173	824,026
Net increase (decrease) in cash	33,069,756	(18,901,816)
Cash (bank overdraft), beginning of period	18,886,577	36,964,367
CASH (BANK OVERDRAFT), END OF PERIOD	56,642,506	18,886,577
Interest paid[1]	1,463	–
Interest received[1]	3,329,043	2,810,529
Dividends received, net of withholding taxes[1]	3,128,820	3,708,728

[1] Classified as operating items.

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

Scotia Income Advantage Fund (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO
As at December 31, 2015

Number of Shares/ Number of Contracts	Issuer	Average Cost ($)	Carrying Value ($)
EQUITIES – 45.1%			
Energy – 3.5%			
40,400	Enbridge Inc.	1,793,707	1,858,400
75,600	Pembina Pipeline Corporation	2,558,028	2,279,340
(170)	Suncor Energy Inc., Written Put Options $34.00 Jan. 15, 2016	(10,540)	(3,740)
62,300	TransCanada Corporation	2,822,287	2,815,337
(270)	TransCanada Corporation, Written Put Options $40.00 Jan. 15, 2016	(13,770)	(2,700)
29,290	Vermilion Energy, Inc.	1,714,917	1,101,597
		8,864,629	8,048,234
Industrials – 2.3%			
16,000	Canadian National Railway Company	1,180,475	1,237,600
(180)	Canadian National Railway Company, Written Put Options $70.00 Jan. 15, 2016	(16,920)	(2,430)
17,500	Honeywell International Inc.	1,654,557	2,505,912
16,600	Safran SA	1,532,668	1,573,451
		4,350,780	5,314,533
Consumer Discretionary – 5.8%			
28,000	Comcast Corporation, Class A	1,130,648	2,185,183
10,522	Home Depot Inc., The	1,134,622	1,924,481
11,500	Lowe's Companies, Inc.	1,172,714	1,209,133
(120)	Lowe's Companies, Inc., Written Call Options $75.00 Jan. 15, 2016	(33,458)	(13,941)
19,000	Magna International Inc.	1,183,615	1,066,280
10,300	McDonald's Corporation	1,261,826	1,682,883
33,000	NIKE, Inc., Class B	1,857,810	2,853,106
(70)	NIKE, Inc., Written Put Options $60.00 Jan. 29, 2016	(5,773)	(7,406)
(73)	Starbucks Corporation, Written Call Options $56.50 Jan. 15, 2016	(5,148)	(2,221)
(73)	Starbucks Corporation, Written Put Options $58.50 Jan. 8, 2016	(6,048)	(2,423)
26,000	TJX Companies, Inc., The	2,399,462	2,549,767
		10,090,270	13,444,842
Consumer Staples – 3.0%			
10,528	Costco Wholesale Corporation	2,055,272	2,351,463
(28)	Costco Wholesale Corporation, Written Put Options $150.00 Jan. 15, 2016	(5,320)	(1,162)
(31)	Costco Wholesale Corporation, Written Put Options $152.50 Jan. 22, 2016	(5,088)	(2,187)
25,400	CVS Caremark Corporation	3,314,255	3,433,586
10,000	Estee Lauder Companies Inc., The	1,135,831	1,217,448
(89)	Loblaw Companies Limited, Written Put Options $64.00 Jan. 15, 2016	(5,696)	(3,337)
		6,489,254	6,995,811
Health Care – 4.0%			
2,700	Allergan, Inc.	1,133,787	1,166,899
(15)	Allergan, Inc., Written Put Options $295.00 Jan. 15, 2016	(7,403)	(3,527)
11,400	Becton, Dickinson and Company	2,111,225	2,429,400
11,320	Medtronic, Inc.	980,245	1,203,827
18,000	Novartis AG	2,295,175	2,127,627
52,000	Pfizer Inc.	2,399,693	2,321,435
		8,912,722	9,245,661
Financials – 16.0%			
30,900	Atrium Mortgage Investment Corporation	321,669	352,260
105,000	Bank of America Corporation	2,399,730	2,443,954
(110)	Bank of Nova Scotia, The, Written Call Options $52.00 Jan. 15, 2016	(5,720)	(2,090)
642,326	Blackstone Tactical Opportunities Fund II LP*	857,796	843,915
33,000	Brookfield Asset Management Inc., Class A	1,139,115	1,440,450
24,700	Canadian Imperial Bank of Commerce	2,323,923	2,252,393
(123)	Canadian Imperial Bank of Commerce, Written Put Options $92.00 Jan. 15, 2016	(19,383)	(19,249)
34,400	Citigroup Inc.	2,327,333	2,462,002
75,000	Credit Suisse Group AG	2,574,602	2,241,604
387,776	CT Real Estate Investment Trust	3,757,189	5,041,088

Number of Shares/ Number of Contracts/ Face Value ($)	Issuer	Average Cost ($)	Carrying Value ($)
EQUITIES (cont'd)			
Financials (cont'd)			
34,900	JPMorgan Chase & Co.	2,566,604	3,187,032
(130)	JPMorgan Chase & Co., Written Put Options $61.50 Jan. 22, 2016	(12,320)	(5,933)
130,000	Manulife Financial Corporation	2,855,318	2,696,200
1,450	Merrill Lynch Capital Trust III, Preferred, 7.00%	46,364	50,354
750	Merrill Lynch Preferred Capital Trust IV, 7.12%, Preferred	24,095	26,045
1,350	Merrill Lynch Preferred Capital Trust V, 7.28%, Preferred	43,571	46,900
(105)	Prudential Financial, Inc., Written Put Options $82.50 Jan. 15, 2016	(48,290)	(30,713)
50,919	RioCan Real Estate Investment Trust	1,169,639	1,206,271
65,200	Royal Bank of Canada	4,974,410	4,834,580
63,783	Smart Real Estate Investment Trust	1,598,813	1,925,609
26,800	Sun Life Financial Inc.	1,076,870	1,156,420
64,000	Wells Fargo & Company	3,075,592	4,809,272
		33,046,920	36,958,364
Information Technology – 1.7%			
22,500	Automatic Data Processing, Inc.	2,383,072	2,636,259
11,037	Visa Inc.	1,029,109	1,183,730
		3,412,181	3,819,989
Telecommunication Services – 3.1%			
38,600	BCE Inc.	1,751,776	2,063,556
68,500	TELUS Corporation	2,372,495	2,620,810
39,000	Verizon Communications Inc.	2,020,557	2,492,954
		6,144,828	7,177,320
Utilities – 5.7%			
45,799	Brookfield Infrastructure Partners LP	1,675,392	2,398,952
60,000	Canadian Utilities Limited, Class A	2,082,000	1,916,400
29,000	Fortis, Inc.	870,878	1,084,890
177,926	Innergex Renewable Energy Inc	1,545,470	2,015,902
122,000	National Grid PLC	2,059,937	2,321,262
23,400	NextEra Energy, Inc.	3,146,595	3,361,280
		11,380,272	13,098,686
	TOTAL EQUITIES	92,691,856	104,103,440
BONDS AND DEBENTURES – 19.8%			
	Aetna Inc. (callable)		
189,000	2.75% due Aug. 15, 2022 Nov.15,2022-(Aug.15,2022)	232,803	253,275
	Alliance Pipeline LP		
315,000	4.93% due Dec. 16, 2019	335,977	339,958
	AltaGas Income Trust		
60,000	5.49% due Mar. 27, 2017	65,520	62,642
132,000	4.60% due Jan. 15, 2018	140,055	138,425
139,000	4.55% due Jan. 17, 2019	149,356	147,691
	AltaGas Ltd.		
400,000	3.72% due Sep. 28, 2021	391,614	414,124
	AltaLink Investments LP (callable)		
110,000	3.67% due Jun. 5, 2019-(Mar. 5, 2019)	119,252	115,226
500,000	3.27% due Jun. 5, 2020-(Mar. 5, 2020)	532,750	519,839
302,000	2.24% due Mar. 7, 2022-(Dec. 7, 2021)	296,366	296,153
	AltaLink LP		
295,000	3.62% due Sep. 17, 2020	323,380	319,797
583,000	3.67% due Nov. 6, 2023	646,138	631,638
	Altria Group, Inc.		
463,000	2.85% due Aug. 9, 2022	426,653	630,701
	American Tower Corporation		
240,000	4.50% due Jan. 15, 2018	260,292	346,272
	Anheuser-Busch InBev Worldwide Inc.		
373,000	3.65% due Jan. 15, 2016	374,779	373,175
	B.A.T. International Finance p.l.c.		
343,000	9.50% due Nov. 15, 2018	473,186	569,647

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

Scotia Income Advantage Fund (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

Face Value ($)	Issuer	Average Cost ($)	Carrying Value ($)
BONDS AND DEBENTURES (cont'd)			
	Bank of Montreal		
106,000	3.21% due Sep. 13, 2018	112,666	110,763
1,027,000	3.40% due Apr. 23, 2021	1,113,244	1,093,646
214,000	2.12% due Mar. 16, 2022	212,727	211,883
	Bank of Nova Scotia, The		
452,000	2.40% due Oct. 28, 2019	464,859	461,566
570,000	2.27% due Jan. 13, 2020	583,745	578,932
33,000	2.87% due Jun. 4, 2021	34,772	34,159
	bcIMC Realty Corporation		
381,000	2.10% due Jun. 3, 2021	380,851	382,068
307,000	3.51% due Jun. 29, 2022	308,602	329,449
	Bell Canada		
200,000	3.35% due Jun. 18, 2019	196,862	208,722
225,000	4.95% due May 19, 2021	237,042	252,342
300,000	4.70% due Sep. 11, 2023	312,510	331,494
	Boston Properties LP		
228,000	4.13% due May 15, 2021	265,980	330,688
	Boston Properties LP (callable)		
305,000	5.63% due Nov. 15, 2020-(Aug. 15, 2020)	383,286	470,494
	Brookfield Asset Management Inc.		
355,000	3.95% due Apr. 9, 2019	356,618	371,827
254,000	4.54% due Mar. 31, 2023	250,765	271,345
150,000	5.04% due Mar. 8, 2024	150,702	163,941
276,000	4.82% due Jan. 28, 2026	275,876	293,639
	Brookfield Infrastructure Partners LP		
451,000	3.46% due Oct. 10, 2017	454,260	459,342
326,000	3.45% due Mar. 11, 2022	326,000	321,660
	BRP Finance ULC		
299,000	5.14% due Oct. 13, 2020	315,359	331,786
325,000	4.79% due Feb. 7, 2022	332,655	355,013
	Calloway Real Estate Investment Trust		
111,000	3.73% due Jul. 22, 2022	111,415	114,611
	Calloway REIT		
235,000	3.99% due May 30, 2023	220,540	244,207
	Canadian Imperial Bank of Commerce		
279,000	2.22% due Mar. 7, 2018	285,231	283,944
446,000	2.35% due Jun. 24, 2019	458,968	456,577
300,000	1.85% due Jul. 14, 2020	300,894	299,639
	Canadian National Railway Company (callable)		
478,000	2.80% due Sep. 22, 2025-(Jun. 22, 2025)	475,424	483,578
	Canadian Natural Resources Limited		
200,000	3.05% due Jun. 19, 2019	198,500	203,267
	Canadian Utilities Limited		
206,000	6.80% due Aug. 13, 2019	254,041	243,036
349,000	3.12% due Nov. 9, 2022	378,965	368,259
	CI Financial Corporation		
222,000	2.65% due Dec. 7, 2020	222,000	224,541
	Comcast Cable Communications Holdings, Inc.		
387,000	9.46% due Nov. 15, 2022	564,453	741,906
	Comcast Corporation		
17,000	3.13% due Jul. 15, 2022	21,228	23,941
130,000	3.60% due Mar. 1, 2024	143,893	186,513
	Constellation Brands Inc.		
24,000	3.75% due May 1, 2021	30,647	33,743
115,000	6.00% due May 1, 2022	162,669	176,340
80,000	4.25% due May 1, 2023	75,736	111,554
	Crown Castle International Corporation		
225,000	4.88% due Apr. 15, 2022	295,031	324,398
	CU Inc.		
89,000	5.43% due Jan. 23, 2019	103,222	99,502
	Duke Energy Corporation		
411,000	8.75% due Aug. 3, 2018	511,688	482,074
	Emera Inc.		
383,000	4.83% due Dec. 2, 2019	409,634	420,661
	Enbridge Gas Distribution Inc.		
417,000	4.04% due Nov. 23, 2020	454,947	455,336

Face Value ($)	Issuer	Average Cost ($)	Carrying Value ($)
BONDS AND DEBENTURES (cont'd)			
	Enbridge Inc.		
200,000	3.19% due Dec. 5, 2022	186,221	192,522
	Enbridge Income Fund Holdings Inc.		
281,000	4.10% due Feb. 22, 2019	288,487	291,920
245,000	3.94% due Jan. 13, 2023	235,034	246,489
	Enbridge Pipelines Inc.		
124,000	8.20% due Feb. 15, 2024	168,578	162,703
	Enbridge Southern Lights LP		
143,330	4.01% due Jun. 30, 2040	143,330	142,299
	Federal Realty Investment Trust		
117,000	3.95% due Jan. 15, 2024	147,465	167,343
	First Capital Realty Inc.		
500,000	5.85% due Jan. 31, 2017	549,125	522,048
307,000	4.95% due Nov. 30, 2018	327,797	331,361
440,000	5.48% due Jul. 30, 2019	474,848	489,196
613,000	4.43% due Jan. 31, 2022	604,769	665,516
245,000	3.95% due Dec. 5, 2022	230,718	257,773
	Gibson Energy Inc.		
140,000	5.38% due Jul. 15, 2017	141,226	126,467
	Gibson Energy Inc. (callable)		
91,000	7.00% due Jul. 15, 2020-(2016)	95,914	88,156
	H&R Real Estate Investment Trust		
144,000	4.50% due Dec. 31, 2016	149,040	145,260
203,000	4.45% due Mar. 2, 2020	203,080	215,865
	Heathrow Funding Ltd.		
72,000	3.00% due Jun. 17, 2021	73,968	74,315
470,000	3.25% due May 21, 2025	469,884	472,798
	Hydro One Inc.		
207,000	2.78% due Oct. 9, 2018	218,675	214,880
	Inter Pipeline Fund		
400,000	4.90% due Feb. 3, 2020	429,922	442,124
164,000	4.97% due Feb. 2, 2021	175,467	182,963
176,000	3.78% due May 30, 2022	175,367	184,757
	KRCX North Holdings, LLC		
25,000	5.99% due Apr. 13, 2018	27,525	27,211
	Lower Mattagami Energy Limited Partnership		
500,000	3.42% due Jun. 20, 2024	548,540	529,675
	Medtronic Inc.		
191,000	2.50% due Mar. 15, 2020	241,732	266,051
664,000	3.15% due Mar. 15, 2022	848,781	929,932
	North West Redwater Partnership (callable)		
299,000	2.10% due Feb. 23, 2022-(Jan. 23, 2022)	298,399	294,667
253,000	3.20% due Jul. 22, 2024-(Apr. 23, 2024)	259,901	260,208
	North West Redwater Partnership / NWR Financing Co Ltd (callable)		
127,000	3.20% due Apr. 24, 2026-(Jan. 24, 2026)	127,061	127,612
	Omers Finance Trust		
908,000	2.97% due Apr. 5, 2021	950,117	950,121
	Pembina Pipeline Corporation		
92,000	4.89% due Mar. 29, 2021	97,959	101,098
487,000	3.77% due Oct. 24, 2022	470,478	500,400
	Pernod Ricard SA		
100,000	4.45% due Jan. 15, 2022	115,050	143,556
479,000	4.25% due Jul. 15, 2022	495,523	680,051
	Reynolds American Inc.		
306,000	8.13% due Jun. 23, 2019	385,810	497,803
	Rogers Communications Inc.		
1,165,000	5.34% due Mar. 22, 2021	1,254,673	1,319,818
	Royal Bank of Canada		
411,000	2.82% due Jul. 12, 2018	430,461	424,490
579,000	2.35% due Dec. 9, 2019	593,132	591,252
349,000	1.92% due Jul. 17, 2020	347,490	348,917
101,000	2.86% due Mar. 4, 2021	106,085	104,842
815,000	1.97% due Mar. 2, 2022	797,453	798,358
	Shaw Communications Inc.		
128,000	5.65% due Oct. 1, 2019	139,538	142,258

Scotia Income Advantage Fund (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

Face Value ($)	Issuer	Average Cost ($)	Carrying Value ($)
BONDS AND DEBENTURES (cont'd)			
	Silgan Holdings Inc. (callable)		
65,000	5.50% due Feb. 1, 2022-(Aug. 1, 2017)	69,598	92,029
	Simon Property Group LP (callable)		
375,000	5.65% due Feb. 1, 2020 -(Nov. 1, 2019)	437,259	583,709
338,000	2.75% due Dec. 1, 2022-(Nov. 1, 2022)	312,184	457,438
	Suncor Energy, Inc.		
315,000	5.80% due May 22, 2018	352,059	344,110
	TELUS Corporation		
175,000	5.05% due Dec. 4, 2019	190,592	194,002
932,000	5.05% due Jul. 23, 2020	1,019,531	1,041,133
	TELUS Corporation (callable)		
162,000	2.35% due Mar. 28, 2022-(Feb. 28, 2022)	161,564	158,105
	Thermo Fisher Scientific Inc.		
77,000	3.30% due Feb. 15, 2022	93,683	107,089
	ThermoFisher Scientific, Inc. (callable)		
465,000	3.60% due Aug. 15, 2021-(May 15, 2021)	609,387	653,233
	Toronto-Dominion Bank, The		
299,000	2.45% due Apr. 2, 2019	305,470	306,776
33,000	2.56% due Jun. 24, 2020	34,101	33,976
553,000	2.62% due Dec. 22, 2021	566,677	565,127
1,734,000	3.23% due Jul. 24, 2024	1,846,965	1,810,765
	Union Gad Ltd. (callable)		
250,000	3.79% due Jul. 10, 2023-(Apr. 10, 2023)	273,900	269,766
	Union Gas Limited		
125,000	4.85% due Apr. 25, 2022	140,690	142,895
	Union Pacific Corporation (callable)		
190,000	4.16% due Jul. 15, 2022-(Apr. 15, 2022)	270,153	284,086
	UnitedHealth Group Incorporated		
779,000	2.88% due Dec. 15, 2021	998,963	1,090,521
	Universal Health Services Inc. (callable)		
60,000	4.75% due Aug. 1, 2022-(2017)	79,174	84,048
	Ventas Canada Finance Ltd.		
356,000	3.00% due Sep. 1, 2019	368,572	364,964
	Ventas Canada Finance Ltd. (callable)		
325,000	4.13% due Sep. 30, 2024-(Jun. 30, 2024)	323,707	336,955
	Verizon Communications Inc.		
516,000	5.15% due Sep. 15, 2023	736,263	786,699
	Vermilion Energy Inc. (callable)		
282,000	6.50% due Feb. 10, 2016-(2014)	289,515	282,333
	Videotron Ltee		
308,000	6.88% due Jul. 15, 2021	334,722	324,748
	Walt Disney Co., The		
93,000	3.15% due Sep. 17, 2025	123,155	130,004
	Walt Disney Company, The		
298,000	2.35% due Dec. 1, 2022	378,936	406,088
	Wells Fargo & Company		
580,000	3.00% due Feb. 19, 2025	725,327	781,484
	Westcoast Energy Inc.		
362,000	5.60% due Jan. 16, 2019	401,766	398,995
365,000	4.57% due Jul. 2, 2020	390,412	398,366
110,000	3.12% due Dec. 5, 2022	103,597	110,771
	TOTAL BONDS AND DEBENTURES	43,479,173	45,696,239
MONEY MARKET INSTRUMENTS – 1.8%			
Bearers' Deposit Notes – 1.8%			
4,080,000	Toronto-Dominion Bank, The		
	0.00% due from Aug. 4, 2016 to Nov. 3, 2016	4,050,719	4,056,180
FIXED INCOME FUNDS – 3.6%			
305,894	Dynamic Credit Spectrium Fund Series O	2,919,928	2,740,811
1,774,071	Dynamic High Yield Bond Fund Series O	6,106,200	5,570,583
		9,026,128	8,311,394
FOREIGN EQUITY FUNDS – 5.6%			
143,990	Dynamic Alternative Yield Fund Series O	1,515,389	1,589,653
1,153,652	Scotia Private Options Income Pool Series I	11,682,996	11,341,557
		13,198,385	12,931,210
	TOTAL INVESTMENT PORTFOLIO	162,446,261	175,098,463
	Currency Forward Contracts – (0.2%)		(360,284)
	Swap Contracts – (0.0%)		(35,172)
	OTHER ASSETS, LESS LIABILITIES – 24.3%		55,995,883
	NET ASSETS – 100.0%		230,698,890

* This security is not actively traded and considered illiquid.

CURRENCY FORWARD CONTRACTS

Settlement Date	Currency To Be Received	Contractual Amount	Currency To Be Delivered	Contractual Amount	Canadian Value as at December 31, 2015 ($)	Canadian ($) Appreciation/ (Depreciation)
Jan. 28, 2016	British Pound	50,000	Canadian Dollar	103,221	103,220	(1,254)
Jan. 28, 2016	Canadian Dollar	2,195,082	British Pound	1,100,000	2,243,296	(48,214)
Jan. 28, 2016	Canadian Dollar	50,156	British Pound	25,000	50,984	(828)
Jan. 28, 2016	Canadian Dollar	806,295	European Euro	565,000	849,343	(43,049)
Jan. 28, 2016	Canadian Dollar	783,474	European Euro	551,000	828,297	(44,823)
Jan. 28, 2016	Canadian Dollar	2,044,250	Swiss Franc	1,555,000	2,147,820	(103,568)
Jan. 28, 2016	Canadian Dollar	1,433,479	Swiss Franc	1,089,000	1,504,164	(70,685)
Jan. 28, 2016	Canadian Dollar	610,119	Swiss Franc	465,000	642,274	(32,156)
Jan. 28, 2016	Canadian Dollar	173,799	Swiss Franc	133,000	183,704	(9,905)
Jan. 28, 2016	European Euro	75,000	Canadian Dollar	113,438	113,503	(698)
Jan. 28, 2016	European Euro	44,000	Canadian Dollar	66,544	66,583	(403)
Jan. 28, 2016	Swiss Franc	120,000	Canadian Dollar	168,523	168,451	(2,774)
Jan. 28, 2016	Swiss Franc	100,000	Canadian Dollar	140,051	139,991	(1,927)
						(360,284)

The currency forward contracts outstanding at December 31, 2015 are placed with a financial institution with a credit rating of A by DBRS.

Scotia Income Advantage Fund (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

CREDIT DEFAULT SWAP CONTRACTS

Description	Counterparty	Currency	Termination Date	Notional Amount	Interest Rate (%)	Appreciation/ (Depreciation) ($)
MARKIT CDX.NA.HY.25 12/20	Goldman Sachs Group Inc.	USD	Dec. 20, 2020	2,250,000	5.000%	(35,172)

The swap contracts outstanding at December 31. 2015 are placed with a financial institution with a minimum credit rating of A by DBRS.

Scotia Income Advantage Fund

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

1. The Fund (note 1)

The Fund's investment objective is to provide regular income and long-term capital growth. It invests primarily in a diversified portfolio of fixed income and income-oriented equity 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 (earlier of maturity date or interest reset date) of the Fund's portfolio, excluding cash, money market instruments, underlying funds, preferred shares and overdrafts, as applicable.

Interest rate exposure	December 31, 2015 ($)	December 31, 2014 ($)
Less than 1 year	743,665	13,013,842
1-3 years	4,765,015	4,053,077
3-5 years	12,875,700	12,674,253
5-10 years	26,748,309	32,637,228
> 10 years	563,550	3,109,457
Total	45,696,239	65,487,857

The Fund invests in underlying funds, which are exposed to interest rate risk. As at December 31, 2015, 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 $669,688 or approximately 0.3% (December 31, 2014 – $865,197 or approximately 0.4%). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

ii) Currency risk

The tables below indicate the currencies to which the Fund had significant exposure, net of the impact of currency forward contracts and currency spot contracts, if any, based on the monetary and non-monetary assets and liabilities of the Fund. The tables also illustrate the potential impact on the Fund if the functional currency of the Fund had strengthened or weakened by 10% in relation to each of the other currencies, with all other variables held constant.

	December 31, 2015			
Currency	Net currency exposure ($)	Percentage of net assets (%)	Impact on the Fund ($)	Percentage of net assets (%)
US Dollar	116,223,419	50.4	11,622,342	5.0
Swiss Franc	199,712	0.1	19,971	0.0
British Pound	130,203	0.1	13,020	0.0
European Euro	86,384	0.0	8,638	0.0
	116,639,718	50.6	11,663,971	5.0

	December 31, 2014			
Currency	Net currency exposure ($)	Percentage of net assets (%)	Impact on the Fund ($)	Percentage of net assets (%)
US Dollar	66,718,100	28.7	6,671,810	2.9
British Pound	281,446	0.1	28,145	0.0
	66,999,546	28.8	6,699,955	2.9

iii) Price risk

Price risk is the risk that the carrying 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 price risk is mainly in equities, derivatives and commodities, if applicable. As at December 31, 2015, approximately 50.7% (December 31, 2014 – 56.0%) of the Fund's net assets were exposed to price risk. If prices of these investments had decreased or increased by 10%, with all other variables held constant, net assets of the Fund would have decreased or increased, respectively, by approximately $11,703,465 (December 31, 2014 – $13,009,757). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

iv) Credit risk

The table below summarizes the credit ratings of the bonds and debentures, excluding cash and money market instruments but including preferred shares and derivatives, as applicable, held by the Fund.

	December 31, 2015		December 31, 2014	
	Percentage of total bonds and debentures (%)	Percentage of net assets (%)	Percentage of total bonds and debentures (%)	Percentage of net assets (%)
Credit ratings				
AAA	–	–	33.2	9.3
AA	24.2	4.8	0.3	0.1
A	34.2	6.8	21.0	5.9
BBB	37.7	7.4	39.6	11.1
BB	3.9	0.8	3.9	1.1
B	–	–	1.8	0.5
NOT RATED	–	–	0.2	0.1
	100.0	19.8	100.0	28.1

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

v) Liquidity risk

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

	December 31, 2015		December 31, 2014	
	On demand ($)	Less than 3 months ($)	On demand ($)	Less than 3 months ($)
Current liabilities	–	1,495,810	–	654,720
Liability for written options	–	103,058	–	–
Unrealized loss on derivatives	–	395,456	–	455,825
Redeemable units	230,698,890	–	232,522,096	–
	230,698,890	1,994,324	232,522,096	1,110,545

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, geographical location, asset type or industry sector, as applicable. The table below is a summary of the Fund's concentration risk:

	Percentage of net assets (%)	
	December 31, 2015	December 31, 2014
Bearers' Deposit Notes	1.8	–
Consumer Discretionary	5.8	7.4
Consumer Staples	3.0	0.2
Corporate Bonds	19.8	18.8
Energy	3.5	9.7
Federal Bonds	–	9.3
Financials	16.0	15.1
Fixed Income Funds	3.6	2.3
Foreign Equity Funds	5.6	3.3
Health Care	4.0	3.6
Industrials	2.3	3.9
Information Technology	1.7	2.0
Materials	–	0.2
Telecommunication Services	3.1	4.9
Treasury Bills	–	5.0
Utilities	5.7	5.7

vii) Fair value classification (note 2)

The tables below illustrate the classification of the Fund's financial instruments within the fair value hierarchy.

December 31, 2015	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Equities	95,098,638	8,263,945	843,915	104,206,498
Bonds and debentures	35,171	45,661,068	–	45,696,239
Underlying funds	21,242,604	–	–	21,242,604
Money market instruments	–	4,056,180	–	4,056,180
	116,376,413	57,981,193	843,915	175,201,521
Liability for written options	(103,058)	–	–	(103,058)
Currency forward contracts–liabilities	–	(360,284)	–	(360,284)
Swap contracts–liabilities	–	(35,172)	–	(35,172)
	116,273,355	57,585,737	843,915	174,703,007

December 31, 2014	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Equities	121,969,083	545,934	–	122,515,017
Bonds and debentures	–	65,487,857	–	65,487,857
Underlying funds	13,070,182	–	–	13,070,182
Money market instruments	–	11,589,702	–	11,589,702
Accumulator contracts–assets	–	24,931	–	24,931
Currency forward contracts–assets	–	42,959	–	42,959
	135,039,265	77,691,383	–	212,730,648
Liability for written options	(158,767)	–	–	(158,767)
Accumulator contracts–liabilities		(23,770)	–	(23,770)
Currency forward contracts–liabilities	–	(395,007)	–	(395,007)
Swap contracts–liabilities	–	(60,818)	–	(60,818)
	134,880,498	77,211,788	–	212,092,286

Transfers between levels

During the periods ended December 31, 2015 and 2014, there were no significant transfers between Level 1 and Level 2.

Reconciliation of Level 3 financial instruments

The following table presents the movement in the Fund's Level 3 financial instruments for the periods ended:

	December 31, 2015 ($)
Beginning of period	–
Purchases	866,912
Sales	(9,376)
Transfers into Level 3	–
Transfers out of Level 3	–
Net realized gains (losses)	252
Net changes in unrealized gain (loss)*	(13,873)
End of period	843,915

* Net change in unrealized gain (loss) for Level 3 financial instruments held as at December 31, 2015 was $(13,873).

Level 3 valuation techniques

The significant unobservable inputs and valuation techniques used to determine the fair value measurements categorized in Level 3 are indicated below:

Security	Valuation technique	Significant unobservable input	December 31, 2015 ($)
Equities	Fundamental model analysis based on financial data	Company NAV	843,915

The significant unobservable inputs used in the valuation techniques used to estimate the fair values of level 3 investments can vary considerably over time to time depending on company specific factors and economic or market conditions. A 10% increase or decrease in the results of applying these valuation techniques, with all other variables held consistent, would have resulted in an increase or decrease, respectively, in net assets of $84,392.

Scotia Income Advantage Fund (Continued)

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

3. Offsetting of financial assets and liabilities (note 2)

The following table presents offsetting of financial assets and liabilities and collateral amounts that would occur if future events, such as bankruptcy or termination of contracts were to arise. No amounts were offset in the financial statements.

	December 31, 2015			
Financial assets – by type	Gross amount of assets ($)	Master netting offset ($)	Collateral pledged ($)	Net Amount ($)
Currency forward contracts	–	–	–	–
Options contracts – OTC	–	–	–	–
Swap contracts	–	–	–	–
	–	–	–	–

Financial liabilities – by type	Gross amount of liabilities ($)	Master netting offset ($)	Collateral pledged ($)	Net Amount ($)
Currency forward contracts	360,284	–	–	360,284
Options contracts – OTC	–	–	–	–
Swap contracts	35,172	–	–	35,172
	395,456	–	–	395,456

	December 31, 2014			
Financial assets – by type	Gross amount of assets ($)	Master netting offset ($)	Collateral pledged ($)	Net Amount ($)
Currency forward contracts	42,959	(35,860)	–	7,099
Options contracts – OTC	–	–	–	–
Swap contracts	–	–	–	–
	42,959	(35,860)	–	7,099

Financial liabilities – by type	Gross amount of liabilities ($)	Master netting offset ($)	Collateral pledged ($)	Net Amount ($)
Currency forward contracts	395,007	(35,860)	–	359,147
Options contracts – OTC	–	–	–	–
Swap contracts	60,818	–	–	60,818
	455,825	(35,860)	–	419,965

4. Interest in Underlying Funds (note 2)

The following tables provide information about the Fund's interest in Underlying Funds.

	December 31, 2015	
Underlying Fund	Carrying value of the Underlying Fund ($)	Ownership percentage in Underlying Fund (%)
Scotia Private Options Income Pool Series I	11,341,557	1.5
Dynamic High Yield Bond Fund Series O	5,570,583	1.1
Dynamic Credit Spectrum Fund Series O	2,740,811	0.6
Dynamic Alternative Yield Fund Series O	1,589,653	0.1
	21,242,604	

	December 31, 2014	
Underlying Fund	Carrying value of the Underlying Fund ($)	Ownership percentage in Underlying Fund (%)
Dynamic Alternative Yield Fund Series O	7,741,323	0.7
Dynamic High Yield Bond Fund Series O	5,328,859	0.6
	13,070,182	

5. Comparison of net asset value per unit and net assets per unit (note 2)

The table below provides a comparison of the net asset value per unit and net assets per unit. The primary reason for the difference between the net asset value per unit and net assets per unit, if any, is described in note 2.

	December 31, 2015		December 31, 2014	
	Net asset value per unit ($)	Net assets per unit ($)	Net asset value per unit ($)	Net assets per unit ($)
Series A	10.95	10.95	11.12	11.12
Series M	11.08	11.08	11.11	11.11

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

Scotia Canadian Balanced Fund

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars except per unit amounts)	December 31, 2015	December 31, 2014
ASSETS		
Current assets		
Investments		
Non-derivative financial assets	1,935,600,798	2,140,623,889
Unrealized gain on currency forward contracts	–	221,489
Unrealized gain on swap contracts	–	13,235
Cash	190,533,344	75,403,339
Receivable for securities sold	1,823,027	–
Subscriptions receivable	1,724,757	2,231,631
Accrued investment income and other	2,299,881	1,720,643
	2,131,981,807	2,220,214,226
LIABILITIES		
Current liabilities		
Payable for securities purchased	1,856,401	–
Redemptions payable	1,325,247	1,291,963
Distributions payable	–	1,199
Unrealized loss on currency forward contracts	10,991,657	890,708
	14,173,305	2,183,870
Net assets attributable to holders of redeemable units	2,117,808,502	2,218,030,356
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series A	2,117,518,499	2,217,917,317
Series D	22,617	3,582
Series F	267,386	109,457
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series A	23.00	23.61
Series D	9.81	10.03
Series F	22.67	23.18

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except per unit amounts)	2015	2014
INCOME		
Net gain (loss) on investments (note 2)		
Dividends	28,807,110	27,831,443
Interest for distribution purposes	25,262,339	27,005,120
Capital gains distributions received	–	(50,069)
Net realized gain (loss) on non-derivative financial assets	264,893,797	102,679,900
Net realized gain (loss) on currency forward contracts	(14,015,706)	(15,526,293)
Net realized gain (loss) on futures contracts	–	(90,251)
Net realized gain (loss) on swap contracts	(389,470)	12,701,581
Change in unrealized gain (loss) on non-derivative financial assets	(216,792,562)	78,943,990
Change in unrealized gain (loss) on currency forward contracts	(10,322,438)	2,495,573
Change in unrealized gain (loss) on swap contracts	(13,235)	(7,012,779)
Net gain (loss) on investments	77,429,835	228,978,215
Securities lending	19,228	35,586
Net realized and unrealized gain (loss) on foreign exchange	14,082,085	5,456,075
Other income	31,372	33,964
Total income (loss)	91,562,520	234,503,840
EXPENSES		
Management fees (note 5)	38,928,433	39,111,613
Fixed administration fees (note 6)	2,002,216	724,888
Independent Review Committee fees	1,068	4,651
Interest expense and bank overdraft charges	–	700
Foreign withholding taxes/tax reclaims	788,197	1,010,471
Audit fees	–	48,470
Custodian fees	–	28,307
Filing fees	–	50,905
Legal fees	–	7,256
Unitholder administration costs	–	900,542
Unitholder reporting costs	–	169,055
Other fund costs	2,710	–
Harmonized Sales Tax/Goods and Services Tax	4,523,114	4,515,620
Transaction costs	1,226,669	1,098,219
Total expenses	47,472,407	47,670,697
Expenses absorbed by the Manager	–	(2,070)
Net expenses	47,472,407	47,668,627
Increase (decrease) in net assets attributable to holders of redeemable units from operations	44,090,113	186,835,213
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A	44,092,040	186,824,867
Series D	(347)	14
Series F	(1,580)	10,332
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT†		
Series A	0.49	1.93
Series D	(0.38)	0.04
Series F	(0.20)	2.15
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series A	90,719,010	96,838,771
Series D	904	357
Series F	8,021	4,815

† The increase (decrease) in net assets attributable to holders of redeemable units from operations 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 number of units per series.

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

Scotia Canadian Balanced Fund (Continued)

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the periods ended December 31 (note 1),

(in dollars)	2015	2014
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series A	2,217,917,317	2,225,996,887
Series D	3,582	–
Series F	109,457	106,377
	2,218,030,356	2,226,103,264
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A	44,092,040	186,824,867
Series D	(347)	14
Series F	(1,580)	10,332
	44,090,113	186,835,213
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net investment income		
Series A	(551,203)	(17,720,921)
Series D	(3)	–
Series F	(162)	(1,557)
From net realized gains on investments		
Series A	(91,538,447)	–
Series D	(954)	–
Series F	(12,226)	–
	(92,102,995)	(17,722,478)
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A	194,496,345	199,976,599
Series D	19,382	3,568
Series F	163,343	25,671
Reinvested distributions		
Series A	91,919,977	17,688,955
Series D	957	–
Series F	8,554	1,557
Payments on redemption		
Series A	(338,817,530)	(394,849,070)
Series F	–	(32,923)
	(52,208,972)	(177,185,643)
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A	(100,398,818)	(8,079,570)
Series D	19,035	3,582
Series F	157,929	3,080
	(100,221,854)	(8,072,908)
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series A	2,117,518,499	2,217,917,317
Series D	22,617	3,582
Series F	267,386	109,457
	2,117,808,502	2,218,030,356

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	44,090,113	186,835,213
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(264,893,797)	(102,679,900)
Unrealized (gain) loss on foreign exchange of cash	(13,816,166)	(4,888,312)
Change in unrealized (gain) loss on non-derivative financial assets	216,792,562	(78,943,990)
Change in unrealized (gain) loss on currency forward contracts	10,322,438	(2,495,573)
Change in unrealized (gain) loss on swap contracts	13,235	7,012,779
Purchases of non-derivative financial assets	(783,872,517)	(535,354,043)
Proceeds from sale of non-derivative financial assets	1,035,803,548	740,765,648
Transaction costs	1,226,669	1,088,520
Accrued investment income and other	(579,238)	396,965
Net cash provided by (used in) operating activities	245,086,847	211,737,307
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	195,185,944	200,152,579
Amounts paid on redemption of redeemable units	(338,784,246)	(394,921,467)
Distributions to unitholders of redeemable units	(174,706)	(33,801)
Net cash provided by (used in) financing activities	(143,773,008)	(194,802,689)
Unrealized gain (loss) on foreign exchange of cash	13,816,166	4,888,312
Net increase (decrease) in cash	101,313,839	16,934,618
Cash (bank overdraft), beginning of period	75,403,339	53,580,409
CASH (BANK OVERDRAFT), END OF PERIOD	190,533,344	75,403,339
Interest received[1]	25,252,201	27,027,803
Dividends received, net of withholding taxes[1]	27,464,887	27,195,254

[1] Classified as operating items.

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

Scotia Canadian Balanced Fund (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2015

Number of Shares	Issuer	Average Cost ($)	Carrying Value ($)
EQUITIES – 53.0%			
Energy – 4.3%			
1,456,400	Canadian Energy Services & Technology Corporation	7,798,104	5,650,832
719,900	Canadian Natural Resources Ltd.	22,056,410	21,755,378
390,700	Enbridge Inc.	16,959,301	17,972,200
2,048,300	PrairieSky Royalty Ltd.	53,444,032	44,898,736
		100,257,847	90,277,146
Materials – 1.5%			
99,300	Agrium Inc.	12,850,599	12,280,431
381,100	West Fraser Timber Co., Ltd.	19,333,884	20,019,183
		32,184,483	32,299,614
Industrials – 6.4%			
580,500	Canadian National Railway Company	23,036,556	44,901,675
122,800	Canadian Pacific Railway Limited	25,447,812	21,702,444
256,900	Danaher Corporation	15,865,376	32,992,288
111,200	Finning International Inc.	2,000,784	2,077,216
256,200	United Parcel Service, Inc., Class B	35,105,513	34,089,372
		101,456,041	135,762,995
Consumer Discretionary – 9.1%			
238,100	Canadian Tire Corporation, Limited, Class A	30,182,005	28,133,896
288,800	Dollarama Inc.	8,075,874	23,086,672
283,005	Magna International Inc.	8,672,795	15,882,241
651,824	Restaurant Brands International Inc.	30,863,210	33,731,892
676	Restaurant Brands International Limited Partnership	27,885	34,915
1,732,800	Shaw Communications, Inc., Class B	46,300,345	41,240,640
485,100	Thomson Reuters Corporation	25,549,158	25,424,091
180,300	Walt Disney Company, The	9,201,835	26,202,061
		158,873,107	193,736,408
Consumer Staples – 6.6%			
314,900	Alimentation Couche-Tard Inc., Class B	19,751,505	19,180,559
753,300	Coca-Cola Company, The	31,789,835	44,756,065
248,100	CVS Caremark Corporation	31,893,509	33,538,294
641,400	Loblaw Companies Limited	31,113,071	41,909,076
		114,547,920	139,383,994

Number of Shares/ Number of Units	Issuer	Average Cost ($)	Carrying Value ($)
EQUITIES (cont'd)			
Health Care – 1.6%			
238,900	Johnson & Johnson	32,466,390	33,930,097
Financials – 15.8%			
272,700	Bank of Montreal	21,173,408	21,292,416
966,300	Bank of Nova Scotia, The	51,927,263	54,083,811
883,400	Element Financial Corp.	15,017,800	14,752,780
385,200	Intact Financial Corporation	34,549,110	34,159,536
2,656,300	Manulife Financial Corporation	57,577,708	55,091,662
407,500	Royal Bank of Canada	19,888,662	30,216,125
535,700	Sun Life Financial Inc.	23,261,127	23,115,455
1,131,500	Toronto-Dominion Bank, The	42,003,589	61,372,560
543,000	Wells Fargo & Company	39,961,794	40,803,664
		305,360,461	334,888,009
Information Technology – 4.2%			
172,800	CGI Group Inc., Class A	9,714,397	9,573,120
31,984	Google Inc. Class C	13,108,790	33,568,006
599,200	Microsoft Corporation	17,414,195	45,954,937
		40,237,382	89,096,063
Telecommunication Services – 3.5%			
983,800	BCE Inc.	55,668,878	52,593,948
575,200	TELUS Corporation	20,121,008	22,007,152
		75,789,886	74,601,100
	TOTAL EQUITIES	961,173,517	1,123,975,426
FIXED INCOME FUND – 38.4%			
58,847,121	Scotia Canadian Income Fund Series I	808,899,548	811,625,372
	TOTAL INVESTMENT PORTFOLIO	1,770,073,065	1,935,600,798
	Currency Forward Contracts – (0.5%)		(10,991,657)
	OTHER ASSETS, LESS LIABILITIES – 9.1%		193,199,361
	NET ASSETS – 100.0%		2,117,808,502

CURRENCY FORWARD CONTRACTS

Settlement Date	Currency To Be Received	Contractual Amount	Currency To Be Delivered	Contractual Amount	Canadian Value as at December 31, 2015 ($)	Canadian ($) Appreciation/ (Depreciation)
Jan. 20, 2016	Canadian Dollar	205,382,939	U.S. Dollar	154,100,000	213,068,967	(7,686,028)
Feb. 18, 2016	Canadian Dollar	87,658,760	U.S. Dollar	65,800,000	90,964,388	(3,305,629)
						(10,991,657)

The currency forward contracts outstanding at December 31, 2015 are placed with a financial institution with a credit rating of A by DBRS.

For equities, all common shares unless otherwise noted.

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

Scotia Canadian Balanced Fund

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

1. The Fund (note 1)

The Fund's investment objective is to provide a balance between earning income and obtaining capital growth over the long-term. It invests primarily in a broad range of Canadian equity and fixed income securities.

2. Risks associated with financial instruments (note 4)

i) Interest rate risk

The Fund invests in underlying funds, which are exposed to interest rate risk. As at December 31, 2015, 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 $11,990,186 or approximately 0.6% (December 31, 2014 – $13,837,583 or approximately 0.6%). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

ii) Currency risk

The tables below indicate the currencies to which the Fund had significant exposure, net of the impact of currency forward contracts and currency spot contracts, if any, based on the monetary and non-monetary assets and liabilities of the Fund. The tables also illustrate the potential impact on the Fund if the functional currency of the Fund had strengthened or weakened by 10% in relation to each of the other currencies, with all other variables held constant.

The Fund could be exposed to indirect currency risk to the extent that the Underlying Funds held financial instruments that were denominated in a currency other than its functional currency.

	December 31, 2015			
Currency	Net currency exposure ($)	Percentage of net assets (%)	Impact on the Fund ($)	Percentage of net assets (%)
US Dollar	211,671,364	10.0	21,167,136	1.0
British Pound	663,406	0.0	66,341	0.0
Swiss Franc	1	0.0	0	0.0
	212,334,771	10.0	21,233,477	1.0

	December 31, 2014			
Currency	Net currency exposure ($)	Percentage of net assets (%)	Impact on the Fund ($)	Percentage of net assets (%)
US Dollar	347,541,725	15.7	34,754,173	1.6
British Pound	588,388	0.0	58,839	0.0
Swiss Franc	1	0.0	0	0.0
	348,130,114	15.7	34,813,012	1.6

iii) Price risk

Price risk is the risk that the carrying 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 price risk is mainly in equities, derivatives and commodities, if applicable. As at December 31, 2015, approximately 53.0% (December 31, 2014 – 60.7%) of the Fund's net assets were exposed to price risk. If prices of these investments had decreased or increased by 10%, with all other variables held constant, net assets of the Fund would have decreased or increased, respectively, by approximately $112,397,543 (December 31, 2014 – $134,704,978). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

iv) Credit risk

The Fund could be exposed to indirect credit risk to the extent that the Underlying Funds invested in bonds and debentures, preferred shares and derivatives.

v) Liquidity risk

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

	December 31, 2015		December 31, 2014	
	On demand ($)	Less than 3 months ($)	On demand ($)	Less than 3 months ($)
Current liabilities	–	3,181,648	–	1,293,162
Liability for written options	–	–	–	–
Unrealized loss on derivatives	–	10,991,657	–	890,708
Redeemable units	2,117,808,502	–	2,218,030,356	–
	2,117,808,502	14,173,305	2,218,030,356	2,183,870

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, geographical location,

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

asset type or industry sector, as applicable. The table below is a summary of the Fund's concentration risk:

	Percentage of net assets (%)	
	December 31, 2015	December 31, 2014
Consumer Discretionary	9.1	8.1
Consumer Staples	6.6	5.2
Energy	4.3	10.0
Financials	15.8	17.6
Fixed Income Funds	38.4	35.8
Health Care	1.6	4.0
Industrials	6.4	6.0
Information Technology	4.2	5.6
Materials	1.5	2.0
Telecommunication Services	3.5	2.2

vii) Fair value classification (note 2)

The tables below illustrate the classification of the Fund's financial instruments within the fair value hierarchy.

December 31, 2015	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Equities	1,123,975,426	–	–	1,123,975,426
Underlying funds	811,625,372	–	–	811,625,372
	1,935,600,798	–	–	1,935,600,798
Currency forward contracts–liabilities	–	(10,991,657)	–	(10,991,657)
	1,935,600,798	(10,991,657)	–	1,924,609,141

December 31, 2014	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Equities	1,347,049,780	–	–	1,347,049,780
Underlying funds	793,574,109	–	–	793,574,109
Currency forward contracts–assets	–	221,489	–	221,489
Swap contracts–assets	–	13,235	–	13,235
	2,140,623,889	234,724	–	2,140,858,613
Currency forward contracts–liabilities	–	(890,708)	–	(890,708)
	2,140,623,889	(655,984)	–	2,139,967,905

Transfers between levels

During the periods ended December 31, 2015 and December 31, 2014, there were no significant transfers between Level 1 and Level 2.

3. Offsetting of financial assets and liabilities (note 2)

The following tables present offsetting of financial assets and liabilities and collateral amounts that would occur if future events, such as bankruptcy or termination of contracts were to arise. No amounts were offset in the financial statements.

	December 31, 2015			
Financial assets – by type	Gross amount of assets ($)	Master netting offset ($)	Collateral pledged ($)	Net Amount ($)
Currency forward contracts	–	–	–	–
Options contracts – OTC	–	–	–	–
Swap contracts	–	–	–	–
	–	–	–	–

	December 31, 2015			
Financial liabilities – by type	Gross amount of liabilities ($)	Master netting offset ($)	Collateral pledged ($)	Net Amount ($)
Currency forward contracts	10,991,657	–	–	10,991,657
Options contracts – OTC	–	–	–	–
Swap contracts	–	–	–	–
	10,991,657	–	–	10,991,657

	December 31, 2014			
Financial assets – by type	Gross amount of assets ($)	Master netting offset ($)	Collateral pledged ($)	Net amount ($)
Currency forward contracts	221,489	–	–	221,489
Options contracts – OTC	–	–	–	–
Swap contracts	13,235	–	–	13,235
	234,724	–	–	234,724

	December 31, 2014			
Financial liabilities – by type	Gross amount of liabilities ($)	Master netting offset ($)	Collateral pledged ($)	Net amount ($)
Currency forward contracts	890,708	–	–	890,708
Options contracts – OTC	–	–	–	–
Swap contracts	–	–	–	–
	890,708	–	–	890,708

4. Interest in Underlying Funds (note 2)

The following tables provide information about the Fund's interest in Underlying Funds.

	December 31, 2015	
Underlying Fund	Carrying value of the Underlying Fund ($)	Ownership percentage in Underlying Fund (%)
Scotia Canadian Income Fund Series I	811,625,372	13.3
	811,625,372	

	December 31, 2014	
Underlying Fund	Carrying value of the Underlying Fund ($)	Ownership percentage in Underlying Fund (%)
Scotia Canadian Income Fund Series I	793,574,109	13.2
	793,574,109	

5. Comparison of net asset value per unit and net assets per unit (note 2)

The table below provides a comparison of the net asset value per unit and net assets per unit. The primary reason for the difference between the net asset value per unit and net assets per unit, if any, is described in note 2.

	December 31, 2015		December 31, 2014	
	Net asset value per unit ($)	Net assets per unit ($)	Net asset value per unit ($)	Net assets per unit ($)
Series A	23.01	23.00	23.61	23.61
Series D	9.81	9.81	10.04	10.03
Series F	22.67	22.67	23.18	23.18

Scotia Dividend Balanced Fund

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars except per unit amounts)	December 31, 2015	December 31, 2014
ASSETS		
Current assets		
Investments		
Non-derivative financial assets	294,496,681	332,864,969
Unrealized gain on currency forward contracts	–	2,584
Cash	15,772,004	21,722,830
Receivable for securities sold	565,421	107,735
Subscriptions receivable	243,578	645,049
Accrued investment income and other	505,116	578,443
	311,582,800	355,921,610
LIABILITIES		
Current liabilities		
Payable for securities purchased	5,110,894	4,052,340
Redemptions payable	231,931	964,276
Distributions payable	9	24
Unrealized loss on currency forward contracts	371,758	378,110
	5,714,592	5,394,750
Net assets attributable to holders of redeemable units	305,868,208	350,526,860
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series A	305,802,167	350,526,860
Series D	66,041	–
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series A	10.90	12.25
Series D	9.00	–

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except per unit amounts)	2015	2014
INCOME		
Net gain (loss) on investments (note 2)		
Dividends	7,291,080	6,251,444
Interest for distribution purposes	1,435,699	1,654,086
Capital gains distributions received	–	20,488
Net realized gain (loss) on non-derivative financial assets	16,185,471	35,332,812
Net realized gain (loss) on currency forward contracts	(2,343,508)	(1,353,825)
Change in unrealized gain (loss) on non-derivative financial assets	(35,482,092)	(14,936,215)
Change in unrealized gain (loss) on currency forward contracts	3,768	(97,695)
Net gain (loss) on investments	(12,909,582)	26,871,095
Securities lending	90,714	30,067
Net realized and unrealized gain(loss) on foreign exchange	2,357,066	607,826
Other income	5,742	9,493
Total income (loss)	(10,456,060)	27,518,481
EXPENSES		
Management fees (note 5)	5,595,755	5,056,038
Fixed administration fees (note 6)	271,329	99,852
Independent Review Committee fees	1,156	606
Interest expense and bank overdraft charges	232	793
Foreign withholding taxes/tax reclaims	193,699	118,044
Audit fees	–	6,512
Custodian fees	–	3,709
Filing fees	–	13,947
Legal fees	–	890
Unitholder administration costs	–	67,493
Unitholder reporting costs	–	17,104
Other fund costs	391	–
Harmonized Sales Tax/Goods and Services Tax	625,000	553,424
Transaction costs	493,819	596,783
Total expenses	7,181,381	6,535,195
Increase (decrease) in net assets attributable to holders of redeemable units from operations	(17,637,441)	20,983,286
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A	(17,632,223)	20,983,286
Series D	(5,218)	–
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT†		
Series A	(0.63)	0.92
Series D	(0.91)	–
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series A	27,807,747	22,888,191
Series D	5,763	–

† The increase (decrease) in net assets attributable to holders of redeemable units from operations 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 number of units per series.

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

Scotia Dividend Balanced Fund (Continued)

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the periods ended December 31 (note 1),

(in dollars)	2015	2014
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series A	350,526,860	219,095,163
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A	(17,632,223)	20,983,286
Series D	(5,218)	–
	(17,637,441)	20,983,286
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net investment income		
Series A	(321,316)	(770,816)
Series D	(169)	–
From net realized gains on investments		
Series A	(18,185,299)	(33,046,511)
Series D	(4,192)	–
	(18,510,976)	(33,817,327)
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A	49,379,692	157,486,661
Series D	80,244	–
Reinvested distributions		
Series A	18,294,449	33,344,423
Series D	4,166	–
Payments on redemption		
Series A	(76,259,996)	(46,565,346)
Series D	(8,790)	–
	(8,510,235)	144,265,738
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A	(44,724,693)	131,431,697
Series D	66,041	–
	(44,658,652)	131,431,697
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series A	305,802,167	350,526,860
Series D	66,041	–
	305,868,208	350,526,860

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	(17,637,441)	20,983,286
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(16,185,471)	(35,332,812)
Unrealized (gain) loss on foreign exchange of cash	(2,052,315)	(430,600)
Change in unrealized (gain) loss on non-derivative financial assets	35,482,092	14,936,215
Change in unrealized (gain) loss on currency forward contracts	(3,768)	97,695
Purchases of non-derivative financial assets	(274,896,066)	(404,456,481)
Proceeds from sale of non-derivative financial assets	294,074,783	294,153,102
Transaction costs	493,819	596,783
Accrued investment income and other	73,327	(131,922)
Net cash provided by (used in) operating activities	19,348,960	(109,584,734)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	49,861,406	157,638,734
Amounts paid on redemption of redeemable units	(77,001,131)	(45,723,729)
Distributions to unitholders of redeemable units	(212,376)	(472,891)
Net cash provided by (used in) financing activities	(27,352,101)	111,442,114
Unrealized gain (loss) on foreign exchange of cash	2,052,315	430,600
Net increase (decrease) in cash	(8,003,141)	1,857,380
Cash (bank overdraft), beginning of period	21,722,830	19,434,850
CASH (BANK OVERDRAFT), END OF PERIOD	15,772,004	21,722,830
Interest paid[1]	232	–
Interest received[1]	1,446,060	1,650,855
Dividends received, net of withholding taxes[1]	7,161,425	6,004,709

[1] Classified as operating items.

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2015

Number of Shares	Issuer	Average Cost ($)	Carrying Value ($)
EQUITIES – 82.2%			
Energy – 11.7%			
64,600	ARC Resources Ltd.	1,839,748	1,078,820
54,600	Baytex Energy Corporation	1,008,117	244,608
159,200	Bonavista Energy Corporation	1,123,756	289,744
354,800	Canadian Energy Services & Technology Corporation	1,632,522	1,376,624
208,200	Canyon Services Group Inc.	2,367,923	847,374
85,800	Cenovus Energy Inc.	1,635,782	1,501,500
167,000	Crescent Point Energy Corp.	3,012,814	2,692,040
11,900	Enbridge Inc.	569,557	547,400
411,900	EnCana Corporation	5,930,214	2,895,657
441,020	NuVista Energy Ltd.	3,619,343	1,794,951
164,400	Pason Systems Inc.	3,187,058	3,187,716
47,900	Pembina Pipeline Corporation	1,997,634	1,444,185
1,588,400	Perpetual Energy Inc.	2,584,240	79,420
1,588,400	Perpetual Energy Inc., Rights, Jan. 15, 2016	–	111,188
143,104	Precision Drilling Corporation	1,606,782	782,779
576,100	Secure Energy Services Inc.	8,477,960	4,816,196
220,236	Seven Generations Energy Ltd.	4,203,964	2,968,781
363,100	Total Cda Oil & Gas	3,427,861	1,869,965
60,000	TransCanada Corporation	2,668,699	2,711,400
189,500	Trilogy Energy Corporation	4,940,499	693,570
742,300	Trinidad Drilling Ltd.	7,119,016	1,573,676
370,800	Western Energy Services Corp.	2,490,380	1,438,704
104,200	Whitecap Resources, Inc.	1,120,284	945,094
		66,564,153	35,891,392
Materials – 2.2%			
122,200	Goldcorp, Inc.	2,782,157	1,953,978
334,500	Interfor Corporation	6,851,143	4,696,380
		9,633,300	6,650,358
Industrials – 16.0%			
84,500	Black Diamond Group Ltd.	1,967,144	613,470
45,000	Boyd Group Income Fund	2,022,750	2,974,500
100,400	Canadian National Railway Company	7,661,154	7,765,940
46,313	Canadian Pacific Railway Limited	9,453,540	8,184,896
12,012	Eaton Corporation	939,415	864,265
19,100	Ingersoll-Rand PLC	1,165,825	1,460,493
46,900	MacDonald, Dettwiler and Associates Ltd.	3,845,762	3,904,894
829,050	Morneau Shepell, Inc.	13,859,833	12,004,644
34,550	Ryder System, Inc.	2,307,993	2,715,472
62,096	Stantec Inc.	1,974,033	2,131,135
55,000	TransForce, Inc.	1,309,756	1,298,550
43,862	Triumph Group, Inc.	3,192,454	2,411,267
24,000	Union Pacific Corporation	3,162,768	2,595,599
		52,862,427	48,925,125
Consumer Discretionary – 14.5%			
13,600	Advance Auto Parts, Inc.	2,224,936	2,830,896
504,700	Aimia Inc.	8,198,289	4,749,227
34,000	Brunswick Corporation	1,595,517	2,374,362
8,300	Canadian Tire Corporation, Limited, Class A	962,366	980,728
90,700	Cineplex, Inc.	3,443,995	4,312,785
65,000	Dollar General Corp.	5,648,873	6,458,918
45,500	Dollar Tree, Inc.	3,873,513	4,859,156
295,400	EnerCare Inc.	2,724,920	4,714,584
161,600	Hudson's Bay Company	3,940,295	2,924,960
61,500	Shaw Communications, Inc., Class B	1,642,736	1,463,700
74,300	Thomson Reuters Corporation	3,843,436	3,894,063
185,100	Whistler Blackcomb Holdings Inc.	2,942,029	4,618,245
		41,040,905	44,181,624
Consumer Staples – 0.9%			
43,900	Reynolds American Inc.	1,780,926	2,801,010

For equities, all common shares unless otherwise noted.

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

Scotia Dividend Balanced Fund (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

Number of Shares	Issuer	Average Cost ($)	Carrying Value ($)
EQUITIES (cont'd)			
Health Care – 12.9%			
55,200	Aetna Inc.	8,216,564	8,254,006
28,900	Anthem, Inc.	5,500,897	5,573,203
35,597	Becton, Dickinson and Company	5,045,959	7,585,907
8,400	MEDNAX, Inc.	793,734	832,135
81,647	Medtronic, Inc.	7,191,694	8,682,764
79,900	Team Health Holdings Inc.	5,021,161	4,849,891
16,600	Valeant Pharmaceuticals International, Inc.	2,795,264	2,333,296
10,200	Zimmer Biomet Holdings Inc.	1,111,603	1,447,188
		35,676,876	39,558,390
Financials – 17.8%			
373,317	Altus Group Ltd.	7,569,193	7,238,617
95,300	Bank of Nova Scotia, The	6,206,082	5,333,941
849,400	Canaccord Financial Inc.	6,264,486	4,340,434
117,300	CI Financial Corporation	3,859,711	3,589,380
17,804	Discover Financial Services	1,244,736	1,320,274
465,300	Fiera Sceptre Inc.	5,494,276	5,276,502
30,085	FirstService Corporation	310,104	1,681,752
193,300	Gluskin Sheff + Associates Inc.	5,233,821	4,026,439
64,694	Intact Financial Corporation	5,814,154	5,737,064
254,500	Manulife Financial Corporation	5,589,828	5,278,330
82,400	Royal Bank of Canada	6,243,415	6,109,960
85,300	Toronto-Dominion Bank, The	4,582,274	4,626,672
		58,412,080	54,559,365
EQUITIES (cont'd)			
Information Technology – 3.2%			
67,924	Davis + Henderson Income Corporation	2,419,817	2,147,757
58,500	Intel Corporation	2,426,175	2,787,178
70,600	Open Text Corporation	4,289,169	4,683,604
		9,135,161	9,618,539
Telecommunication Services – 2.1%			
48,800	BCE Inc.	2,677,769	2,608,848
53,016	Rogers Communications, Inc., Class B	2,265,714	2,529,924
33,800	TELUS Corporation	1,322,267	1,293,188
		6,265,750	6,431,960
Utilities – 0.9%			
119,900	Hydro One Limited	2,457,950	2,672,571
	TOTAL EQUITIES	283,829,528	251,290,334
FIXED INCOME FUNDS – 14.1%			
2,391,244	Scotia Canadian Income Fund Series I	32,274,352	32,980,283
948,958	Scotia Private Canadian Corporate Bond Pool Series I	9,977,777	10,226,064
		42,252,129	43,206,347
	TOTAL INVESTMENT PORTFOLIO	326,081,657	294,496,681
	Currency Forward Contracts – (0.1%)		(371,758)
	OTHER ASSETS, LESS LIABILITIES – 3.8%		11,743,285
	NET ASSETS – 100.0%		305,868,208

CURRENCY FORWARD CONTRACTS

Settlement Date	Currency To Be Received	Contractual Amount	Currency To Be Delivered	Contractual Amount	Canadian Value as at December 31, 2015 ($)	Canadian ($) Appreciation/ (Depreciation)
Feb. 18, 2016	Canadian Dollar	9,858,280	U.S. Dollar	7,400,000	10,230,038	(371,758)

The currency forward contracts outstanding at December 31, 2015 are placed with a financial institution with a credit rating of AA by DBRS.

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

Scotia Dividend Balanced Fund

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

1. The Fund (note 1)

The Fund's investment objective is to achieve long-term capital growth and current income return. It invests, either directly or through investing in securities of other funds, primarily in equity securities of companies that pay dividends or that are expected to pay dividends, fixed income securities, and other securities that are expected to distribute income.

2. Risks associated with financial instruments (note 4)

i) Interest rate risk

The Fund invests in underlying funds, which are exposed to interest rate risk. As at December 31, 2015, 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 $617,000 or approximately 0.2% (December 31, 2014 – $693,752 or approximately 0.2%).

ii) Currency risk

The tables below indicate the currencies to which the Fund had significant exposure, net of the impact of currency forward contracts and currency spot contracts, if any, based on the monetary and non-monetary assets and liabilities of the Fund. The tables also illustrate the potential impact on the Fund if the functional currency of the Fund had strengthened or weakened by 10% in relation to each of the other currencies, with all other variables held constant.

	December 31, 2015			
Currency	Net currency exposure ($)	Percentage of net assets (%)	Impact on the Fund ($)	Percentage of net assets (%)
US Dollar	74,548,193	24.4	7,454,819	2.4
	74,548,193	24.4	7,454,819	2.4

	December 31, 2014			
Currency	Net currency exposure ($)	Percentage of net assets (%)	Impact on the Fund ($)	Percentage of net assets (%)
US Dollar	70,335,638	20.1	7,033,564	2.0
	70,335,638	20.1	7,033,564	2.0

iii) Price risk

Price risk is the risk that the carrying 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 price risk is mainly in equities, derivatives and commodities, if applicable. As at December 31, 2015, approximately 82.2% (December 31, 2014 – 82.9%) of the Fund's net assets were exposed to price risk. If prices of these investments had decreased or increased by 10%, with all other variables held constant, net assets of the Fund would have decreased or increased, respectively, by approximately $25,129,033 (December 31, 2014 – $29,069,823). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

iv) Credit risk

The Fund had no significant exposure to bonds and debentures, preferred shares or derivatives as at December 31, 2015 or December 31, 2014. In addition, all investment transactions are executed by brokers with an approved credit rating. As such the risk of default on transactions with counterparties and brokers related to purchase and sale of securities is considered minimal. In instances where the credit rating were to fall below the approved rating, the Manager would take appropriate action.

v) Liquidity risk

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

	December 31, 2015		December 31, 2014	
	On demand ($)	Less than 3 months ($)	On demand ($)	Less than 3 months ($)
Current liabilities	–	5,342,834	–	5,016,640
Liability for written options	–	–	–	–
Unrealized loss on derivatives	–	371,758	–	378,110
Redeemable units	305,868,208	–	350,526,860	–
	305,868,208	5,714,592	350,526,860	5,394,750

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, geographical location,

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

asset type or industry sector, as applicable. The table below is a summary of the Fund's concentration risk:

	Percentage of net assets (%)	
	December 31, 2015	December 31, 2014
Consumer Discretionary	14.5	16.2
Consumer Staples	0.9	0.9
Energy	11.7	14.4
Financials	17.8	22.5
Fixed Income Funds	14.1	12.0
Health Care	12.9	8.2
Industrials	16.0	9.8
Information Technology	3.2	5.2
Materials	2.2	3.8
Telecommunication Services	2.1	1.7
Utilities	0.9	-

vii) Fair value classification (note 2)

The tables below illustrate the classification of the Fund's financial instruments within the fair value hierarchy.

December 31, 2015	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Equities	251,179,146	–	–	251,179,146
Underlying funds	43,206,347	–	–	43,206,347
Warrants, rights and options	111,188	–	–	111,188
	294,496,681	–	–	294,496,681
Currency forward contracts–liabilities	–	(371,758)	–	(371,758)
	294,496,681	(371,758)	–	294,124,923

December 31, 2014	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Equities	290,698,233	–	–	290,698,233
Underlying funds	42,166,736	–	–	42,166,736
Currency forward contracts–assets	–	2,584	–	2,584
	332,864,969	2,584	–	332,867,553
Currency forward contracts–liabilities	–	(378,110)	–	(378,110)
	332,864,969	(375,526)	–	332,489,443

Transfers between levels

During the periods ended December 31, 2015 and 2014, there were no significant transfers between Level 1 and Level 2.

3. Offsetting of financial assets and liabilities (note 2)

The following tables present offsetting of financial assets and liabilities and collateral amounts that would occur if future events, such as bankruptcy or termination of contracts were to arise. No amounts were offset in the financial statements.

	December 31, 2015			
Financial assets – by type	Gross amount of assets ($)	Master netting offset ($)	Collateral pledged ($)	Net Amount ($)
Currency forward contracts	–	–	–	–
Options contracts – OTC	–	–	–	–
Swap contracts	–	–	–	–
	–	–	–	–

	December 31, 2015			
Financial liabilities – by type	Gross amount of liabilities ($)	Master netting offset ($)	Collateral pledged ($)	Net Amount ($)
Currency forward contracts	371,758	–	–	371,758
Options contracts – OTC	–	–	–	–
Swap contracts	–	–	–	–
	371,758	–	–	371,758

	December 31, 2014			
Financial assets – by type	Gross amount of assets ($)	Master netting offset ($)	Collateral pledged ($)	Net Amount ($)
Currency forward contracts	2,584	(2,584)	–	–
Options contracts – OTC	–	–	–	–
Swap contracts	–	–	–	–
	2,584	(2,584)	–	–

	December 31, 2014			
Financial liabilities – by type	Gross amount of liabilities ($)	Master netting offset ($)	Collateral pledged ($)	Net Amount ($)
Currency forward contracts	378,110	(2,584)	–	375,526
Options contracts – OTC	–	–	–	–
Swap contracts	–	–	–	–
	378,110	(2,584)	–	375,526

4. Interest in Underlying Funds (note 2)

The following tables provide information about the Fund's interest in Underlying Funds.

	December 31, 2015	
Underlying Fund	Carrying value of the Underlying Fund ($)	Ownership percentage in Underlying Fund (%)
Scotia Canadian Income Fund Series I	32,980,283	0.5
Scotia Private Canadian Corporate Bond Pool Series I	10,226,064	0.2
	43,206,347	

	December 31, 2014	
Underlying Fund	Carrying value of the Underlying Fund ($)	Ownership percentage in Underlying Fund (%)
Scotia Canadian Income Fund Series I	32,246,772	0.5
Scotia Private Canadian Corporate Bond Pool Series I	9,919,964	0.2
	42,166,736	

5. Comparison of net asset value per unit and net assets per unit (note 2)

The table below provides a comparison of the net asset value per unit and net assets per unit. The primary reason for the difference between the net asset value per unit and net assets per unit, if any, is described in note 2.

	December 31, 2015		December 31, 2014	
	Net asset value per unit ($)	Net assets per unit ($)	Net asset value per unit ($)	Net assets per unit ($)
Series A	10.90	10.90	12.25	12.25
Series D	9.00	9.00	–	–

Scotia Balanced Opportunities Fund

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars except per unit amounts)	December 31, 2015	December 31, 2014
ASSETS		
Current assets		
Investments		
Non-derivative financial assets	826,924,607	792,915,988
Unrealized gain on currency forward contracts	3,704	6,877
Unrealized gain on currency spot contracts	942	1,493
Cash	6,931,744	8,280,647
Margin deposited on futures	1,443,619	2,611,466
Receivable for securities sold	9,358,313	2,367,331
Subscriptions receivable	868,615	1,296,422
Accrued investment income and other	2,550,379	1,843,804
	848,081,923	809,324,028
LIABILITIES		
Current liabilities		
Payable for securities purchased	15,945,819	3,077,996
Redemptions payable	509,000	673,666
Distributions payable	409	474
Unrealized loss on currency forward contracts	169,154	46
Unrealized loss on currency spot contracts	91	109
Unrealized loss on futures contracts	406,948	–
	17,031,421	3,752,291
Net assets attributable to holders of redeemable units	831,050,502	805,571,737
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series A	829,813,790	802,896,990
Advisor Series	1,061,165	2,598,081
Series D	7,536	–
Series F	168,011	76,666
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series A	18.93	19.26
Advisor Series	18.44	18.78
Series D	9.22	–
Series F	19.12	19.49

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except per unit amounts)	2015	2014
INCOME		
Net gain (loss) on investments (note 2)		
Dividends	17,528,857	14,218,573
Interest for distribution purposes	7,745,630	6,483,624
Capital gains distributions received	23,571	(6,269)
Net realized gain (loss) on non-derivative financial assets	61,295,390	72,622,906
Net realized gain (loss) on currency forward contracts	(1,528,174)	(422,050)
Net realized gain (loss) on futures contracts	53,455	(287,157)
Change in unrealized gain (loss) on non-derivative financial assets	(30,256,812)	(21,291,578)
Change in unrealized gain (loss) on currency forward contracts	(172,281)	(76,579)
Change in unrealized gain (loss) on currency spots contracts	(533)	1,384
Change in unrealized gain (loss) on futures contracts	(406,948)	–
Net gain (loss) on investments	54,282,155	71,242,854
Securities lending	74,812	92,136
Net realized and unrealized gain (loss) on foreign exchange	54,431	(406,375)
Other income	15,160	15,396
Total income (loss)	54,426,558	70,944,011
EXPENSES		
Management fees (note 5)	14,738,806	13,740,727
Fixed administration fees and operating expense (note 6)	923,811	318,439
Independent Review Committee fees	1,083	1,614
Interest expense and bank overdraft charges	5,635	6,678
Foreign withholding taxes/tax reclaims	1,327,842	849,567
Audit fees	–	16,992
Custodian fees	–	165,207
Filing fees	–	35,715
Legal fees	–	2,498
Unitholder administration costs	–	277,014
Unitholder reporting costs	–	58,453
Other fund costs	1,043	–
Harmonized Sales Tax/Goods and Services Tax	1,609,233	1,493,466
Transaction costs	989,096	1,204,251
Total expenses	19,596,549	18,170,621
Expenses absorbed by the Manager	9,933	(4,226)
Net expenses	19,606,482	18,166,395
Increase (decrease) in net assets attributable to holders of redeemable units from operations	34,820,076	52,777,616
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A	34,710,144	52,584,123
Advisor Series	101,101	189,324
Series D	(41)	–
Series F	8,872	4,169
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT†		
Series A	0.83	1.39
Advisor Series	0.87	1.37
Series D	(0.07)	–
Series F	2.63	1.18
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series A	41,690,661	37,714,081
Advisor Series	115,687	138,256
Series D	547	–
Series F	3,372	3,530

† The increase (decrease) in net assets attributable to holders of redeemable units from operations 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 number of units per series.

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

Scotia Balanced Opportunities Fund (Continued)

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the periods ended December 31 (note 1),

(in dollars)	2015	2014
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series A	802,896,990	712,200,891
Advisor Series	2,598,081	2,922,653
Series F	76,666	16,500
	805,571,737	715,140,044
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A	34,710,144	52,584,123
Advisor Series	101,101	189,324
Series D	(41)	–
Series F	8,872	4,169
	34,820,076	52,777,616
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net investment income		
Series A	(3,561,279)	(2,853,143)
Advisor Series	(2,018)	(6,803)
Series D	(59)	–
Series F	(1,505)	(1,053)
From net realized gains on investments		
Series A	(44,751,416)	(66,304,352)
Advisor Series	(61,859)	(217,678)
Series D	(379)	–
Series F	(9,054)	(6,354)
	(48,387,569)	(69,389,383)
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A	120,184,189	150,618,055
Advisor Series	96,675	288,611
Series D	8,656	–
Series F	149,418	122,643
Reinvested distributions		
Series A	48,168,750	68,949,359
Advisor Series	50,896	188,071
Series D	437	–
Series F	10,559	7,407
Payments on redemption		
Series A	(127,833,588)	(112,297,943)
Advisor Series	(1,721,711)	(766,097)
Series D	(1,078)	–
Series F	(66,945)	(66,646)
	39,046,258	107,043,460
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A	26,916,800	90,696,099
Advisor Series	(1,536,916)	(324,572)
Series D	7,536	–
Series F	91,345	60,166
	25,478,765	90,431,693
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series A	829,813,790	802,896,990
Advisor Series	1,061,165	2,598,081
Series D	7,536	–
Series F	168,011	76,666
	831,050,502	805,571,737

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	34,820,076	52,777,616
Adjustments for:		
Non-cash income in kind	(1,263,546)	–
Net realized (gain) loss on non-derivative financial assets	(61,295,390)	(72,622,906)
Unrealized (gain) loss on foreign exchange of cash	(564,034)	34,742
Change in unrealized (gain) loss on non-derivative financial assets	30,256,812	21,291,578
Change in unrealized (gain) loss on currency forward contracts	172,281	76,579
Change in unrealized (gain) loss on currency spot contracts	533	(1,384)
Change in unrealized (gain) loss on futures contracts	406,948	–
Purchases of non-derivative financial assets	(1,556,243,883)	(1,340,843,468)
Proceeds from sale of non-derivative financial assets	1,559,449,557	1,308,388,898
Transaction costs	964,672	1,178,418
Margin deposited on futures	1,167,847	(2,737,669)
Accrued investment income and other	(706,575)	(150,132)
Net cash provided by (used in) operating activities	7,165,298	(32,607,728)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	120,866,745	150,844,374
Amounts paid on redemption of redeemable units	(129,787,988)	(113,112,917)
Distributions to unitholders of redeemable units	(156,992)	(244,395)
Net cash provided by (used in) financing activities	(9,078,235)	37,487,062
Unrealized gain (loss) on foreign exchange of cash	564,034	(34,742)
Net increase (decrease) in cash	(1,912,937)	4,879,334
Cash (bank overdraft), beginning of period	8,280,647	3,436,055
CASH (BANK OVERDRAFT), END OF PERIOD	6,931,744	8,280,647
Interest paid[1]	5,635	–
Interest received[1]	7,157,083	6,478,023
Dividends received, net of withholding taxes[1]	16,082,987	13,224,475

[1] Classified as operating items.

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

Scotia Balanced Opportunities Fund (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2015

Number of Shares	Issuer	Average Cost ($)	Carrying Value ($)
EQUITIES – 68.5%			
Energy – 5.8%			
3,100	Baker Hughes Incorporated	227,714	197,429
17,600	Bonterra Energy Corp.	416,018	302,720
15,200	BP PLC	120,326	109,569
6,417	BP PLC ADR	284,115	277,422
22,400	Cameco Corporation	429,905	382,368
1,400	Cameron International Corporation	121,289	122,367
199,870	Canadian Natural Resources Ltd.	6,787,911	6,040,069
101,500	Canyon Services Group Inc	754,950	413,105
73,345	Cardinal Energy Ltd.	803,045	643,236
132,500	Cenovus Energy Inc.	3,921,715	2,318,750
3,600	Chevron Corporation	442,963	447,766
2,126,000	China Petroleum & Chemical Corporation	1,934,209	1,764,682
110,850	Crescent Point Energy Corp.	3,052,014	1,786,902
2,100	Enbridge Income Fund Holdings Inc.	71,112	58,863
104,060	EnCana Corporation	1,677,145	731,542
7,900	Exxon Mobil Corporation	808,226	851,435
34,100	Freehold Royalties Ltd.	487,870	370,326
7,100	Gibson Energy Inc.	175,250	98,122
46,763	Granite Oil Corporation	315,362	377,845
12,800	Hellenic Petroleum SA	90,018	78,023
1,081,200	IRPC PCL	164,685	177,120
49,470	Keyera Corp.	2,063,607	1,991,662
36,100	Macro Enterprises Inc	134,943	70,395
35,100	MEG Energy Corporation	1,108,137	281,502
3,800	MOL Hungarian Oil & Gas PLC	231,334	258,954
44,600	Motor Oil Hellas Corinth Refineries SA	672,551	666,536
18,900	Neste Oyj	627,381	779,955
11,778	NuVista Energy Ltd.	67,800	47,936
2,000	OMV AG	73,333	77,706
78,413	Parex Resources Inc.	762,871	796,676
48,826	Parkland Fuel Corporation	1,090,350	1,137,158
52,410	Pembina Pipeline Corporation	2,383,316	1,580,162
15,900	Peyto Exploration & Development Corporation	439,139	395,433
52,200	PHX Energy Services Corp.	314,792	123,192
112,500	Precision Drilling Corporation	1,035,337	615,375
22,900	Raging River Exploration Inc.	102,991	191,673
4,900	Saras SpA	13,197	12,992
2,000	Sasol Ltd.	67,943	74,487
144,177	Secure Energy Services Inc.	1,867,966	1,205,320
7,835	ShawCor Ltd.	386,085	219,928
11,268	S-Oil Corp	755,000	1,039,883
47,300	Statoil ASA	999,174	915,645
94,375	Storm Resources Ltd.	390,065	356,266
209,416	Suncor Energy, Inc.	7,241,440	7,480,338
185,600	Thai Oil Public Company Ltd.	362,055	470,435
572,900	Tidewater Midstream and Infrastructure Ltd.	773,415	824,976
39,300	Tourmaline Oil Corp.	1,728,507	878,355
100,300	TransCanada Corporation	5,120,188	4,532,557
313,167	Trinidad Drilling Ltd.	1,072,646	663,914
256,900	Valeura Energy Inc. Warrants $0.55 Feb. 28, 2016	–	–
93,500	Valeura Energy, Inc.	60,382	61,710
31,550	Vermilion Energy, Inc.	1,729,838	1,186,596
82,065	Western Energy Services Corp.	683,601	318,412
122,700	Whitecap Resources, Inc.	1,576,133	1,112,889
5,000	Williams Companies Inc., The	283,610	177,611
		59,304,969	48,096,290
Materials – 4.4%			
42,300	Agnico-Eagle Mines Limited	1,471,002	1,538,451
24,900	Agrium Inc.	2,195,707	3,079,383
6,200	Akzo Nobel NV	560,605	573,147
22,845	Alamos Gold Inc.	78,334	103,945
57,100	Altri SGPS S.A.	280,838	409,473
81,300	Anadolu Cam Sanayii AS	74,019	63,997
285,900	B2Gold Corporation	576,599	400,260

Number of Shares	Issuer	Average Cost ($)	Carrying Value ($)
EQUITIES (cont'd)			
Materials (cont'd)			
141,600	Barrick Gold Corporation	4,597,508	1,449,984
102,100	Braskem S.A.	792,066	957,927
9,871	Canam Group Inc., Class A	114,443	137,108
14,800	Canfor Corporation	364,335	298,812
15,200	Canfor Pulp Products, Inc.	213,303	205,656
371,200	Capstone Mining Corp.	863,520	163,328
10,235	CCL Industries Inc., Class B	1,238,328	2,296,427
4,611	Chemtrade Logistics Income Fund	92,140	82,352
2,000	Chugoku Marine Paints Ltd.	20,374	20,244
33,600	Detour Gold Corporation	444,536	484,176
5,500	Domtar Corporation	223,703	281,435
48,810	Eldorado Gold Corporation	300,869	200,121
6,000	Empresas CMPC SA	21,478	17,764
80,400	Fibria Celulose S.A.	1,345,640	1,420,413
142,100	First Quantum Minerals Ltd.	737,681	736,078
18,246	Franco-Nevada Corporation	1,034,678	1,154,972
157,630	Goldcorp, Inc.	3,581,307	2,520,504
18,434	Hansol Holdings Co., Ltd.	208,046	149,178
18,694	Hanwha Chemical Corporation	545,272	592,462
51,822	HudBay Minerals, Inc.	484,201	275,175
19,500	Huntsman Corporation	306,497	306,630
2,950	Hyosung Corp	414,534	402,161
177,090	Interfor Corporation	2,807,957	2,486,344
12,000	International Paper Company	647,191	625,666
1,519	Kolon Corporation	127,352	136,355
480	Kolon Industries, Inc.	33,347	35,248
4,861	Korea Petrochemical Industry Co., Ltd.	953,429	966,595
2,400	Koza Altin Isletmeleri AS	24,391	13,973
1,800	Labrador Iron Ore Royalty Corp	32,018	17,262
229,000	Lee & Man Paper Manufacturing Ltd.	176,105	176,468
532	LG Chem Ltd.	198,940	202,820
1,578	Lotte Chemical Corp	419,199	444,949
282,324	Lundin Mining Corporation	1,339,519	1,072,831
62,900	Major Drilling Group International Inc.	482,875	275,502
14,426	Methanex Corporation	723,794	659,268
2,100	Mondi Ltd.	63,907	57,581
4,000	Nippon Soda Co., Ltd.	40,228	32,861
8,500	Norbord Inc.	211,378	229,075
59,100	Osisko Gold Royalties Ltd.	886,980	807,897
10,100	Owens-Illinois, Inc.	284,854	243,326
8,700	Polaris Minerals Corporation	22,282	13,398
14,000	Portucel SA	74,868	75,371
119,310	Potash Corporation of Saskatchewan Inc.	4,463,346	2,827,647
2,342	Samsung Fine Chemicals Co., Ltd.	97,360	97,530
3,000	Sappi Ltd.	16,629	17,379
5,800	Scientex BHD	18,395	18,193
436,320	Sherritt International Corporation	2,277,000	318,514
66,610	Silver Wheaton Corporation	1,500,292	1,145,692
6,680	SKC Co., Ltd.	280,621	262,731
3,700	Smurfit Kappy Group PLC	138,014	131,069
2,239	Songwon Industrial Co., Ltd.	35,126	37,961
93,200	St. Barbara Limited	41,767	134,280
87,700	Suzano Papel E Celulose Sa	541,186	571,831
5,200	Ta Ann Holdings Berhad	6,668	8,407
34,696	Tahoe Resources Inc.	602,542	415,311
108,900	Teck Resources Ltd., Class B	3,105,147	581,526
12,000	Teijin Ltd.	52,331	56,528
13,000	Tokuyama Corporation	37,972	38,980
12,000	Tosoh Corporation	81,059	85,227
19,400	UPM-Kymmene Oyj	474,161	497,280
11,841	Winpak Ltd.	440,165	539,476
91,664	Yamana Gold Inc.	319,656	235,576
51,000	Zhaojin Mining Industry Co Ltd	41,132	39,926
		47,302,746	36,955,417

For equities, all common shares unless otherwise noted.

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

Scotia Balanced Opportunities Fund (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

Number of Shares	Issuer	Average Cost ($)	Carrying Value ($)
EQUITIES (cont'd)			
Industrials – 4.8%			
5,700	3M Co.	1,177,258	1,187,503
1,900	AG Growth International, Inc.	71,439	63,175
18,800	Air France-KLM	179,636	198,040
593,900	Air New Zealand Limited	1,175,463	1,656,977
5,700	Airbus Group NV	484,562	529,686
27,200	AKR Corporindo Tbk PT	19,400	19,470
3,300	Atlas Air Worldwide Holdings, Inc.	227,328	188,671
57,661	ATS Automation Tooling Systems Inc.	733,161	656,182
25,180	Badger Daylighting Ltd.	652,565	614,896
114,000	Beijing Capital International Airport Company Ltd.	166,355	169,370
3,800	Bidvest Group Ltd., The	99,723	111,404
10,200	Black Diamond Group Ltd.	90,106	74,052
7,204	Boyd Group Income Fund	294,115	476,184
36,600	CAE, Inc.	524,393	561,810
127,200	Canadian National Railway Company	7,766,701	9,838,918
8,675	Canadian Pacific Railway Limited	1,540,463	1,533,133
12,700	Central Japan Railway Company	2,656,465	3,111,301
283,000	China Liansu Group Holdings Ltd.	261,616	271,308
66,000	China Railway Construction Corporation, Class H	113,945	112,217
1,012,000	China Southern Airlines Co., Ltd.	1,133,687	1,072,107
10,800	CIR-Compagnie Industriali Riunite Spa	14,591	15,662
2,000	DAIHEN Corporation	13,020	13,030
2,700	Derichebourg SA	11,378	13,402
49,800	Deutsche Lufthansa AG	964,574	1,088,425
1,200	Dfds A/S	52,735	64,282
900	Elbit Systems Ltd.	106,499	109,524
2,800	Finning International Inc.	58,857	52,304
5,000	Furukawa Electric Co., Ltd.	13,187	14,643
500	Gamesa Corporation Tecnologica SA	11,920	11,869
4,100	General Dynamics Corporation	566,205	778,669
27,600	Harwoods Distribution Inc.	263,495	496,248
2,400	Heroux-Devtek Inc.	26,181	30,840
3,700	Hochtief AG	448,490	474,904
73,700	Horizon North Logistics Inc.	180,908	166,562
246	IS Dongseo Co., Ltd.	21,451	12,768
21,900	Jabil Circuit, Inc.	663,070	705,396
26,000	Jiangsu Expressway Co., Ltd., Class H	41,121	48,427
35,700	Joy Global Inc.	721,273	622,591
1,200	Lockheed Martin Corporation	220,159	360,380
1,700	MacDonald, Dettwiler and Associates Ltd.	134,829	141,542
5,400	Morneau Shepell, Inc.	94,840	78,192
2,100	Navigant Consulting Inc.	47,583	46,643
12,700	New Flyer Industries Inc.	334,492	359,664
6,100	Progressive Waste Solutions Ltd.	217,097	198,860
13,045,102	PT Waskita Karya Persero Tbk	1,355,177	2,161,900
511,454	Qantas Airways Limited	1,230,111	2,097,763
7,700	Randstand Holding NV	612,267	662,910
14,300	SAS AB	56,840	57,155
400	Seibu Holdings Inc.	11,158	11,314
2,000	Stantec Inc.	65,940	68,640
1,500	Tarkett SA	56,022	64,926
1,200	TKH Group NV	57,779	67,501
3,000	Toda Corporation	23,127	22,108
4,563	Tomra Systems ASA	64,008	68,032
8,000	Toromont Industries Ltd.	258,648	252,400
9,400	USG People NV	176,687	241,637
26,200	Vestas Wind Systems AS	1,936,745	2,531,367
2,300	West Corporation	72,977	68,612
1,700	West Japan Railway Co. Ltd.	154,442	162,175
50,900	WestJet Airlines Ltd.	1,218,461	1,036,324
42,040	WSP Global Inc.	1,579,388	1,787,120
232,000	Zhejiang Expressway Co. Ltd. Class H	376,171	384,558
		33,902,284	40,097,673

Number of Shares	Issuer	Average Cost ($)	Carrying Value ($)
EQUITIES (cont'd)			
Consumer Discretionary – 6.2%			
20,300	1-800-Flowers.Com Inc.	267,097	204,384
32,500	Abercrombie & Fitch Co.	887,795	1,213,575
12,200	Accordia Golf Co., Ltd.	156,499	161,683
48,200	Aeropostale, Inc.	215,794	18,665
22,400	Aksa Akrilik Kimya Sanayii AS	108,713	111,055
600	Amazon.com, Inc.	501,181	560,850
7,300	American Axle & Manufacturing Holdings, Inc.	215,277	190,963
5,400	Apollo Group, Inc.	59,889	57,281
17,500	Barratt Developments PLC	203,353	221,841
19,173	Bauer Performance Sports Ltd.	387,231	255,768
106,900	Berjaya Auto Berhad	85,261	73,698
49,000	Calsonic Kansei Corporation	559,770	597,757
12,060	Canadian Tire Corporation, Limited, Class A	1,500,358	1,425,010
2,000	Cineplex, Inc.	84,314	95,100
5,600	Cogeco Cable Inc.	340,220	345,912
46,500	Comcast Corporation, Class A	2,717,777	3,628,962
12,700	Create Restaurants Holdings Inc.	302,301	486,647
5,700	Ctrip.com International Ltd. – ADR	407,212	365,104
800	Daikyonishikawa Corporation	18,048	20,488
30,600	Debenhams PLC	54,581	45,460
1,200	Deckers Outdoor Corporation	86,204	78,366
67,000	Diversified Royalty Corp	180,900	162,140
4,000	Dollarama Inc.	160,408	319,760
150,000	Dongfeng Motor Group Company Ltd.	276,434	274,712
7,500	Faurecia	347,477	415,862
7,800	Fossil, Inc.	538,647	394,061
17,400	Fuji Heavy Industries Ltd.	987,139	989,240
21,000	Fujitsu General Ltd.	358,873	368,962
20,400	GEO Holdings Corporation	287,311	442,410
77,610	Gildan Activewear Inc.	2,088,018	3,053,177
30,200	Great Canadian Gaming Corporation	557,151	467,194
44,800	Haseko Corporation	651,397	684,000
5,200	Home Depot Inc., The	875,721	951,084
117,500	Hudson's Bay Company	2,601,156	2,126,750
394	Hyundai Mobis Co., Ltd.	106,767	113,503
11,900	Iconix Brand Group Inc.	221,146	112,405
9,200	IMAX Corporation	289,907	452,194
2,900	Leggett & Platt, Incorporated	167,429	168,529
56,400	Iida Group Holdings Co., Ltd.	1,161,422	1,444,788
6,196	Linamar Corporation	242,892	463,027
92,340	Magna International Inc.	3,934,081	5,182,121
3,700	Mahle-Metal Leve SA Industria e Comercio	31,870	32,024
26	Mitsuba Corporation	446	556
29,800	New Oriental Education & Technology Group Inc.	1,323,252	1,292,857
30,000	Nissan Motor Co., Ltd.	431,366	434,519
800	Pacific Industrial Co., Ltd.	12,118	12,201
7,300	Pandora AS	1,009,995	1,274,723
17,800	Pendragon PLC	13,382	16,949
1,000	Perry Ellis International Inc.	28,985	25,475
2,200	Poundland Group PLC	15,925	9,303
500	priceline.com Incorporated	817,576	881,623
8,400	ProSiebenSat.1 Media SE	589,413	588,075
87,100	PSA Peugeot Citroen SA	1,996,520	2,113,659
3,400	Quebecor Inc., Class B	113,528	115,192
13,900	Rakuten, Inc.	223,108	221,538
32,800	Reed Elsevier NV	731,906	763,368
4,000	Renault SA	511,134	554,962
4,600	Rent-A-Center, Inc.	147,993	95,236
47,850	Restaurant Brands International Inc.	2,376,953	2,476,238
23,300	RONA inc.	303,762	287,755
20,000	Sanyo Shokai Ltd.	69,689	65,929
700	Scripps Networks Interactive	53,275	53,448
9,000	SEIKO Holdings Corporation	71,850	70,227
761	Shinsegae Co., Ltd.	213,888	204,980
11,200	Showa Corporation	142,013	143,773

For equities, all common shares unless otherwise noted.

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

Scotia Balanced Opportunities Fund (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

Number of Shares	Issuer	Average Cost ($)	Carrying Value ($)
EQUITIES (cont'd)			
Consumer Discretionary (cont'd)			
36,000	Sky PLC	602,545	814,778
374,000	Skyworth Digital Holdings Limited	390,949	334,524
7,000	Smiles SA	140,530	84,933
11,917	Spin Master Corporation	222,454	260,506
4,591,700	Sri Rejeki Isman TBK	137,232	177,910
3,500	Start Today Co., Ltd.	163,000	155,593
6,000	Stroeer Media AG	469,470	520,527
26,800	T-GAIA Corporation	455,785	420,441
12,400	Thomson Reuters Corporation	472,977	649,884
1,900	Time Warner Cable Inc.	466,452	487,094
2,000	Time Warner Inc.	180,173	178,876
700	Token Corp.	67,410	74,500
16,000	TomTom NV	222,290	278,440
700	Topre Corporation	21,843	22,210
55,500	Toyota Boshoku Corporation	1,566,854	1,541,517
6,800	Travelport Worldwide Ltd.	123,426	121,316
63,900	Twenty-First Century Fox Inc.	2,375,765	2,400,216
4,700	Uni-Select Inc	219,485	321,997
71,700	Vestel Beyaz Esya Sanayi ve Ticaret AS	281,060	380,075
30,600	Viacom Inc., Class B	2,154,049	1,741,873
700	Walt Disney Company, The	104,719	101,727
4,800	Wolters Kluwer NV	220,769	222,587
1,200	Yorozu Corporation	37,029	37,760
		47,519,364	51,808,382
Consumer Staples – 6.8%			
43,887	Alimentation Couche-Tard Inc., Class B	1,581,494	2,673,157
32,600	Altria Group, Inc.	2,041,344	2,624,429
354,600	Ambev SA	2,411,115	2,193,415
76,700	Avon Products, Inc.	399,534	429,606
7,000	Bakkafrost P/F	200,995	285,445
828	BGF Retail Co., Ltd.	136,397	165,711
1,200	Carlsberg Brewery Malyasia Berhad	4,460	4,521
5,500	Central Garden & Pet Company	80,121	103,448
27,000	Cia Cervecerias Unidas SA	398,999	411,155
66,900	Coca-Cola Company, The	2,948,770	3,974,750
27,000	Coca-Cola West Co Ltd	649,277	754,813
1,500	cocokara fine HOLDINGS Inc.	74,654	92,968
24,300	Corbion NV	760,387	814,139
146,011	Cott Corporation	1,708,555	2,225,208
27,600	CVS Caremark Corporation	3,128,934	3,730,983
20,600	Dean Foods Company	504,418	488,597
697	Delhaize Group SA	75,668	93,965
3,800	Empire Company Limited, Class A	103,403	97,812
4,900	Greggs PLC	112,872	131,243
7,100	Heineken Holding NV	728,971	753,306
24,500	Heineken NV	2,797,427	2,894,023
5,100	High Liner Foods Inc.	127,381	79,305
2,400	HKScan OYJ	18,149	13,655
7,100	Imperial Tobacco Group PLC	374,859	516,578
1,000	Itoham Foods Inc.	7,636	8,004
30,800	Japan Tobacco Inc.	1,402,100	1,564,018
451,200	JBS SA	2,599,783	1,945,090
1,500	Kao Corporation	101,408	106,456
4,000	Kimberly-Clark Corporation	637,761	704,109
28,600	Koninklijke Ahold NV	750,690	835,715
846	Korea Kolmar Holdings Co., Ltd.	44,160	63,942
4,800	KOSE Corporation	457,506	611,121
20,000	Lion Corporation	258,623	260,023
29,890	Loblaw Companies Limited	1,964,668	1,953,013
300	Mandom Corporation	15,145	16,720
108,790	Maple Leaf Foods Inc.	1,706,799	2,584,851
6,400	Matsumotokiyoshi Holdings Co Ltd	388,020	451,653
4,300	MEIJI Holdings Co., Ltd.	435,642	490,359
10,000	Morinaga & Co Ltd.	64,665	72,640
17,000	Nichirei Corporation	151,400	173,159
16,500	Nippon Suisan Kaisha, Ltd.	88,529	126,769
412	NongShim Co., Ltd.	168,931	211,956
500	Osem Investments Ltd.	12,452	11,849
30,900	PepsiCo, Inc.	2,929,725	4,268,531
34,600	Philip Morris International Inc.	3,762,061	4,205,910
800	Pioneer Foods Group Ltd.	12,337	11,357
1,000	Pola Orbis Holdings Inc	79,428	91,382
45,400	Procter & Gamble Company, The	3,961,208	4,985,038
1,305,000	Real Nutriceutical Group Ltd.	485,585	183,971
1,800	Safeway Inc. Rights (Casa Ley), Feb. 2, 2019*	2,298	2,526
1,800	Safeway Inc. Rights (PDC) Feb. 2, 2017*	111	121
2,800	SPAR Group Ltd., The	53,205	45,999
12,900	Suedzucker AG	310,016	353,323
2,500	Sundrug Co Ltd	187,313	222,366
29,500	SUPERVALU Inc.	334,187	276,612
82,200	Tat Gida Sanayi AS	224,333	215,821
13,800	Ten Peaks Coffee Company Inc.	144,198	164,220
82,100	Thai Vegetable Oil PCL	80,320	70,229
17,900	TIPCO Foods PCL	13,054	11,884
16,300	Unilever NV	914,359	977,400
33,400	Wal-Mart Stores, Inc.	2,647,153	2,831,565
		48,764,993	56,661,934
Health Care – 8.1%			
39,500	Abbott Laboratories	2,299,726	2,453,352
40,100	AbbVie Inc.	3,153,751	3,284,499
4,600	Alfresa Holdings Corp.	121,855	125,851
200	Allergan, Inc.	83,136	86,437
5,500	AMAG Pharmaceuticals Inc.	278,907	229,639
4,800	AmerisourceBergen Corporation	634,568	688,299
17,100	Amgen Inc.	3,425,227	3,838,969
10,400	Anthem, Inc.	935,429	2,005,582
32,600	AstraZeneca PLC	2,153,098	3,048,951
17,144	AstraZeneca PLC ADR	435,681	804,955
2,900	Biogen Inc.	1,148,015	1,228,671
9,600	Celgene Corporation	1,462,203	1,590,020
5,700	Community Health Systems Inc.	214,085	209,137
23,000	Concordia Healthcare Corporation	1,678,266	1,300,420
2,900	Daiichi Sankyo Co. Ltd.	81,699	82,423
18,700	Express Scripts, Inc.	1,756,476	2,260,076
272,000	Fisher & Paykel Healthcare Corporation Ltd.	1,424,955	2,281,269
5,000	Fukuda Denshi Co., Ltd.	326,859	378,415
100	Galenica AG	202,961	215,605
10,600	Genmab A/S	852,112	1,923,461
3,000	Gerresheimer AG	321,222	324,748
27,400	Gilead Sciences, Inc.	3,983,048	3,834,492
84,300	Indivior PLC	379,911	322,744
39,500	Johnson & Johnson	4,838,742	5,610,041
1,800	KYORIN Holdings Inc	45,861	51,848
3,700	Mallinckrodt PLC	313,605	381,887
1,400	McKesson Corporation	338,162	381,875
19,500	Medtronic, Inc.	1,723,749	2,073,731
58,600	Merck & Co., Inc.	3,534,450	4,280,709
22,000	Merrimack Pharmaceuticals Inc.	275,102	240,364
26,900	Mylan NV	1,678,884	2,010,980
3,700	Nipro Corporation	55,569	55,874
8,950	Nobilis Health Corporation, Warrants May 13, 2017	–	2,059
14,000	Novo Nordisk A/S, Class B	916,498	1,113,616
8,400	Paramount Bed Holdings Co Ltd	355,114	411,290
107,300	Pfizer Inc.	4,729,991	4,790,192
29,800	Pharmaniaga Berhad	59,112	61,071
9,600	Rhoen-Klinikum AG	346,100	398,225
1,800	Roche Holdings AG	683,682	685,976
1,500	Sanofi-Aventis	191,748	177,138

For equities, all common shares unless otherwise noted.

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

Scotia Balanced Opportunities Fund (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

Number of Shares	Issuer	Average Cost ($)	Carrying Value ($)
EQUITIES (cont'd)			
Health Care (cont'd)			
2,300	Santen Pharmaceutical Co., Ltd.	49,933	52,311
1,000	Sartorius Stedim Biotech	478,073	531,150
260,000	Shandong Luoxin Pharmaceutical Group Stock Co., Ltd.	595,592	573,700
11,700	Smith & Nephew PLC	222,865	286,472
1,400	Suzuken Co. Ltd.	69,326	73,802
200	Taro Pharmaceutical Industries Ltd.	43,152	42,748
37,600	Teva Pharmaceutical Industries Ltd.	2,266,136	3,412,766
5,600	TOHO Holdings Co Ltd	175,250	188,274
383,000	Top Glove Corporation Bhd.	966,928	1,674,910
17,400	UnitedHealth Group Incorporated	2,041,882	2,830,896
12,550	Valeant Pharmaceuticals International, Inc.	1,871,643	1,764,028
871	ViroMed Co Ltd	178,590	186,095
12,200	VWR Corporation	431,484	477,661
300	Ypsomed Holding AG	56,791	59,733
		56,887,204	67,399,437
Financials – 18.5%			
503,100	Administradora de Fondos de Pensiones Habitat SA	904,429	798,314
600	Admiral Group PLC	19,067	20,188
35,600	Aflac, Inc.	2,937,271	2,947,424
8,000	Ageas	455,575	513,206
4,400	Allianz SE	981,029	1,078,817
6,095	Allied Properties Real Estate Investment Trust	224,840	192,419
114,900	Ashikaga Holdings Co Ltd	608,040	618,255
28,200	Assured Guaranty Ltd.	1,005,181	1,030,780
322,000	Bank of China Ltd., Class H	225,716	197,102
36,000	Bank of Communications Co., Ltd.	35,460	34,799
32,800	Bank of Montreal	2,326,194	2,561,024
219,830	Bank of Nova Scotia, The	12,418,496	12,303,883
68,000	Bank of Yokohama Ltd.	548,418	575,635
644,000	Bank Tabungan Negara Persero Tbk PT	67,203	82,840
23,900	Berkshire Hathaway Inc., Class B	3,677,835	4,361,906
126,100	BM&F BOVESPA SA	516,227	476,568
27,100	BNP Paribas	2,252,637	2,123,032
198,900	BPD Jawa Barat Dan Banten TB	16,461	15,010
61,500	Brait SE	918,421	914,729
79,890	Brookfield Asset Management Inc., Class A	3,320,846	3,487,199
22,422	Brookfield Property Partners LP	562,631	722,437
900	Buwog AG	24,991	26,955
99,070	Canadian Imperial Bank of Commerce	8,557,290	9,034,193
8,300	Century Tokyo Leasing Corporation	379,646	409,081
17,000	Chartwell Seniors Housing Real Estate Investment Trust	201,414	215,900
5,000	Chiba Bank Ltd, The	47,848	49,027
977,000	China Construction Bank Corporation, Class H	1,003,319	917,277
40,000	China Merchants China Direct Investments Limited	84,807	91,451
16,000	China Overseas Land & Investment Limited	73,826	76,828
174,000	China Resources Land Limited	626,293	694,051
1,293,000	Chongqing Rural Commercial Bank Co., Ltd.	1,075,082	1,074,488
1,000	Chubb Corporation, The	162,301	183,412
39,200	CI Financial Corporation	1,265,599	1,199,520
55,511	Ciputra Surya Tbk PT	14,763	12,380
2,400	Citigroup Inc.	172,937	171,768
11,900	Colliers International Group Inc.	387,873	734,587
19,900	Corrections Corp. of America	749,539	729,046
152,300	Credit Agricole SA	2,626,252	2,483,191
18,388	Crombie Real Estate Investment Trust	231,530	235,366
3,172	Daishin Securities Co., Ltd.	41,547	43,729
7,900	Daiwa House Industry Co., Ltd.	294,052	313,246
201,666	Direct Line Insurance Group PLC	1,156,898	1,666,385
34,000	Dongbu Securities Co., Ltd.	179,786	152,954
231	E-L Financial Corporation Limited	112,788	164,703
251,300	Element Financial Corp.	3,867,455	4,196,710
14,500	Erste Group Bank AG	583,992	627,194
5,400	Eurocommercial Properties NV	331,950	322,160
5,400	Euronext NV	297,907	382,204

Number of Shares	Issuer	Average Cost ($)	Carrying Value ($)
EQUITIES (cont'd)			
Financials (cont'd)			
312,000	Evergrande Real Estate Group Limited	336,686	377,147
13,200	Fairfax India Holdings Corporation	178,952	184,380
37,700	Fastighets AB Balder, Series B	745,683	1,285,763
1,100	First Capital Realty, Inc.	21,193	20,185
3,800	FirstService Corporation	59,574	212,420
900	Fuyo General Lease Co Ltd.	59,021	58,523
30,300	Genworth MI Canada Inc.	902,512	805,980
8,693	Gluskin Sheff + Associates Inc.	195,020	181,075
400	Goldman Sachs Group, Inc., The	99,038	99,620
1,934	Granite Real Estate Investment Trust	80,536	73,415
22,903	Great-West Lifeco Inc.	798,424	790,841
89,600	Guangzhou R&F Properties Co., Ltd.	144,626	151,415
6,500	Guardian Capital Group Ltd., Class A	77,793	118,365
466,000	Haitong International Securities Group Ltd.	580,626	392,581
25,900	Hammerson PLC	263,767	316,652
8,900	Hannover Rueckversicherung AG	1,158,809	1,411,846
3,411	Hanwha General Insurance Co. Ltd.	29,151	31,176
46,335	Hanwha Investment & Securities Co., Ltd.	323,762	210,863
431	Helical Bar PLC	4,233	4,170
54,100	Hemfosa Fastigheter AB	745,146	826,924
4,000	Hiroshima Bank, Ltd., The	31,418	31,415
5,300	Host Hotels & Resorts Inc.	121,267	112,440
1,419	Hyundai Marine & Fire Insurance Co., Ltd.	45,654	60,097
6,800	Industrial Alliance Insurance and Financial Services Inc.	295,154	300,084
18,200	INFOR Acquisition Corporation	–	8,736
19,200	INFOR Acquisition Corporation, Class A	192,000	188,736
6,052	Intact Financial Corporation	426,427	536,691
38,556	Inversiones La Construccion SA	574,099	546,322
85,544	Is Gayrimenkul Yatirim Ortakligi AS	64,935	71,389
7,000	Joyo Bank, Ltd., The	47,191	45,758
31,300	JPMorgan Chase & Co.	1,983,311	2,858,283
34,000	Juroku Bank, Ltd., The	186,647	185,730
17,200	KBC Groep SA NV	1,436,224	1,488,428
314,100	KSL Holdings Berhad	219,902	134,542
50,000	KWG Property Holding Ltd.	43,023	51,083
58,233	Kyobo Securities Co., Ltd.	764,246	635,645
102,960	Legal & General Group PLC	429,508	561,712
120,000	Logan Property Holdings Co., Ltd.	53,910	56,174
1,000	Macerich Company, The	110,832	111,594
455,700	Man Group PLC	1,611,947	1,616,956
439,480	Manulife Financial Corporation	8,624,049	9,114,815
3,743	Meritz Fire & Marine Insurance Co., Ltd.	66,130	70,842
215,186	Meritz Securities Co., Ltd.	866,049	995,151
10,100	MetLife, Inc.	669,704	673,059
28,000	Millea Holdings Inc.	1,357,823	1,492,054
167,600	Mitsubishi UFJ Financial Group, Inc.	1,456,535	1,434,529
42,400	MS & AD Insurance Group Holdings, Inc.	1,614,422	1,714,868
5,900	Muenchener Rueckversicherungs-Gesellschaft AG	1,451,409	1,635,375
3,100	Musashino Bank Ltd/The	152,676	156,136
37,300	National Bank of Canada	1,491,412	1,503,563
151,901	Natixis	1,025,462	1,188,339
17,300	Navient Corporation	272,669	273,950
30,000	Nishi-Nippon City Bank Ltd.	116,049	109,104
21,000	NKSJ Holdings, Inc.	894,658	949,976
19,300	NN Group NV	848,028	939,322
4,500	Onex Corporation	324,115	381,690
6,200	ORIX Corporation	110,619	120,286
4,100	OTP Bank PLC	118,586	117,327
7,000	Patrizia Immobilien AG	175,595	283,956
25,000	Phoenix Group Holdings	410,500	467,213
244,000	Ping An Insurance (Group) Company of China Limited	1,920,576	1,854,042
14,700	PNC Financial Services Group, Inc., The	1,356,412	1,937,651
58,700	Power Corporation of Canada	1,784,104	1,698,778
17,700	Power Financial Corporation	591,318	563,037
10,600	Prudential Financial, Inc.	1,158,339	1,193,081

For equities, all common shares unless otherwise noted.

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

Scotia Balanced Opportunities Fund (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

Number of Shares	Issuer	Average Cost ($)	Carrying Value ($)
EQUITIES (cont'd)			
Financials (cont'd)			
16,000	Prudential plc	498,248	495,521
281	Prudential plc	10,512	17,513
1,100	PSG Group Ltd.	22,261	21,934
5,200	Ramco-Gershenson Properties Trust	115,766	119,560
17,400	Remgro Limited	473,647	381,101
60,700	Resilient REIT Ltd.	515,237	624,952
13,700	Resona Holdings Inc.	93,721	91,967
174,710	Royal Bank of Canada	10,754,132	12,954,745
84,500	Safestore Holdings PLC	333,913	614,837
5,600	Seven Bank, Ltd.	33,617	33,901
14,238	Smart Real Estate Investment Trust	404,314	429,845
20,600	Societe Generale	1,353,636	1,315,125
24,068	Srisawad Power 1979 PCL. Warrants Apr. 29, 2020	–	11,548
3,800	ST Modwen Properties PLC	34,748	32,063
15,600	Sumitomo Mitsui Financial Group, Inc.	852,968	813,851
51,500	Sun Life Financial Inc.	1,872,794	2,222,225
7,100	Suruga Bank Ltd.	189,547	202,324
900	SVG Capital PLC	9,015	9,015
22,900	Swiss Re Ltd.	2,654,790	3,080,538
2,900	T&D Holdings Inc.	55,609	52,722
4,000	The Bank of Saga Ltd.	12,701	12,343
25,000	The Eighteenth Bank Ltd.	97,443	100,768
11,000	The Higashi-Nippon Bank Ltd.	48,080	50,178
61,000	The Ogaki Kyoritsu Bank Ltd.	315,368	340,328
70,000	The Oita Bank, Ltd.	362,263	376,754
74,000	THE TOCHIGI BANK, LTD.	494,778	583,466
5,879	Tongyang Life Insurance	92,499	80,222
233,460	Toronto-Dominion Bank, The	9,703,803	12,662,870
15,600	Travelers Companies, Inc., The	1,609,722	2,434,594
35,684	Tricon Capital Group Inc	266,436	323,297
300	Valiant Holding AG	44,313	48,710
40,200	Wells Fargo & Company	1,931,666	3,020,824
56,800	Westaim Corporation, The	185,692	155,064
6,900	Workspace Group PLC	75,709	134,725
20,600	WPT Industrial Real Estate Investment Trust	278,629	338,742
37,000	Yamaguchi Financial Group	610,458	606,369
		139,281,183	154,081,214
Information Technology – 9.8%			
6,900	Accenture PLC, Class A	938,750	997,206
3,400	ADVA Optical Networking SE	31,837	56,596
22,200	Alibaba Group Holding Ltd.	2,502,279	2,495,186
59,800	Apple Inc.	8,783,867	8,702,415
1,300	ASM International NV	64,587	70,060
5,100	Aspen Technology Inc.	280,672	266,331
14,600	Automatic Data Processing, Inc.	1,515,455	1,710,639
3,900	Broadcom Corporation	254,729	311,943
293,000	BYD Electronic International Co., Ltd.	357,645	215,648
11,300	CA, Inc.	414,543	446,330
3,100	Cap Gemini SA	363,993	396,986
24,900	Celestica Inc.	277,431	380,970
34,440	CGI Group Inc., Class A	1,353,703	1,907,976
700	Changyou.com Ltd. – ADR	19,356	24,028
2,700	Check Point Software Technologies Ltd.	318,609	303,879
86,100	Cisco Systems, Inc.	2,940,085	3,233,498
4,900	Citrix Systems, Inc.	493,003	512,654
4,200	Constellation Software Inc.	2,123,814	2,422,896
16,779	Daou Technology Inc	476,656	424,563
17,200	Davis + Henderson Income Corporation	624,343	543,864
39,800	Delta Electronics Thailand PCL	122,348	115,590
9,600	DeNA Co., Ltd.	243,041	207,752
22,470	Descartes Systems Group Inc., The	354,835	625,565
700	Dexerials Corporation	10,436	10,376
16,643	Dongbu HiTek Co. Ltd.	256,372	276,059
67,600	EarthLink, Inc.	551,833	694,633

Number of Shares	Issuer	Average Cost ($)	Carrying Value ($)
EQUITIES (cont'd)			
Information Technology (cont'd)			
4,700	Enghouse Systems Limited	192,816	349,398
6,400	Evertec Inc.	159,382	148,168
600	Fidessa Group PLC	22,771	24,473
15,300	Genpact Limited	475,781	528,994
3,300	Google Inc. Class C	2,720,769	3,463,432
7,887	Hansol Technics Co. Ltd.	237,986	263,306
10,600	Hoya Corporation	579,544	597,661
54,600	Intel Corporation	2,500,035	2,601,366
21,800	International Business Machines Corporation	4,504,905	4,147,629
1,508	Intops Co. Ltd.	34,367	37,952
4,300	Jack Henry & Associates Inc.	411,401	464,212
21,300	JCY International Bhd	4,879	5,840
34,900	Just Eat PLC	299,544	351,147
11,033	Kinaxis Inc.	260,793	517,668
1,100	KLA-Tencor Corporation	94,390	105,502
2,100	Leidos Holdings, Inc.	151,272	163,555
177,900	Malaysian Pacific Industries Berhad	324,987	533,167
22,600	MasterCard, Inc., Class A	2,820,454	3,045,391
1,500	Mentor Graphics Corporation	35,598	38,212
45,000	Micron Technology, Inc.	962,964	881,242
74,100	Microsoft Corporation	3,124,040	5,683,012
29,200	Mixi Inc.	1,341,814	1,507,761
31,400	Moneysupermarket.com	173,452	234,623
14,200	Monster Worldwide, Inc.	104,491	112,529
51,700	Net 1 UEPS Technologies, Inc.	604,346	965,974
7,900	NetEase, Inc.	1,849,881	1,979,234
4,500	NeuStar Inc.	147,833	149,176
25,600	NICE Systems Limited	1,946,140	2,031,084
9,600	NS Solutions Corporation	300,741	301,491
2,900	NSP Semiconductors NV	338,827	337,900
1,600	OBIC Business Consultants Co., Ltd.	124,544	124,226
31,780	Open Text Corporation	1,819,335	2,108,285
80,200	Oracle Corporation	4,090,886	4,051,760
2,500	Otsuka Corp	166,454	169,555
7,200	Parametric Technology Corporation	324,386	344,830
15,585	Patron Co., Ltd.	178,908	178,760
12,500	Paychex, Inc.	773,906	913,985
1,300	Photronics, Inc.	21,631	22,384
32,500	QUALCOMM, Inc.	2,352,675	2,246,688
38,200	Rovi Corporation	530,129	880,153
51,410	Sandvine Corporation	158,251	181,991
2,800	Science Applications International Corporation	155,609	177,277
1,959	SDL PLC	16,336	16,650
3,779	Seoul Semiconductor Co., Ltd.	83,395	68,753
4,800	Shopify Inc., Class A	170,838	170,880
1,900	SMA Solar Technology AG	140,229	147,809
1,200	Sohu.com, Inc.	82,483	94,912
2,800	Sopra Steria Group	412,861	455,157
5,706	Sundaytoz Corp.	128,692	82,009
20,000	Sunny Optical Technology Group Co., Ltd.	62,705	63,194
151,800	SVI PCL	25,332	28,549
4,400	Sykes Enterprises Inc.	155,572	187,301
25,600	Symantec Corporation	687,499	743,496
34,700	Teradata Corporation	1,295,427	1,267,891
14,200	Texas Instruments Incorporated	1,072,768	1,076,385
2,000	TOKO Inc.	9,134	8,693
8,400	Ubisoft Entertainment SA	322,331	336,347
7,376	Uju Electronics Co., Ltd.	144,456	147,316
4,300	Ulvac Inc.	139,844	167,984
1,500	Unisys Corporation	25,545	22,923
10,000	Venture Corporation Ltd.	81,377	79,998
6,700	Verifone Systems Inc.	256,563	259,635
14,400	Visa Inc.	1,446,615	1,544,415
500	Watchstone Group PLC	2,801	3,228
2,923	WeMade Entertainment Co., Ltd.	161,064	126,276

For equities, all common shares unless otherwise noted.

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

Scotia Balanced Opportunities Fund (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

Number of Shares/ Face Value ($)	Issuer	Average Cost ($)	Carrying Value ($)
EQUITIES (cont'd)			
Information Technology (cont'd)			
5,400	Western Union Company	132,084	133,755
600	Wix.com Ltd. – ADR	19,569	18,878
181,500	Xerox Corporation	2,428,594	2,668,269
		72,601,253	80,245,339
Telecommunication Services – 2.7%			
75,241	BCE Inc.	4,115,096	4,022,384
37,600	CenturyLink Inc.	1,380,036	1,308,333
163,000	China Mobile Limited	2,606,481	2,526,448
152,500	Chorus Limited	348,217	561,338
17,600	Inteliquent, Inc.	171,394	432,534
12,500	KDDI Corporation	411,690	447,521
18,600	Manitoba Telecom Services Inc.	526,743	553,722
38,800	Nippon Telegraph and Telephone Corporation	1,804,077	2,130,416
70,040	Rogers Communications, Inc., Class B	2,805,387	3,342,309
121,600	Singapore Telecommunications Limited	438,012	432,884
1,500	Spok Holdings Inc.	19,881	38,005
9,000	Telefonica Czech Republic	124,166	125,834
196,800	Telkom SA Ltd.	616,202	1,122,552
55,900	TELUS Corporation	1,583,772	2,138,734
47,401	Verizon Communications Inc.	2,888,438	3,029,961
		19,839,592	22,212,975
Utilities – 1.4%			
25,600	Boralex Inc.	329,631	370,176
8,500	Brookfield Infrastructure Partners LP	382,508	445,230
2,400	Brookfield Renew Energy Partners LP	80,120	87,048
37,300	Capital Power Corporation	841,089	662,821
10,200	Chubu Electric Power Co. Inc.	203,779	192,956
38,500	CLP Holdings Limited	424,442	451,517
29,200	EDP – Energias do Brasil SA	139,045	121,992
32,700	Eletropaulo Metropolitana S.A.	157,021	95,051
63,200	Endesa SA	1,766,470	1,752,421
65,900	Equatorial Energia SA	833,685	784,602
30,000	Kansai Electric Power Co Inc, The	481,277	496,435
14,850	Korea Electric Power Corporation	834,407	870,372
660,900	Lopez Holdings Corp.	152,006	128,377
636,500	Merdian Energy Ltd	1,331,429	1,432,610
817	Terna Energy SA	2,982	3,025
229,500	Tokyo Electric Power Company, Incorporated, The	1,482,245	1,825,555
120,600	TransAlta Corporation	751,602	592,146
4,700	TransAlta Renewables Inc.	59,499	48,739
57,800	United Utilities Group PLC	891,108	1,101,911
		11,144,345	11,462,984
	TOTAL EQUITIES	536,547,933	569,021,645
BONDS AND DEBENTURES – 26.0%			
Federal Bonds – 4.4%			
	Canada Housing Trust No. 1		
2,342,000	1.25% due Dec. 15, 2020	2,337,152	2,346,895
	Government of Canada		
15,711,000	1.25% due Feb. 1, 2018	15,947,786	15,961,459
734,000	1.75% due Sep. 1, 2019	763,580	764,505
5,596,000	3.25% due Jun. 1, 2021	6,288,016	6,301,871
1,751,000	1.50% due Jun. 1, 2023	1,773,692	1,791,789
2,538,000	2.50% due Jun. 1, 2024	2,781,173	2,783,861
5,638,000	2.25% due Jun. 1, 2025	6,049,695	6,061,535
486,000	5.00% due Jun. 1, 2037	728,086	725,044
		36,669,180	36,736,959

Face Value ($)	Issuer	Average Cost ($)	Carrying Value ($)
BONDS AND DEBENTURES (cont'd)			
Provincial Bonds – 6.9%			
	Province of Alberta		
450,000	3.10% due Jun. 1, 2024	479,453	480,845
465,000	3.50% due Jun. 1, 2031	534,015	492,568
46,000	4.50% due Dec. 1, 2040	60,412	55,597
154,000	3.45% due Dec. 1, 2043	177,527	158,863
	Province of British Columbia		
744,000	5.70% due Jun. 18, 2029	986,700	996,752
1,817,000	4.30% due Jun. 18, 2042	2,168,772	2,207,018
273,000	3.20% due Jun. 18, 2044	297,911	278,505
744,000	2.80% due Jun. 18, 2048	690,558	699,666
	Province of Manitoba		
1,166,000	2.45% due Jun. 2, 2025	1,180,146	1,167,169
510,000	6.30% due Mar. 5, 2031	678,106	708,068
192,000	5.70% due Mar. 5, 2037	257,595	261,257
319,000	4.60% due Mar. 5, 2038	372,713	381,606
286,000	2.85% due Sep. 5, 2046	284,642	257,955
	Province of New Brunswick		
1,019,000	2.85% due Jun. 2, 2023	990,272	1,067,761
605,000	4.80% due Jun. 3, 2041	725,811	739,803
	Province of Newfoundland and Labrador		
365,000	2.30% due Jun. 2, 2025	363,379	356,989
	Province of Nova Scotia		
291,000	4.70% due Jun. 1, 2041	306,907	356,335
	Province of Ontario		
751,000	0.00% due Jun. 2, 2022	583,610	661,743
1,592,000	3.15% due Jun. 2, 2022	1,727,206	1,722,090
209,000	2.85% due Jun. 2, 2023	221,484	221,268
3,578,000	3.50% due Jun. 2, 2024	3,927,092	3,940,897
550,000	5.85% due Mar. 8, 2033	771,616	755,958
7,782,000	4.70% due Jun. 2, 2037	9,385,996	9,612,828
669,000	0.00% due Jun. 2, 2029	377,938	442,705
6,867,000	4.60% due Jun. 2, 2039	8,394,575	8,431,733
	Province of Ontario Generic Coupon Strip		
950,000	0.00% due Dec. 2, 2028	551,075	642,045
	Province of Quebec		
2,299,000	3.50% due Dec. 1, 2022	2,513,963	2,537,078
5,947,000	3.00% due Sep. 1, 2023	6,362,189	6,351,225
569,000	3.75% due Sep. 1, 2024	647,294	637,753
435,000	6.00% due Oct. 1, 2029	556,757	590,703
4,208,000	6.25% due Jun. 1, 2032	5,707,905	5,966,354
1,031,000	5.00% due Dec. 1, 2038	1,208,411	1,322,965
2,352,000	4.25% due Dec. 1, 2043	2,840,429	2,779,146
		56,332,459	57,283,248
Corporate Bonds – 14.7%			
	Air Canada (callable)		
500,000	7.63% due Oct. 1, 2019-(2016)	536,250	524,167
	Alimentation Couche-Tard Inc.		
979,000	3.32% due Nov. 1, 2019	980,478	1,020,853
91,000	3.90% due Nov. 1, 2022	97,325	96,193
	Alimentation Couche-Tard Inc. (callable)		
113,000	3.60% due Jun. 2, 2025-(Mar.2, 2025)	114,309	113,842
	AltaLink LP		
104,000	2.98% due Nov. 28, 2022	108,365	108,680
1,508,000	3.67% due Nov. 6, 2023	1,581,339	1,633,809
12,000	4.87% due Nov. 15, 2040	14,999	13,639
	AltaLink LP (callable)		
648,000	3.40% due Jun. 6, 2024-(Mar. 6, 2024)	648,000	684,851
	ATS Automation Tooling Systems Inc. (callable)		
600,000	6.50% due Jun. 15, 2023-(2018)	802,055	842,242
	AutoCanada Inc. (callable)		
1,000,000	5.63% due May 25, 2021-(2017)	985,000	977,917

For equities, all common shares unless otherwise noted.

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

Scotia Balanced Opportunities Fund (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

Face Value ($)	Issuer	Average Cost ($)	Carrying Value ($)
BONDS AND DEBENTURES (cont'd)			
Corporate Bonds (cont'd)			
	Avis Budget Car Rental, LLC / Avis Budget Finance, Inc. (callable)		
900,000	5.50% due Apr. 1, 2023-(2018)	1,223,913	1,255,372
	Bank of America Corporation (callable)		
1,100,000	8.13% due Dec.29, 2049-(May 15, 2018)	1,545,150	1,551,717
	Bank of Montreal		
613,000	3.21% due Sep. 13, 2018	612,969	640,543
521,000	2.43% due Mar. 4, 2019	524,594	534,192
10,888,000	3.40% due Apr. 23, 2021	11,173,029	11,594,568
	Bank of Nova Scotia, The		
2,082,000	3.27% due Jan. 11, 2021	2,119,244	2,197,328
	BCE Inc. (callable)		
581,000	3.15% due Sep. 29, 2021-(Aug. 29, 2021)	578,688	598,373
	Bell Canada		
1,771,000	3.35% due Mar. 22, 2023	1,807,706	1,812,604
1,974,000	4.70% due Sep. 11, 2023	2,005,515	2,181,231
	Brookfield Asset Management Inc.		
592,000	3.95% due Apr. 9, 2019	600,863	620,060
1,488,000	4.54% due Mar. 31, 2023	1,527,219	1,589,609
2,668,000	5.04% due Mar. 8, 2024	2,786,562	2,915,960
283,000	5.95% due Jun. 14, 2035	253,020	309,983
	Brookfield Infrastructure Finance ULC		
1,022,000	3.54% due Oct. 30, 2020	1,022,000	1,029,390
	Brookfield Residential Properties Inc. (callable)		
1,700,000	6.13% due May 15, 2023-(2018)	1,663,875	1,665,788
	Canadian Imperial Bank of Commerce		
220,000	2.22% due Mar. 7, 2018	217,823	223,899
1,884,000	2.35% due Jun. 24, 2019	1,882,323	1,928,682
1,920,000	1.85% due Jul. 14, 2020	1,919,251	1,917,688
	Canadian Western Bank		
707,000	2.75% due Jun. 29, 2020	707,000	709,221
	Choice Properties LP		
364,000	3.60% due Apr. 20, 2020	380,198	383,647
	Choice Properties LP (callable)		
301,000	3.60% due Sep. 20, 2022-(Jun. 20, 2022)	310,066	312,049
	Choice Properties Real Estate Investment Trust (callable)		
500,000	4.90% due Jul. 5, 2023-(Apr. 5, 2023)	545,312	557,343
217,000	4.29% due Feb. 8, 2024-(Nov. 8, 2023)	227,038	231,458
593,000	4.06% due Nov. 24, 2025-(Aug. 24, 2025)	603,681	609,824
	Citigroup Inc. (callable)		
860,000	6.30% due Dec. 29, 2049-(May 15, 2024)	1,119,285	1,170,093
740,000	6.13% due Dec. 29, 2049-(Nov. 15, 2020)	976,568	1,046,441
	Clear Channel Worldwide Holdings Inc. (callable)		
800,000	6.50% due Nov. 15, 2022-(2017)	1,076,348	1,089,953
	Constellation Brands Inc.		
1,400,000	4.25% due May 1, 2023	1,891,993	1,952,201
	CU Inc		
570,000	6.22% due Mar. 6, 2024	736,229	717,029
472,000	4.54% due Oct. 24, 2041	524,576	511,538
315,000	3.96% due Jul. 27, 2045	307,994	311,754
	DirectCash Payments Inc. (callable)		
1,450,000	8.13% due Aug. 8, 2019-(2016)	1,482,625	1,457,250
	Empire Life Insurance Company, The (callable)		
1,071,000	2.87% due May 31, 2023-(2018)	1,073,593	1,094,225
	Enbridge Gas Distribution Inc.		
540,000	4.77% due Dec. 17, 2021	621,967	611,497
846,000	3.15% due Aug. 22, 2024	857,916	865,519
506,000	3.31% due Sep. 11, 2025	509,001	517,870
	Enbridge Inc.		
239,000	4.53% due Mar. 9, 2020	254,764	252,275
1,937,000	4.26% due Feb. 1, 2021	2,038,096	2,016,511
1,669,000	3.16% due Mar. 11, 2021	1,669,358	1,649,850
	Enbridge Inc. (callable)		
409,000	3.94% due Jun. 30, 2023-(Mar. 30, 2023)	414,825	407,407

Face Value ($)	Issuer	Average Cost ($)	Carrying Value ($)
BONDS AND DEBENTURES (cont'd)			
Corporate Bonds (cont'd)			
	Enbridge Pipelines Inc.		
252,000	2.93% due Nov. 30, 2022	265,419	252,145
1,035,000	3.79% due Aug. 17, 2023	1,128,843	1,086,200
444,000	4.55% due Aug. 17, 2043	494,614	439,221
	Enbridge Pipelines Inc. (callable)		
1,820,000	3.45% due Sep. 29, 2025-(Jun. 29, 2025)	1,815,988	1,806,418
	First Capital Realty Inc.		
300,000	3.90% due Oct. 30, 2023	309,972	311,782
	Frontier Communications Corporation (callable)		
1,465,000	10.50% due Sept. 15, 2022-(Jun. 15, 2022)	1,946,251	2,024,604
	General Electric Capital Corporation		
1,063,000	4.60% due Jan. 26, 2022	1,191,797	1,203,798
	General Electric Company (callable)		
1,641,000	4.20% due Dec. 29, 2049-(Jun. 15, 2023)	2,066,488	2,269,490
	GFL Environmental Inc. (callable)		
1,000,000	7.88% due Apr. 1, 2020-(2017)	1,366,966	1,369,798
	Global Partners LP/GLP Finance Corporation (callable)		
1,500,000	7.00% due Jun.15, 2023-(2018)	1,872,599	1,957,798
	Greater Toronto Airports Authority		
539,000	7.05% due Jun. 12, 2030	743,006	755,424
	Great-West Lifeco Inc.		
440,000	5.00% due Nov. 16, 2039	593,423	558,441
	Hydro One Inc.		
1,246,000	7.35% due Jun. 3, 2030	1,815,766	1,759,985
172,000	6.93% due Jun. 1, 2032	247,357	238,319
443,000	6.03% due Mar. 3, 2039	627,647	579,904
	Hydro-Quebec		
303,000	0.00% due Aug. 15, 2022	260,379	264,269
	Industrial Alliance Insurance & Financial Services Inc. (callable)		
575,000	2.64% due Feb. 23, 2027-(2022)	574,856	574,878
	Intact Financial Corporation		
1,784,000	4.70% due Aug. 18, 2021	1,933,619	1,991,914
	Loblaw Companies Limited (callable)		
1,052,000	4.86% due Sep. 12, 2023-(Jun. 12, 2023)	1,191,695	1,182,725
	Lundin Mining Corporation (callable)		
700,000	7.50% due Nov. 1, 2020-(2017)	904,320	917,269
	Manitoba Telecom Services Inc. (callable)		
1,359,000	4.00% due May 27, 2024-(Feb. 27, 2024)	1,396,255	1,397,979
	Manufacturers Life Insurance Co., The (callable)		
1,557,000	2.93% due Nov. 29, 2023-(2018)	1,577,460	1,598,635
239,000	2.64% due Jan. 15, 2025-(2020)	238,993	243,359
702,000	2.10% due Jun. 1, 2025-(2020)	701,972	696,444
1,202,000	2.39% due Jan. 5, 2026-(2021)	1,201,976	1,198,978
1,596,000	3.18% due Nov. 22, 2027-(2022)	1,597,308	1,620,570
	Men's Wearhouse Inc.,The (callable)		
1,500,000	7.00% due Jul. 1, 2022-(2017)	2,107,022	1,517,924
	Morgan Stanley		
1,600,000	5.45% due Jul. 15, 2099	2,119,671	2,166,285
	National Bank of Canada		
3,700,000	2.11% due Mar. 18, 2022	3,725,499	3,648,168
	Norbord Inc.		
1,300,000	5.38% due Dec. 1, 2020	1,731,663	1,811,374
	Parkland Fuel Corporation (callable)		
1,500,000	5.50% due May 28, 2021-(2017)	1,503,750	1,490,625
	Plenary Properties LTAP LP		
99,347	6.29% due Jan. 31, 2044	125,753	128,719
	Rogers Communications Inc. (callable)		
2,000,000	4.00% due Mar. 13, 2024-(Dec. 13, 2023)	2,094,200	2,097,439
	Royal Bank of Canada		
2,715,000	2.89% due Oct. 11, 2018	2,778,474	2,814,041
2,483,000	2.77% due Dec. 11, 2018	2,523,191	2,567,360
1,339,000	1.97% due Mar. 2, 2022	1,329,022	1,311,658
	Sirius XM Canada Holdings Inc. (callable)		
200,000	5.63% due Apr. 23, 2021-(2020)	201,000	197,250

Scotia Balanced Opportunities Fund (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

Face Value ($)	Issuer	Average Cost ($)	Carrying Value ($)
BONDS AND DEBENTURES (cont'd)			
Corporate Bonds (cont'd)			
	Sun Life Financial Inc. (callable)		
638,000	2.60% due Sep. 25, 2025-(Sep. 25, 2020)	637,585	638,352
	TELUS Corporation (callable)		
607,000	2.35% due Mar. 28, 2022-(Feb. 28, 2022)	605,367	592,406
596,000	3.35% due Mar. 15, 2023-(Dec. 15, 2022)	616,967	608,039
1,000,000	3.35% due Apr. 1, 2024-(Jan. 2, 2024)	1,003,000	1,004,548
	Terasen Gas Inc.		
656,000	5.80% due May 13, 2038	908,363	826,240
	Toronto-Dominion Bank, The		
1,683,000	2.62% due Dec. 22, 2021	1,722,759	1,719,909
	TransAlta Corporation		
1,000,000	5.00% due Nov. 25, 2020	940,838	915,284
	Union Gas Ltd.		
2,180,000	4.85% due Apr. 25, 2022	2,459,076	2,492,088
	Union Gas Ltd. (callable)		
1,018,000	3.79% due Jul. 10, 2023-(Apr. 10, 2023)	1,040,363	1,098,486
89,000	4.88% due Jun. 21, 2041-(Dec. 21, 2040)	101,660	99,884
363,000	4.20% due Jun. 2, 2044-(Dec. 2, 2043)	366,098	366,965
	United Rentals North America Inc. (callable)		
1,300,000	6.13% due Jun. 15, 2023-(Dec. 15, 2017)	1,748,196	1,842,837
	Videotron Ltd. (callable)		
1,150,000	5.63% due Jun. 15, 2025-(Mar. 15, 2025)	1,158,625	1,150,490
	Wajax Corp. (callable)		
140,000	6.13% due Oct. 23, 2020-(2017)	139,825	136,442
	Westmoreland Coal Corporation (callable)		
1,325,000	8.75% due Jan. 1, 2022-(2018)	1,512,779	1,133,837
		120,926,012	121,735,132
	TOTAL BONDS AND DEBENTURES	213,927,651	215,755,339

Number of Units/ Face Value ($)	Issuer	Average Cost ($)	Carrying Value ($)
FIXED INCOME FUND – 2.4%			
2,167,496	CC&L High Yield Bond Fund Series I	22,697,057	20,277,787
INDEX BASED EXCHANGE-TRADED FUNDS – 0.2%			
30,740	BMO S&P/TSX Laddered Preferred Share Index ETF	324,857	326,459
62,700	iShares S&P/TSX 60 Index Fund	1,375,636	1,205,094
		1,700,493	1,531,553
MONEY MARKET INSTRUMENTS – 2.5%			
Treasury Bills – 0.8%			
6,450,000	Government of Canada Treasury Bills		
	0.00% due Jan. 14, 2016	6,442,216	6,449,120
Bankers' Acceptances – 1.7%			
450,000	Bank of Montreal Bankers' Acceptances		
	0.00% due Jan. 20, 2016	449,658	449,820
6,400,000	Canadian Imperial Bank of Commerce Bankers' Acceptances		
	0.00% due from Jan. 8, 2016 to Feb. 26, 2016	6,389,262	6,393,142
2,450,000	National Bank of Canada Bankers' Acceptances		
	0.00% due from Jan. 25, 2016 to Mar. 14, 2016	2,447,066	2,447,877
4,600,000	Toronto-Dominion Bank, The Bankers' Acceptances		
	0.00% due from Jan. 8, 2016 to Jan. 18, 2016	4,597,232	4,598,324
		13,883,218	13,889,163
	TOTAL MONEY MARKET INSTRUMENTS	20,325,434	20,338,283
	TOTAL INVESTMENT PORTFOLIO	795,198,568	826,924,607
	Currency Spots Contracts – 0.0%		851
	Currency Forward Contracts – (0.0%)		(165,450)
	Futures Contracts – 0.0%		(406,948)
	OTHER ASSETS, LESS LIABILITIES – 0.4%		4,697,442
	NET ASSETS – 100.0%		831,050,502

* This security is not actively traded and considered illiquid.

Expiry Date	Number of Contracts	Futures Contracts	Counterparty	Credit Risk	Contractual Value Canadian ($)	Fair Value Canadian ($)	Appreciation/ (Depreciation) ($)
INDEX FUTURES CONTRACTS							
Mar. 2016	(211)	mini MSCI EAFE Index Futures	BMO	AA	(24,345,817)	(24,777,698)	(431,881)
Mar. 2016	(1)	S&P 500 Index Futures	BMO	AA	(694,902)	(703,735)	(8,834)
Mar. 2016	119	S&P/TSX 60 Index	BMO	AA	17,825,486	18,109,420	283,934
Mar. 2016	350	Canadian Dollar Future	BMO	AA	35,599,250	35,011,133	(588,117)
							(744,898)
BOND FUTURES CONTRACTS							
Mar. 2016	139	Canadian 10 Year Bond Futures	BMO	AA	19,223,700	19,597,610	373,910
Mar. 2016	(31)	Five-Year Government of Canada Bond Futures Contract	BMO	AA	(3,859,190)	(3,895,150)	(35,960)
							337,950

The above bond futures and index futures contracts are financial agreements to purchase/sell the bond and indices at a contracted price on a specific future date.

However, the Fund does not intend to purchase/sell the bond and indices on settlement. Rather, it intends to close out each bond futures contracts and index futures contracts before settlement by entering into equal, but offsetting bond futures contracts and index futures contracts.

With respect to the above future contracts, $3,500,000 of the January 14, 2016 Government of Canada Treasury Bills is held on margin.

CURRENCY SPOT CONTRACTS

Settlement Date	Currency To Be Received	Contractual Amount	Currency To Be Delivered	Contractual Amount	Canadian Value as at December 31, 2015 ($)	Canadian ($) Appreciation/ (Depreciation)
Jan. 4, 2016	Canadian Dollar	156,080	U.S. Dollar	112,766	155,955	125
Jan. 4, 2016	Czech Koruna	375,607	U.S. Dollar	15,110	20,899	6
Jan. 4, 2016	European Euro	182,308	U.S. Dollar	198,054	273,907	297
Jan. 4, 2016	Israel Shekel	412,738	U.S. Dollar	106,127	146,774	(91)
Jan. 5, 2016	Danish Krone	200,411	U.S. Dollar	29,176	40,350	36
Jan. 5, 2016	Hungary Forint	16,345,132	U.S. Dollar	56,221	77,701	461
Jan. 7, 2016	South African Rand	133,009	U.S. Dollar	8,586	11,874	17
						851

The currency spot contracts outstanding at December 31, 2015 are placed with a financial institution with a credit rating of AA by DBRS.

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

Scotia Balanced Opportunities Fund (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

CURRENCY FORWARD CONTRACTS

Settlement Date	Currency To Be Received	Contractual Amount	Currency To Be Delivered	Contractual Amount	Canadian Value as at December 31, 2015 ($)	Canadian ($) Appreciation/ (Depreciation)
Mar. 18, 2016	Canadian Dollar	25,063,468	U.S. Dollar	18,253,000	25,231,539	(168,071)
Mar. 18, 2016	Canadian Dollar	297,529	U.S. Dollar	216,000	298,582	(1,053)
Mar. 18, 2016	Canadian Dollar	196,716	U.S. Dollar	141,000	194,908	1,809
Mar. 18, 2016	Canadian Dollar	180,007	U.S. Dollar	129,000	178,320	1,687
Mar. 18, 2016	Canadian Dollar	138,440	U.S. Dollar	100,000	138,232	208
Mar. 18, 2016	U.S. Dollar	19,000	Canadian Dollar	26,294	26,307	(30)
						(165,450)

The currency forward contracts outstanding at December 31, 2015 are placed with a financial institution with a credit rating of AA by DBRS.

Scotia Balanced Opportunities Fund

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

1. The Fund (note 1)

The Fund's investment objective is to obtain capital growth over the long-term, while providing modest income. It invests primarily in a broad range of Canadian equity and fixed income securities. It may also invest in equity and fixed income securities from around the world.

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 (earlier of maturity date or interest reset date) of the Fund's portfolio, excluding cash, money market instruments, underlying funds, preferred shares and overdrafts, as applicable.

Interest rate exposure	December 31, 2015 ($)	December 31, 2014 ($)
Less than 1 year	1,457,250	8,052,952
1-3 years	26,785,574	2,763,475
3-5 years	17,985,102	35,362,098
5-10 years	118,930,629	92,780,515
> 10 years	50,596,784	41,138,020
	215,755,339	180,097,060

The Fund invests in Underlying Funds, which are exposed to interest rate risk. As at December 31, 2015, 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 $3,876,228 or approximately 0.5% (December 31, 2014 – $3,588,862 or approximately 0.4%). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

ii) Currency risk

The tables below indicate the currencies to which the Fund had significant exposure, net of the impact of currency forward contracts and currency spot contracts, if any, based on the monetary and non-monetary assets and liabilities of the Fund. The tables also illustrate the potential impact on the Fund if the functional currency of the Fund had strengthened or weakened by 10% in relation to each of the other currencies, with all other variables held constant.

	December 31, 2015			
Currency	Net currency exposure ($)	Percentage of net assets (%)	Impact on the Fund ($)	Percentage of net assets (%)
US Dollar	187,435,448	22.6	18,743,545	2.3
European Euro	39,608,911	4.8	3,960,891	0.5
Japanese Yen	38,152,138	4.6	3,815,214	0.5
Hong Kong Dollar	14,672,534	1.8	1,467,253	0.2
British Pound	13,315,577	1.6	1,331,558	0.2
South Korean Won	10,082,873	1.2	1,008,287	0.1
Brazilian Real	8,683,846	1.0	868,385	0.1
Danish Krone	6,947,800	0.8	694,780	0.1
New Zealand Dollar	5,995,116	0.7	599,512	0.1
Israel Shekel	5,711,998	0.7	571,200	0.1
Swiss Franc	4,153,652	0.5	415,365	0.0
South African Rand	3,395,347	0.4	339,535	0.0
Malaysian Ringgit	2,514,349	0.3	251,435	0.0
Indonesian Rupiah	2,469,542	0.3	246,954	0.0
Australian Dollar	2,249,128	0.3	224,913	0.0
Swedish Krona	2,195,380	0.3	219,538	0.0
Chile Peso	1,773,555	0.2	177,356	0.0
Norwegian Krone	1,269,122	0.2	126,912	0.0
Turkish Lira	924,778	0.1	92,478	0.0
Thai Baht	885,356	0.1	88,536	0.0
Singapore Dollar	522,502	0.1	52,250	0.0
Hungary Forint	493,147	0.1	49,315	0.0
Czech Koruna	146,733	0.0	14,673	0.0
Philippines Peso	128,377	0.0	12,838	0.0
Mexican Peso	12,925	0.0	1,293	0.0
Total	353,740,134	42.7	35,374,016	4.2

	December 31, 2014			
Currency	Net currency exposure ($)	Percentage of net assets (%)	Impact on the Fund ($)	Percentage of net assets (%)
Australian Dollar	4,734,221	0.6	473,422	0.1
Brazilian Real	4,423,882	0.5	442,388	0.1
British Pound	12,667,608	1.6	1,266,761	0.2
Chile Peso	4,050,412	0.5	405,041	0.1
Czech Koruna	3,662,812	0.5	366,281	0.0
Danish Krone	10,747,554	1.3	1,074,755	0.1
Egyptian Pound	2,233,277	0.3	223,328	0.0
European Euro	23,576,154	2.9	2,357,615	0.3
Hong Kong Dollar	12,833,843	1.6	1,283,384	0.2
Indonesian Rupiah	6,081,951	0.8	608,195	0.1
Israel Shekel	5,070,835	0.6	507,084	0.1
Japanese Yen	14,614,330	1.8	1,461,433	0.2
Malaysian Ringgit	3,405,141	0.4	340,514	0.0
Mexican Peso	1,727,610	0.2	172,761	0.0
New Zealand Dollar	5,772,340	0.7	577,234	0.1
Norwegian Krone	6,550,660	0.8	655,066	0.1
Philippines Peso	2,620,710	0.3	262,071	0.0
Singapore Dollar	365,004	0.0	36,500	0.0
South African Rand	6,629,046	0.8	662,905	0.1
South Korean Won	9,915,972	1.2	991,597	0.1
Swedish Krona	5,898,366	0.7	589,837	0.1
Swiss Franc	5,617,974	0.7	561,797	0.1
Thai Baht	3,071,304	0.4	307,130	0.0
Turkish Lira	3,346,779	0.4	334,678	0.0
US Dollar	169,477,958	21.0	16,947,796	2.1
	329,095,743	40.6	32,909,573	4.2

iii) Price risk

Price risk is the risk that the carrying 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 price risk is mainly in equities, derivatives and commodities, if applicable. As at December 31, 2015, approximately 72.0% (December 31, 2014 – 73.4%) of the

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

Fund's net assets were exposed to price risk. If prices of these investments had decreased or increased by 10%, with all other variables held constant, net assets of the Fund would have decreased or increased, respectively, by approximately $59,819,232 (December 31, 2014 – $59,090,205). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

iv) Credit risk

The table below summarizes the credit ratings of the bonds and debentures, excluding cash and money market instruments but including preferred shares and derivatives, as applicable, held by the Fund.

	December 31, 2015		December 31, 2014	
	Percentage of total bonds and debentures (%)	Percentage of net assets (%)	Percentage of total bonds and debentures (%)	Percentage of net assets (%)
Credit ratings				
AAA	17.6	4.6	4.0	0.9
AA	28.6	7.4	56.1	12.6
A	31.6	8.3	34.4	7.7
BBB	10.5	2.7	5.5	1.2
BB	5.3	1.4	–	–
B	5.9	1.5	–	–
CCC	0.5	0.1	–	–
	100.0	26.0	100.0	22.4

v) Liquidity risk

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

	December 31, 2015		December 31, 2014	
	On demand ($)	Less than 3 months ($)	On demand ($)	Less than 3 months ($)
Current liabilities	–	16,455,228	–	3,752,136
Liability for written options	–	–	–	–
Unrealized loss on derivatives	–	576,193	–	155
Redeemable units	831,050,502	–	805,571,737	–
	831,050,502	17,031,421	805,571,737	3,752,291

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, geographical location, asset type or industry sector, as applicable. The table below is a summary of the Fund's concentration risk:

	Percentage of net assets (%)	
	December 31, 2015	December 31, 2014
Bankers' Acceptances	1.7	0.9
Consumer Discretionary	6.2	5.4
Consumer Staples	6.8	5.4
Corporate Bonds	14.7	12.7
Energy	5.8	10.9
Federal Bonds	4.4	0.2
Financials	18.5	19.2
Fixed Income Fund	2.4	1.0
Health Care	8.1	6.8
Index Based ETFs	0.2	0.1
Industrials	4.8	7.0
Information Technology	9.8	7.9
Materials	4.4	6.4
Provincial Bonds	6.9	9.5
Telecommunication Services	2.7	2.5
Treasury Bills	0.8	0.7
Utilities	1.4	1.9

vii) Fair value classification (note 2)

The tables below illustrate the classification of the Fund's financial instruments within the fair value hierarchy.

December 31, 2015	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Equities	405,277,110	165,251,098	–	570,528,208
Bonds and debentures	–	215,755,339	–	215,755,339
Underlying funds	20,277,787	–	–	20,277,787
Money market instruments	–	20,338,283	–	20,338,283
Warrants, rights and options	10,795	11,548	2,647	24,990
Currency forward contracts–assets	–	3,704	–	3,704
Currency spot contracts–assets	942	–	–	942
Futures contracts–assets	621,884	–	–	621,884
	426,188,518	401,359,972	2,647	827,551,137
Currency forward contracts–liabilities	–	(169,154)	–	(169,154)
Currency spot contracts–liabilities	(91)	–	–	(91)
Futures contracts–liabilities	(1,028,832)	–	–	(1,028,832)
	425,159,595	401,190,818	2,647	826,353,060

December 31, 2014	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Equities	435,490,790	155,411,127	–	590,901,917
Bonds and debentures	–	180,097,060	–	180,097,060
Underlying funds	8,825,195	–	–	8,825,195
Money market instruments	–	13,091,688	–	13,091,688
Warrants, rights and options	–	128	–	128
Currency forward contracts–assets	–	6,877	–	6,877
Currency spot contracts–assets	1,493	–	–	1,493
Futures contracts–assets	1,295,435	–	–	1,295,435
	445,612,913	348,606,880	–	794,219,793
Currency forward contracts–liabilities	–	(46)	–	(46)
Currency spot contracts–liabilities	(109)	–	–	(109)
Futures contracts–liabilities	(3,364,784)	–	–	(3,364,784)
	442,248,020	348,606,834	–	790,854,854

Transfers between levels

During the periods ended December 31, 2015 and 2014, there were no significant transfers between Level 1 and Level 2.

Scotia Balanced Opportunities Fund (Continued)

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

Reconciliation of Level 3 financial instruments

The following table presents the movement in the Fund's Level 3 financial instruments for the periods ended:

	December 31, 2015 ($)
Beginning of period	–
Purchases	2,408
Sales	–
Transfers into Level 3	–
Transfers out of Level 3	–
Net realized gains (losses)	–
Net changes in unrealized gain (loss)*	239
End of period	2,647

* Net change in unrealized gain (loss) for Level 3 financial instruments held as at December 31, 2015 was $239.

Level 3 valuation techniques

The significant unobservable inputs and valuation techniques used to determine the fair value measurements categorized in Level 3 are indicated below:

Security	Valuation technique	Significant unobservable input	December 31, 2015 ($)
Right	Internal Fundamental Model	Company NAV	2,647
			2,647

The significant unobservable inputs used in the valuation techniques used to estimate the fair values of level 3 investments can vary considerably over time to time depending on company specific factors and economic or market conditions. A 10% increase or decrease in the results of applying these valuation techniques, with all other variables held consistent, would have resulted in an increase or decrease, respectively, in net assets of $265.

3. Offsetting of financial assets and liabilities (note 2)

The following tables present offsetting of financial assets and liabilities and collateral amounts that would occur if future events, such as bankruptcy or termination of contracts were to arise. No amounts were offset in the financial statements.

	December 31, 2015			
Financial assets – by type	Gross amount of assets ($)	Master netting offset ($)	Collateral pledged ($)	Net Amount ($)
Currency forward contracts	3,704	(3,704)	–	–
Options contracts – OTC	–	–	–	–
Swap contracts	–	–	–	–
	3,704	(3,704)	–	–

	December 31, 2015			
Financial liabilities – by type	Gross amount of liabilities ($)	Master netting offset ($)	Collateral pledged ($)	Net Amount ($)
Currency forward contracts	169,154	(3,704)	–	165,450
Options contracts – OTC	–	–	–	–
Swap contracts	–	–	–	–
	169,154	(3,704)	–	165,450

	December 31, 2014			
Financial assets – by type	Gross amount of assets ($)	Master netting offset ($)	Collateral pledged ($)	Net Amount ($)
Currency forward contracts	6,877	(46)	–	6,831
Options contracts – OTC	–	–	–	–
Swap contracts	–	–	–	–
	6,877	(46)	–	6,831

	December 31, 2014			
Financial liabilities – by type	Gross amount of liabilities ($)	Master netting offset ($)	Collateral pledged ($)	Net Amount ($)
Currency forward contracts	46	(46)	–	–
Options contracts – OTC	–	–	–	–
Swap contracts	–	–	–	–
	46	(46)	–	–

4. Interest in Underlying Funds (note 2)

The following tables provide information about the Fund's interest in Underlying Funds.

	December 31, 2015	
Underlying Fund	Carrying value of the Underlying Fund ($)	Ownership percentage in Underlying Fund (%)
CC&L High Yield Bond Fund Series I	20,277,787	18.4
BMO S&P/TSX Laddered Preferred Share Index ETF	326,459	0.03
iShares S&P/TSX 60 Index Fund	1,205,094	0.01
	21,809,340	

	December 31, 2014	
Underlying Fund	Carrying value of the Underlying Fund ($)	Ownership percentage in Underlying Fund (%)
CC&L High Yield Bond Fund Series I	7,854,751	15.7
	7,854,751	

5. Comparison of net asset value per unit and net assets per unit (note 2)

The table below provides a comparison of the net asset value per unit and net assets per unit. The primary reason

Scotia Balanced Opportunities Fund (Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1.

for the difference between the net asset value per unit and net assets per unit, if any, is described in note 2.

	December 31, 2015		December 31, 2014	
	Net asset value per unit ($)	Net assets per unit ($)	Net asset value per unit ($)	Net assets per unit ($)
Series A	18.93	18.93	19.26	19.26
Advisor Series	18.44	18.44	18.78	18.78
Series D	9.22	9.22	–	–
Series F	19.12	19.12	19.49	19.49

Scotia Global Balanced Fund

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars except per unit amounts)	December 31, 2015	December 31, 2014
ASSETS		
Current assets		
Investments		
Non-derivative financial assets	100,182,092	66,324,397
Cash	1,057,352	278,429
Receivable for securities sold	–	76,875
Subscriptions receivable	218,753	141,640
Accrued investment income and other	293	281
	101,458,490	66,821,622
LIABILITIES		
Current liabilities		
Payable for securities purchased	733,489	77,310
Redemptions payable	130,910	29,141
	864,399	106,451
Net assets attributable to holders of redeemable units	100,594,091	66,715,171
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series A	100,491,489	66,715,171
Series D	102,602	–
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series A	15.47	14.23
Series D	10.02	–

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except per unit amounts)	2015	2014
INCOME		
Net gain (loss) on investments (note 2)		
Dividends	–	1,106,540
Interest for distribution purposes	1,187,681	3,100
Capital gains distributions received	4,417,969	2,997,360
Net realized gain (loss) on non-derivative financial assets	242,121	315,434
Change in unrealized gain (loss) on non-derivative financial assets	3,818,375	3,279,432
Net gain (loss) on investments	9,666,146	7,701,866
Other income	2,125	1,147
Total income (loss)	9,668,271	7,703,013
EXPENSES		
Management fees (note 5)	1,720,581	1,212,388
Fixed administration fees (note 6)	129,065	34,710
Independent Review Committee fees	1,120	123
Interest expense and bank overdraft charges	–	5
Audit fees	–	1,287
Custodian fees	–	1,016
Filing fees	–	9,917
Legal fees	–	189
Unitholder administration costs	–	21,682
Unitholder reporting costs	–	8,025
Other fund costs	121	–
Harmonized Sales Tax/Goods and Services Tax	189,334	132,198
Total expenses	2,040,221	1,421,540
Increase (decrease) in net assets attributable to holders of redeemable units from operations	7,628,050	6,281,473
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A	7,626,176	6,281,473
Series D	1,874	–
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT†		
Series A	1.36	1.43
Series D	0.40	–
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series A	5,600,772	4,378,820
Series D	4,673	–

† The increase (decrease) in net assets attributable to holders of redeemable units from operations 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 number of units per series.

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the periods ended December 31 (note 1),

(in dollars)	2015	2014
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series A	66,715,171	49,045,827
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A	7,626,176	6,281,473
Series D	1,874	–
	7,628,050	6,281,473
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net realized gains on investments		
Series A	(1,621,226)	(1,520,841)
Series D	(1,849)	–
	(1,623,075)	(1,520,841)
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A	38,389,770	21,186,456
Series D	100,728	–
Reinvested distributions		
Series A	1,611,838	1,512,108
Series D	1,849	–
Payments on redemption		
Series A	(12,230,240)	(9,789,852)
	27,873,945	12,908,712
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A	33,776,318	17,669,344
Series D	102,602	–
	33,878,920	17,669,344
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series A	100,491,489	66,715,171
Series D	102,602	–
	100,594,091	66,715,171

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	7,628,050	6,281,473
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(242,121)	(315,434)
Change in unrealized (gain) loss on non-derivative financial assets	(3,818,375)	(3,279,432)
Purchases of non-derivative financial assets	(30,856,162)	(17,058,894)
Proceeds from sale of non-derivative financial assets	1,792,017	2,773,156
Accrued investment income and other	(12)	100
Net cash provided by (used in) operating activities	(25,496,603)	(11,599,031)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	38,413,385	21,185,843
Amounts paid on redemption of redeemable units	(12,128,471)	(9,773,386)
Distributions to unitholders of redeemable units	(9,388)	(8,734)
Net cash provided by (used in) financing activities	26,275,526	11,403,723
Net increase (decrease) in cash	778,923	(195,308)
Cash (bank overdraft), beginning of period	278,429	473,737
CASH (BANK OVERDRAFT), END OF PERIOD	1,057,352	278,429
Interest received[1]	1,187,667	3,200
Dividends received, net of withholding taxes[1]	–	1,106,540

[1] Classified as operating items.

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

Scotia Global Balanced Fund (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2015

Number of Units	Issuer	Average Cost ($)	Carrying Value ($)
FIXED INCOME FUND – 99.6%			
10,646,343	CI Signature Global Income & Growth Fund Series I	88,309,700	100,182,092
	TOTAL INVESTMENT PORTFOLIO	88,309,700	100,182,092
	OTHER ASSETS, LESS LIABILITIES – 0.4%		411,999
	NET ASSETS – 100.0%		100,594,091

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

Scotia Global Balanced Fund

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

1. The Fund (note 1)

The Fund's investment objective is to generate income and long-term capital growth. It invests primarily in a combination of equity and fixed income securities from anywhere in the world. The Fund is not limited to how much it invests in any single country or asset class.

The Fund invests in units/shares of CI Signature Global Income & Growth Fund (the "Underlying Fund"). The significant risk exposures of the Underlying Fund and the Fund's sensitivities to these exposures are indicated below.

2. Risks associated with financial instruments (note 4)

i) Interest rate risk

The Fund invests in an underlying fund, which is exposed to interest rate risk. As at December 31, 2015, 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 $250,455 or approximately 0.2% (December 31, 2014 – nil).

ii) Currency risk

The Fund could be exposed to indirect currency risk to the extent that the Underlying Fund held financial instruments that were denominated in a currency other than its functional currency.

iii) Price risk

Price risk is the risk that the carrying 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 price risk is mainly in equities, derivatives and commodities, if applicable. As at December 31, 2015, approximately 99.6% (December 31, 2014 – 99.4%) of the Underlying Fund's net assets were exposed to price risk. If prices of these investments had decreased or increased by 10%, with all other variables held constant, net assets of the Fund would have decreased or increased, respectively, by approximately $10,018,209 (December 31, 2014 – $6,632,440). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

iv) Credit risk

The Fund could be exposed to indirect credit risk to the extent that the Underlying Fund invested in bonds and debentures, preferred shares and derivatives.

v) Liquidity risk

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

	December 31, 2015		December 31, 2014	
	On demand ($)	Less than 3 months ($)	On demand ($)	Less than 3 months ($)
Current liabilities	–	864,399	–	106,451
Liability for written options	–	–	–	–
Unrealized loss on derivatives	–	–	–	–
Redeemable units	100,594,091	–	66,715,171	–
	100,594,091	864,399	66,715,171	106,451

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, geographical location, asset type or industry sector, as applicable.

	Percentage of net assets (%)	
	December 31, 2015	December 31, 2014
Fixed Income Funds	99.6	99.4

vii) Fair value classification (note 2)

The tables below illustrate the classification of the Fund's financial instruments within the fair value hierarchy.

December 31, 2015	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Underlying funds	100,182,092	–	–	100,182,092
	100,182,092	–	–	100,182,092

December 31, 2014	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Underlying funds	66,324,397	–	–	66,324,397
	66,324,397	–	–	66,324,397

Transfers between levels

During the periods ended December 31, 2015 and 2014, there were no significant transfers between Level 1 and Level 2.

Scotia Global Balanced Fund (Continued)

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

3. Offsetting of financial assets and liabilities (note 2)

As at December 31, 2015 or December 31, 2014, the Fund did not enter into any agreement whereby the financial instruments were eligible for offset.

4. Interest in Underlying Funds (note 2)

The following tables provide information about the Fund's interest in Underlying Funds.

	December 31, 2015	
Underlying Fund	Carrying value of the Underlying Fund ($)	Ownership percentage in Underlying Fund (%)
CI Signature Global Income & Growth Fund Series I	100,182,092	2.6
	100,182,092	

	December 31, 2014	
Underlying Fund	Carrying value of the Underlying Fund ($)	Ownership percentage in Underlying Fund (%)
CI Signature Global Income & Growth Fund Series I	66,324,397	3.1
	66,324,397	

5. Comparison of net asset value per unit and net assets per unit (note 2)

The table below provides a comparison of the net asset value per unit and net assets per unit. The primary reason for the difference between the net asset value per unit and net assets per unit, if any, is described in note 2.

	December 31, 2015		December 31, 2014	
	Net asset value per unit ($)	Net assets per unit ($)	Net asset value per unit ($)	Net assets per unit ($)
Series A	15.47	15.47	14.23	14.23
Series D	10.02	10.02	–	–

Scotia U.S. $ Balanced Fund

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars except per unit amounts)	December 31, 2015	December 31, 2014
	U.S.$	U.S.$
ASSETS		
Current assets		
Investments		
Non-derivative financial assets	97,822,138	106,255,241
Unrealized gain on futures contracts	32,672	–
Cash	2,561,329	1,484,481
Margin deposited on futures	351,275	221,180
Receivable for securities sold	729,640	–
Subscriptions receivable	46,830	426,010
Accrued investment income and other	262,248	288,393
	101,806,132	108,675,305
LIABILITIES		
Current liabilities		
Redemptions payable	73,964	94,317
Distributions payable	546	–
	74,510	94,317
Net assets attributable to holders of redeemable units	101,731,622	108,580,988
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series A	101,731,622	108,580,988
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series A	10.36	11.39

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except per unit amounts)	2015	2014
	U.S.$	U.S.$
INCOME		
Net gain (loss) on investments (note 2)		
Dividends	2,123,831	1,152,612
Interest for distribution purposes	1,079,358	842,575
Net realized gain (loss) on non-derivative financial assets	6,126,031	1,705,259
Net realized gain (loss) on futures contracts	(132,480)	(362,937)
Net realized gain (loss) on swap contracts	–	1,235
Change in unrealized gain (loss) on non-derivative financial assets	(12,396,513)	1,122,365
Change in unrealized gain (loss) on futures contracts	32,672	–
Net gain (loss) on investments	(3,167,101)	4,461,109
Net realized and unrealized gain (loss) on foreign exchange	9,705	–
Other income	1,114	1,014
Total income (loss)	(3,156,282)	4,462,123
EXPENSES		
Management fees (note 5)	2,071,821	1,692,103
Fixed administration fees (note 6)	100,791	33,941
Independent Review Committee fees	1,488	187
Interest expense and bank overdraft charges	512	275
Foreign withholding taxes/tax reclaims	113,375	129,488
Audit fees	–	1,921
Custodian fees	–	2,463
Filing fees	–	9,953
Legal fees	–	263
Unitholder administration costs	–	12,852
Unitholder reporting costs	–	5,627
Other fund costs	183	–
Harmonized Sales Tax/Goods and Services Tax	240,030	198,000
Transaction costs	94,368	130,132
Total expenses	2,622,568	2,217,205
Increase (decrease) in net assets attributable to holders of redeemable units from operations	(5,778,850)	2,244,918
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A	(5,778,850)	2,244,918
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT†		
Series A	(0.58)	0.28
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series A	9,889,425	8,125,406

† The increase (decrease) in net assets attributable to holders of redeemable units from operations 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 number of units per series.

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

Scotia U.S. $ Balanced Fund (Continued)

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the periods ended December 31 (note 1),

(in dollars)	2015	2014
	U.S.$	U.S.$
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series A	108,580,988	66,873,332
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A	(5,778,850)	2,244,918
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net investment income		
Series A	(599,576)	–
From net realized gains on investments		
Series A	(3,608,326)	–
	(4,207,902)	–
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A	31,005,975	57,932,085
Reinvested distributions		
Series A	4,113,858	–
Payments on redemption		
Series A	(31,982,447)	(18,469,347)
	3,137,386	39,462,738
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A	(6,849,366)	41,707,656
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series A	101,731,622	108,580,988

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2015	2014
	U.S.$	U.S.$
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	(5,778,850)	2,244,918
Adjustments for:		
Non-cash income in kind	(1,153,400)	–
Net realized (gain) loss on non-derivative financial assets	(6,126,031)	(1,705,259)
Unrealized (gain) loss on foreign exchange of cash	8,627	–
Change in unrealized (gain) loss on non-derivative financial assets	12,396,513	(1,122,365)
Change in unrealized (gain) loss on futures contracts	(32,672)	–
Purchases of non-derivative financial assets	(119,962,358)	(156,423,056)
Proceeds from sale of non-derivative financial assets	122,456,743	113,120,596
Transaction costs	91,996	128,312
Margin deposited on futures	(130,095)	(221,180)
Accrued investment income and other	26,145	(125,520)
Net cash provided by (used in) operating activities	1,796,618	(44,103,554)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	31,385,155	57,690,895
Amounts paid on redemption of redeemable units	(32,002,800)	(18,602,898)
Distributions to unitholders of redeemable units	(93,498)	–
Net cash provided by (used in) financing activities	(711,143)	39,087,997
Unrealized gain (loss) on foreign exchange of cash	(8,627)	–
Net increase (decrease) in cash	1,085,475	(5,015,557)
Cash (bank overdraft), beginning of period	1,484,481	6,500,038
CASH (BANK OVERDRAFT), END OF PERIOD	2,561,329	1,484,481
Interest paid[1]	512	–
Interest received[1]	1,058,169	752,050
Dividends received, net of withholding taxes[1]	2,057,790	988,129

[1] Classified as operating items.

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2015

Number of Shares	Issuer	Average Cost ($)	Carrying Value ($)
U.S.$		U.S.$	U.S.$
EQUITIES – 52.2%			
Energy – 3.2%			
18,200	EOG Resources, Inc.	1,565,582	1,288,378
58,000	Halliburton Company	2,411,860	1,974,320
		3,977,442	3,262,698
Industrials – 11.2%			
8,800	Canadian Pacific Railway Limited	1,340,804	1,124,537
15,748	Eaton Corporation	968,804	819,290
35,600	Ingersoll-Rand PLC	2,360,721	1,968,324
63,600	MasTec Inc.	1,061,689	1,105,368
72,600	Quanta Services, Inc.	2,021,522	1,470,150
15,500	Ryder System, Inc.	1,456,174	880,865
31,600	SPX Corporation	2,231,777	294,828
31,600	SPX FLOW Inc.	1,153,400	881,482
27,600	Union Pacific Corporation	3,096,407	2,158,320
10,000	United Rentals, Inc.	806,407	725,400
		16,497,705	11,428,564
Consumer Discretionary – 8.1%			
3,800	Advance Auto Parts, Inc.	599,017	571,938
16,150	AMC Entertainment Holdings Inc., Class A	465,592	387,842
7,500	BorgWarner, Inc.	402,977	324,225
27,000	Brunswick Corporation	1,366,459	1,363,365
22,300	Comcast Corporation, Class A	1,255,843	1,258,389
12,200	Dollar General Corp.	847,767	876,570
7,400	Dollar Tree, Inc.	499,889	571,428
35,600	Mattel, Inc.	899,847	967,252
10,600	Signet Jewelers Ltd.	1,409,852	1,310,319
8,100	Tiffany & Co.	706,696	617,949
		8,453,939	8,249,277
Consumer Staples – 1.2%			
12,300	CVS Caremark Corporation	1,175,108	1,202,264
Health Care – 15.4%			
25,600	Aetna Inc.	2,922,414	2,767,872
15,900	Anthem, Inc.	2,278,646	2,217,096
17,600	Becton, Dickinson and Company	2,471,014	2,711,984
9,400	CIGNA Corporation	1,252,787	1,377,147
8,100	HCA Holdings, Inc.	617,336	547,803
35,400	Medtronic, Inc.	2,375,614	2,722,083
64,100	Team Health Holdings Inc.	3,389,582	2,813,349
5,000	Valeant Pharmaceuticals International, Inc.	606,277	508,174
		15,913,670	15,665,508
Financials – 7.4%			
16,800	Capital One Financial Corporation	1,262,911	1,212,372
6,900	Citigroup Inc.	363,058	357,075
56,700	Discover Financial Services	3,343,248	3,040,254
19,700	Invesco Limited	740,972	659,950
43,900	Lazard Ltd.	2,204,272	1,974,622
5,700	Wells Fargo & Company	301,028	309,710
		8,215,489	7,553,983
Information Technology – 5.7%			
49,500	Cisco Systems, Inc.	1,215,971	1,344,173
48,100	Fidelity National Information Service, Inc.	3,158,321	2,913,417
300	Google Inc. Class A	191,224	233,403
37,100	Intel Corporation	1,169,020	1,278,095
		5,734,536	5,769,088
	TOTAL EQUITIES	59,967,889	53,131,382

For equities, all common shares unless otherwise noted.

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

Scotia U.S. $ Balanced Fund (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

Face Value ($)	Issuer	Average Cost ($)	Carrying Value ($)
U.S.$		U.S.$	U.S.$
BONDS AND DEBENTURES – 44.0%			
Federal Bonds – 29.4%			
	United States Treasury Inflation Indexed Bonds		
1,775,000	0.13% due Jul. 15, 2024	1,716,682	1,686,410
	United States Treasury Notes		
1,500,000	0.88% due Nov. 30, 2016	1,509,911	1,501,050
2,005,000	2.50% due Jun. 30, 2017	2,100,575	2,051,287
5,000,000	0.63% due Sep. 30, 2017	4,945,995	4,967,975
9,500,000	2.38% due May 31, 2018	9,912,971	9,777,163
500,000	1.63% due Jun. 30, 2019	504,375	502,539
3,000,000	3.63% due Feb. 15, 2021	3,329,531	3,265,200
200,000	2.00% due Feb. 15, 2022	195,047	200,563
1,410,000	1.63% due Nov. 15, 2022	1,366,360	1,371,296
2,000,000	1.75% due May 15, 2023	1,904,629	1,951,170
1,800,000	2.50% due Aug. 15, 2023	1,758,992	1,849,500
650,000	2.75% due Nov. 15, 2023	651,625	679,445
		29,896,693	29,803,598
Corporate Bonds – 14.6%			
	Aetna Inc. (callable)		
653,000	2.75% due Nov.15, 2022-(Aug.15, 2022)	646,729	632,737
	Altria Group, Inc.		
478,000	2.85% due Aug. 9, 2022	465,560	470,816
	American Tower Corporation		
200,000	4.50% due Jan. 15, 2018	221,572	208,649
	Anheuser-Busch InBev Finance Inc.		
312,000	2.15% due Feb. 1, 2019	312,424	312,707
	B.A.T. International Finance p.l.c.		
254,000	9.50% due Nov. 15, 2018	340,789	305,018
	Boston Properties LP		
305,000	4.13% due May 15, 2021	321,765	319,863
	Boston Properties LP (callable)		
67,000	5.63% due Nov. 15, 2020-(Aug. 15, 2020)	77,338	74,732
	Boston Properties, Inc.		
175,000	5.88% due Oct. 15, 2019	204,593	194,814
	Canadian National Railway Company (callable)		
110,000	2.85% due Dec. 15, 2021-(Sept.15, 2021)	112,291	110,529
	Canadian Natural Resources Limited (callable)		
170,000	3.90% due Feb.1, 2015-(Nov.1, 2024)	172,145	150,021
	Comcast Cable Communications Holdings, Inc.		
80,000	9.46% due Nov. 15, 2022	113,680	110,894
	Comcast Corporation		
195,000	6.50% due Jan. 15, 2017	234,849	205,537
	Comcast Corporation		
400,000	3.60% due Mar. 1, 2024	411,800	414,960
	Crown Castle Towers LLC (callable)		
490,000	3.22% due May 15, 2021-(2021)	490,784	484,076
300,000	6.11% due Jan. 15, 2040-(Jun. 15, 2019)	336,261	327,732
	Federal Realty Investment Trust		
398,000	3.95% due Jan. 15, 2024	411,058	411,610
	Heathrow Funding Ltd.		
550,000	4.88% due Jul. 15, 2021	610,027	593,083
	JPMorgan Chase & Co. (callable)		
775,000	2.25% due Jan. 23, 2020-(Dec. 23, 2019)	771,048	767,812
	Kimco Realty Corporation		
108,000	6.88% due Oct. 1, 2019	129,571	123,875
	Kimco Realty Corporation (callable)		
492,000	3.20% due May. 1, 2021-(Mar. 1, 2021)	497,919	493,301
	Medtronic Inc.		
898,000	3.15% due Mar. 15, 2022	928,671	909,369
	Pernod Ricard SA		
440,000	4.45% due Jan. 15, 2022	464,222	456,724
	Reynolds American Inc.		
250,000	8.13% due Jun. 23, 2019	305,340	294,074
	Royal Bank of Canada		
330,000	2.15% due Mar. 6, 2020	332,495	326,048
	Simon Property Group LP		
607,000	3.38% due Oct. 1, 2024	619,847	613,143
	Simon Property Group LP (callable)		
168,000	5.65% due Feb. 1, 2020 -(Nov. 1, 2019)	194,129	189,084
	Suncor Energy Inc.		
150,000	6.10% due Jun. 1, 2018	169,187	161,194
	ThermoFisher Scientific, Inc. (callable)		
625,000	3.60% due Aug. 15, 2021-(May 15, 2021)	648,805	634,856
	Toronto-Dominion Bank, The		
330,000	2.25% due Nov. 5, 2019	334,178	330,264
	Union Pacific Corporation (callable)		
675,000	4.16% due Jul. 15, 2022-(Apr. 15, 2022)	719,537	729,759
	UnitedHealth Group Incorporated		
396,000	2.30% due Dec. 15, 2019	401,790	398,273
	UnitedHealth Group Incorporated (callable)		
540,000	3.38% due Nov.15, 2021-(Aug.15, 2021)	564,262	557,896
	Ventas Realty LP / Ventas Capital Corp. (callable)		
802,000	2.70% due Apr. 1, 2020-(Jan. 1, 2020)	802,006	796,574
	Verizon Communications Inc.		
222,000	5.15% due Sep. 15, 2023	250,410	244,733
	Walt Disney Company, The		
642,000	2.75% due Aug. 16, 2021	653,672	654,419
106,000	3.15% due Sep. 17, 2025	108,727	107,142
	Wells Fargo & Company		
769,000	2.13% due Apr. 22, 2019	775,414	770,840
		15,154,895	14,887,158
	TOTAL BONDS AND DEBENTURES	45,051,588	44,690,756
	TOTAL INVESTMENT PORTFOLIO	105,019,477	97,822,138
	Futures Contracts – 0.0%		32,672
	OTHER ASSETS, LESS LIABILITIES – 3.8%		3,876,812
	NET ASSETS – 100.0%		101,731,622

Expiry Date	Number of Contracts	Futures Contracts	Counterparty	Credit Risk	Contractual Value U.S. ($)	Fair Value U.S. ($)	Appreciation/ (Depreciation) ($)
BOND FUTURES CONTRACTS							
Mar. 2016	(15)	U.S. 2 Year Treasury Note Futures	Societe General Canada Inc.	A	(3,264,140)	(3,258,515)	5,625
Mar. 2016	(15)	U.S. 5 Year Treasury Note Futures	Societe General Canada Inc.	A	(1,781,250)	(1,774,805)	6,445
Mar. 2016	(15)	U.S. 10 Year Treasury Note Futures	Societe General Canada Inc.	A	(1,897,383)	(1,888,594)	8,789
Mar. 2016	(16)	U.S. 10 Year Treasury Note Futures	Merrill Lynch	A	(2,020,375)	(2,014,500)	5,875
Mar. 2016	(20)	2-Year U.S. Treasury Note Futures	Merrill Lynch	A	(4,350,625)	(4,344,687)	5,938
							32,672

The above bond futures contracts are financial agreements to purchase/sell the bond at a contracted price on a specific future date.

However, the Fund does not intend to purchase/sell the bond on settlement. Rather, it intends to close out each bond futures contracts before settlement by entering into equal, but offsetting bond futures contracts.

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

Scotia U.S. $ Balanced Fund

FUND SPECIFIC NOTES
For the periods indicated in Note 1.
(All amounts are in U.S.$ unless otherwise stated.)

1. The Fund (note 1)

The Fund's investment objective is to provide long-term capital growth and current income in U.S. dollars. It invests primarily in a combination of fixed income and equity securities that are denominated in U.S. dollars.

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 (earlier of maturity date or interest reset date) of the Fund's portfolio, excluding cash, money market instruments, underlying funds, preferred shares and overdrafts, as applicable.

Interest rate exposure	December 31, 2015 ($)	December 31, 2014 ($)
Less than 1 year	1,501,050	226,972
1-3 years	17,676,821	11,548,234
3-5 years	5,409,371	11,819,192
5-10 years	20,103,514	17,734,808
> 10 years	–	–
	44,690,756	41,329,206

As at December 31, 2015, 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 $395,451 or approximately 0.4% (December 31, 2014 – $470,292 or approximately 0.4%). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

ii) Currency risk

The Fund did not have significant currency risk exposure as at December 31, 2015 or December 31, 2014.

iii) Price risk

Price risk is the risk that the carrying 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 price risk is mainly in equities, derivatives and commodities, if applicable. As at December 31, 2015, approximately 52.2% (December 31, 2014 – 59.8%) of the Fund's net assets were exposed to price risk. If prices of these investments had decreased or increased by 10%, with all other variables held constant, net assets of the Fund would have decreased or increased, respectively, by approximately $5,313,138 (December 31, 2014 – $6,492,604). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

iv) Credit risk

The table below summarizes the credit ratings of the bonds and debentures, excluding cash and money market instruments but including preferred shares and derivatives, as applicable, held by the Fund.

	December 31, 2015		December 31, 2014	
	Percentage of total bonds and debentures (%)	Percentage of net assets (%)	Percentage of total bonds and debentures (%)	Percentage of net assets (%)
Credit ratings				
AAA	66.7	29.4	77.6	29.5
AA	3.2	1.4	–	–
A	18.7	8.2	5.2	2.0
BBB	11.4	5.0	16.6	6.3
BB	–	–	0.1	0.1
B	–	–	0.5	0.2
Total	100.0	44.0	100.0	38.1

v) Liquidity risk

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

	December 31, 2015		December 31, 2014	
	On demand ($)	Less than 3 months ($)	On demand ($)	Less than 3 months ($)
Current liabilities	–	74,510	–	94,317
Liability for written options	–	–	–	–
Unrealized loss on derivatives	–	–	–	–
Redeemable units	101,731,622	–	108,580,988	–
	101,731,622	74,510	108,580,988	94,317

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, geographical location,

FUND SPECIFIC NOTES
For the periods indicated in Note 1.
(All amounts are in U.S.$ unless otherwise stated.)

asset type or industry sector, as applicable. The table below is a summary of the Fund's concentration risk:

	Percentage of net assets (%)	
	December 31, 2015	December 31, 2014
Consumer Discretionary	8.1	3.9
Consumer Staples	1.2	4.4
Corporate Bonds	14.6	8.5
Energy	3.2	2.4
Federal Bonds	29.4	29.6
Financials	7.4	11.6
Health Care	15.4	10.0
Index Based ETFs	–	3.0
Industrials	11.2	7.4
Information Technology	5.7	15.1
Materials	–	2.0

vii) Fair value classification (note 2)

The tables below illustrate the classification of the Fund's financial instruments within the fair value hierarchy.

December 31, 2015	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Equities	53,131,382	–	–	53,131,382
Bonds and debentures	–	44,690,756	–	44,690,756
Futures contracts – assets	32,672	–	–	32,672
	53,164,054	44,690,756	–	97,854,810

December 31, 2014	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Equities	64,926,035	–	–	64,926,035
Bonds and debentures	–	41,329,206	–	41,329,206
	64,926,035	41,329,206	–	106,255,241
Futures contracts – liabilities	(57,674)	–	–	(57,674)
	64,868,361	41,329,206	–	106,197,567

Transfers between levels

During the periods ended December 31, 2015 and 2014, there were no significant transfers between Level 1 and Level 2.

3. Offsetting of financial assets and liabilities (note 2)

As at December 31, 2015 or December 31, 2014, the Fund did not enter into any agreement whereby the financial instruments were eligible for offset.

4. Interest in Underlying Funds (note 2)

The Fund did not hold any interest in Underlying Funds as at December 2015 or December 31, 2014.

5. Comparison of net asset value per unit and net assets per unit (note 2)

The table below provides a comparison of the net asset value per unit and net assets per unit. The primary reason for the difference between the net asset value per unit and net assets per unit, if any, is described in note 2.

	December 31, 2015		December 31, 2014	
	Net asset value per unit ($)	Net assets per unit ($)	Net asset value per unit ($)	Net assets per unit ($)
Series A	10.36	10.36	11.39	11.39

Scotia Private Canadian Preferred Share Pool

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars except per unit amounts)	December 31, 2015	December 31, 2014
ASSETS		
Current assets		
Investments		
Non-derivative financial assets	408,402,926	426,231,705
Cash	5,800,554	6,635,825
Receivable for securities sold	–	293,491
Subscriptions receivable	1,119,465	547,082
Accrued investment income and other	897,434	567,493
	416,220,379	434,275,596
LIABILITIES		
Current liabilities		
Payable for securities purchased	3,153,000	3,655,750
Redemptions payable	318,946	240,616
	3,471,946	3,896,366
Net assets attributable to holders of redeemable units	412,748,433	430,379,230
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series I	2,136,162	–
Series M	410,612,271	430,379,230
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series I	7.74	–
Series M	7.74	9.47

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except per unit amounts)	2015	2014
INCOME		
Net gain (loss) on investments (note 2)		
Dividends	20,379,340	16,879,443
Interest for distribution purposes	26,864	119,348
Net realized gain (loss) on non-derivative financial assets	(22,540,656)	(19,027,272)
Change in unrealized gain (loss) on non-derivative financial assets	(62,752,448)	21,138,183
Net gain (loss) on investments	(64,886,900)	19,109,702
Securities lending	17,836	15,768
Total income (loss)	(64,869,064)	19,125,470
EXPENSES		
Management fees (note 5)	292,189	256,762
Fixed administration fees (note 6)	125,473	45,025
Independent Review Committee fees	1,133	782
Audit fees	–	8,245
Custodian fees	–	4,576
Filing fees	–	8,446
Legal fees	–	1,180
Unitholder administration costs	–	28,507
Unitholder reporting costs	–	5,373
Other fund costs	524	–
Harmonized Sales Tax/Goods and Services Tax	42,745	34,235
Transaction costs	304,770	1,073,795
Total expenses	766,834	1,466,926
Expenses absorbed by the Manager	–	(381)
Net expenses	766,834	1,466,545
Increase (decrease) in net assets attributable to holders of redeemable units from operations	(65,635,898)	17,658,925
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series I	(154,434)	701,096
Series M	(65,481,464)	16,957,829
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT†		
Series I	(0.84)	0.13
Series M	(1.32)	0.44
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series I	183,187	5,204,286
Series M	49,598,592	38,575,859

† The increase (decrease) in net assets attributable to holders of redeemable units from operations 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 number of units per series.

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the periods ended December 31 (note 1),

(in dollars)	2015	2014
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series I	–	119,898,357
Series M	430,379,230	237,600,423
	430,379,230	357,498,780
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series I	(154,434)	701,096
Series M	(65,481,464)	16,957,829
	(65,635,898)	17,658,925
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net investment income		
Series I	(68,947)	(289,117)
Series M	(19,316,010)	(16,489,657)
	(19,384,957)	(16,778,774)
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series I	2,290,596	27,473,547
Series M	165,139,572	263,178,978
Reinvested distributions		
Series I	68,947	289,117
Series M	17,346,010	14,904,360
Payments on redemption		
Series I	–	(148,073,000)
Series M	(117,455,067)	(85,772,703)
	67,390,058	72,000,299
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series I	2,136,162	(119,898,357)
Series M	(19,766,959)	192,778,807
	(17,630,797)	72,880,450
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series I	2,136,162	–
Series M	410,612,271	430,379,230
	412,748,433	430,379,230

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	(65,635,898)	17,658,925
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	22,540,656	19,027,272
Change in unrealized (gain) loss on non-derivative financial assets	62,752,448	(21,138,183)
Purchases of non-derivative financial assets	(177,794,053)	(375,604,530)
Proceeds from sale of non-derivative financial assets	109,815,699	302,087,529
Transaction costs	304,770	1,073,795
Accrued investment income and other	(329,941)	95,260
Net cash provided by (used in) operating activities	(48,346,319)	(56,799,932)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	166,857,785	290,299,913
Amounts paid on redemption of redeemable units	(117,376,737)	(233,701,799)
Distributions to unitholders of redeemable units	(1,970,000)	(1,585,297)
Net cash provided by (used in) financing activities	47,511,048	55,012,817
Net increase (decrease) in cash	(835,271)	(1,787,115)
Cash (bank overdraft), beginning of period	6,635,825	8,422,940
CASH (BANK OVERDRAFT), END OF PERIOD	5,800,554	6,635,825
Interest received[1]	32,648	120,656
Dividends received, net of withholding taxes[1]	20,043,616	16,973,395

[1] Classified as operating items.

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

Scotia Private Canadian Preferred Share Pool (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2015

Number of Shares	Issuer	Average Cost ($)	Carrying Value ($)
EQUITIES – 95.3%			
Energy – 14.5%			
200,000	AltaGas Ltd., 5.00%, Preferred, Series E	5,240,000	4,356,000
230,000	AltaGas Ltd., 5.25%, Preferred, Series I	5,750,000	5,773,000
200,000	Enbridge Inc., 4.00%, Preferred, Series F	5,048,116	3,406,000
110,000	Enbridge Inc., 4.00%, Preferred, Series R	2,732,319	1,885,400
75,000	Enbridge Inc., 4.00%, Preferred, Series 3	1,796,250	1,262,250
134,300	Enbridge Inc., 4.00%, Preferred, Series B	3,315,289	2,125,969
119,900	Enbridge Inc., 4.00%, Preferred, Series D	3,053,001	1,937,584
100,000	Enbridge Inc., 4.00%, Preferred, Series N	2,126,491	1,741,000
25,000	Enbridge Inc., 4.40%, Preferred, Series 15	477,390	480,250
200,000	Enbridge Inc., 4.40%, Preferred, Series 11	4,377,382	3,742,000
100,000	Enbridge Inc., 4.40%, Preferred, Series 13	1,880,000	1,884,000
70,000	Enbridge Inc., 4.40%, Preferred, Series 7	1,765,400	1,269,100
145,000	Enbridge Inc., 4.40%, Preferred, Series 9	3,277,775	2,707,150
74,200	Husky Energy Inc., 4.45%, Preferred, Series 1	1,926,440	974,246
300,000	Husky Energy Inc., 4.50%, Preferred, Series 3	7,500,000	5,568,000
200,000	Husky Energy Inc., 4.50%, Preferred, Series 5	5,000,000	3,914,000
100,000	TransCanada Corporation, 3.80%, Preferred, Series 11	2,500,000	2,091,000
196,400	TransCanada Corporation, 4.00%, Preferred, Series 7	4,899,967	3,764,988
195,000	TransCanada Corporation, 4.25%, Preferred, Series 9	4,606,750	3,853,200
340,000	Veresen Inc., 5.00%, Preferred, Series E	8,474,800	7,282,800
		75,747,370	60,017,937
Consumer Discretionary – 0.5%			
91,800	Shaw Communications, Inc., 4.50%, Preferred, CI2 Series A	2,349,004	1,303,560
54,800	Thomson Reuters Corporation, 2.09%, Preferred, Series B	1,208,442	645,818
		3,557,446	1,949,378
Consumer Staples – 1.3%			
135,000	George Weston Ltd., 4.75%, Preferred, Series V	3,414,250	2,928,150
100,000	George Weston Ltd., 5.20%, Preferred, Series D	2,574,960	2,353,000
		5,989,210	5,281,150
Financials – 62.3%			
55,000	Bank of Montreal, 5.20%, Preferred, M Series 16	1,362,680	1,355,750
100,000	Bank of Montreal, 3.80%, Preferred, Series 31 Class B	2,499,000	1,959,000
250,000	Bank of Montreal, 3.80%, Preferred, Series 33	6,250,000	5,402,500
91,900	Bank of Montreal, 3.90%, Preferred, Series 25	2,274,344	2,005,258
240,000	Bank of Montreal, 3.90%, Preferred, Series 29	6,037,693	4,742,400
225,000	Bank of Montreal, 4.00%, Preferred, Series 27	5,657,000	4,559,625
240,000	Bank of Montreal, 5.00%, Preferred, Series 35	5,887,500	5,724,000
70,000	Bank of Montreal, 5.80%, Preferred, Series 15	1,848,000	1,808,100
35,000	Bank of Nova Scotia, The, 3.03%, Preferred, Series 19	914,716	805,000
70,000	Bank of Nova Scotia, The, 3.35%, Preferred, Series 18	1,766,300	1,748,600
75,000	Bank of Nova Scotia, The, 3.83%, Preferred, Series 22	1,929,570	1,847,250
90,000	Bank of Nova Scotia, The, 4.50%, Preferred, Series 14	2,312,711	2,223,000
90,000	Bank of Nova Scotia, The, 4.50%, Preferred, Series 15	2,315,300	2,225,700
100,000	Bank of Nova Scotia, The, 5.25%, Preferred, Series 16	2,611,750	2,550,000
80,000	Bank of Nova Scotia, The, 5.60%, Preferred, Series 17	2,105,844	2,042,400
50,000	Bank of Nova Scotia, The, 2.69%, Preferred, Series 21	1,267,500	1,117,500
65,000	Bank of Nova Scotia, The, 5.00%, Preferred, Series 20	1,642,200	1,596,400
163,900	Brookfield Asset Management Inc., 4.50%, Preferred, Series 32	3,349,870	3,605,800
205,000	Brookfield Asset Management Inc., 4.50%, Preferred, Series 40	5,074,239	4,542,800
300,000	Brookfield Asset Management Inc., 5.00%, Preferred, Series 44	7,500,000	7,830,000
16,900	Brookfield Renewable Power Inc., 4.40%, Preferred, Series 3	416,071	328,705
250,000	Brookfield Renewable Power Inc., 5.25%, Preferred, Series I	6,012,415	4,245,000
250,000	Canadian Imperial Bank of Commerce, 3.60%, Preferred, Series 43	6,250,000	5,187,500
200,000	Canadian Imperial Bank of Commerce, 3.75%, Preferred, Series 41	5,000,000	3,976,000
253,100	Canadian Imperial Bank of Commerce, 3.90%, Preferred, Series 39	6,375,771	5,148,054
53,200	Great-West Lifeco Inc., 5.80%, Preferred, Series M	1,392,236	1,364,580
113,000	Great-West Lifeco Inc., 4.50%, Preferred, Series 1	2,584,300	2,395,600
71,500	Great-West Lifeco Inc., 4.80%, Preferred, Series R	1,672,150	1,573,000
105,000	Great-West Lifeco Inc., 4.85%, Preferred, Series H	2,539,026	2,331,000
65,000	Great-West Lifeco Inc., 5.15%, Preferred, Series Q	1,625,800	1,515,800
40,000	Great-West Lifeco Inc., 5.20%, Preferred, Series G	1,003,900	938,000
117,800	Great-West Lifeco Inc., 5.25%, Preferred, Series S	2,977,200	2,937,932
90,000	Great-West Lifeco Inc., 5.40%, Preferred, Series P	2,318,550	2,221,200
40,000	Great-West Lifeco Inc., 5.65%, Preferred, Series L	1,027,400	1,010,000
187,000	HSBC Bank of Canada, 5.00%, Preferred, Series D	4,815,648	4,710,530
113,600	HSBC Bank of Canada, 5.10%, Preferred, Series C	2,924,007	2,854,768
82,700	Industrial Alliance, 4.30%, Preferred, Series G	2,175,010	1,845,037
260,000	Industrial Alliance, 4.60%, Preferred, Series A	6,525,480	5,579,600
119,000	Intact Financial Corporation, 4.20%, Preferred, Series 3	3,090,770	2,487,100
561,300	Intact Financial Corporation, 4.20%, Preferred, Series 1	14,336,598	9,502,809
90,000	Laurentian Bank of Canada, 4.30%, Preferred, Series 13	2,248,200	1,620,900
100,000	Loblaw Companies Limited, 5.30%, Preferred, Series B	2,500,000	2,349,000
55,000	Manulife Financial Corporation, 3.80%, Preferred, Series 13	1,354,400	1,136,300
240,000	Manulife Financial Corporation, 3.80%, Preferred, Series 19	6,000,000	5,030,400
65,000	Manulife Financial Corporation, 3.90%, Preferred, Series 15	1,582,891	1,327,300
90,000	Manulife Financial Corporation, 3.90%, Preferred, Series 17	2,251,250	1,920,600
77,000	Manulife Financial Corporation, 4.00%, Preferred, Series 11	1,940,916	1,700,160
50,000	Manulife Financial Corporation, 4.40%, Preferred, Series 5	1,307,500	1,134,500
40,000	Manulife Financial Corporation, 4.40%, Preferred, Series 9	1,041,600	936,000
150,000	Manulife Financial Corporation, 4.50%, Preferred, Series 3	3,385,743	3,179,250
125,000	Manulife Financial Corporation, 4.60%, Preferred, Series 1-7	3,291,612	3,010,000
110,700	Manulife Financial Corporation, 4.65%, Preferred, Series B	2,624,386	2,393,334
105,000	National Bank of Canada, 3.80%, Preferred, Series 28	2,722,250	2,655,975
395,300	National Bank of Canada, 3.90%, Preferred, Series 32	9,867,735	7,589,760
138,000	National Bank of Canada, 4.10%, Preferred, Series 30	3,450,000	2,704,800
75,000	Power Corporation of Canada, 5.00%, Preferred, Series D	1,822,500	1,694,625
90,000	Power Corporation of Canada, 5.60%, Preferred, Series G	2,331,900	2,224,800
32,900	Power Financial Corporation, 0.00%, Preferred, Series A	730,286	427,700
66,000	Power Financial Corporation, 4.20%, Preferred, Series T	1,712,801	1,580,700
95,000	Power Financial Corporation, 4.80%, Preferred, Series S	2,201,000	2,062,450
80,300	Power Financial Corporation, 4.95%, Preferred, Series K	1,890,470	1,790,690
68,500	Power Financial Corporation, 5.10%, Preferred, Series L	1,706,400	1,552,895
65,000	Power Financial Corporation, 5.25%, Preferred, Series E	1,632,250	1,508,000
75,000	Power Financial Corporation, 5.50%, Preferred, Series R	1,914,375	1,840,500
35,000	Power Financial Corporation, 5.80%, Preferred, Series O	922,250	896,175
66,000	Power Financial Corporation, 6.00%, Preferred, Series 1	1,683,055	1,698,180
300,000	Royal Bank of Canada, 3.60%, Preferred, Series BD	7,500,500	6,225,000
275,000	Royal Bank of Canada, 3.60%, Preferred, Series BF	6,826,250	5,676,000
162,500	Royal Bank of Canada, 3.90%, Preferred, Series BB	4,104,900	3,201,250
225,400	Royal Bank of Canada, 4.00%, Preferred, Series AZ	5,689,740	4,426,856
50,000	Royal Bank of Canada, 4.50%, Preferred, Series AG	1,287,000	1,247,250
200,000	Royal Bank of Canada, 4.90%, Preferred, Series BI	5,000,000	4,580,000
112,200	Royal Bank of Canada, 5.00%, Preferred, Series AJ	2,817,231	2,755,632
225,000	Royal Bank of Canada, 5.50%, Preferred, Series BK	5,625,000	5,802,750
85,000	Royal Bank of Canada, 5.60%, Preferred, Series AL	2,248,237	2,166,650
250,000	Royal Bank of Canada, 4.90%, Preferred, Series BH	6,250,000	5,723,750
140,000	Sun Life Financial Inc., 4.45%, Preferred, Series 3	3,307,000	2,911,300
96,000	Sun Life Financial Inc., 4.25%, Preferred, Series 12R	2,503,597	2,067,840
95,000	Sun Life Financial Inc., 4.45%, Preferred, Series F	2,015,050	1,973,150
115,000	Sun Life Financial Inc., 4.50%, Preferred, Series 5	2,531,078	2,415,000
125,300	Sun Life Financial Inc., 4.75%, Preferred, Series A	2,826,363	2,751,588
105,000	Sun Life Financial Inc., 4.80%, Preferred, Series 2	2,525,600	2,307,900
30,000	Toronto-Dominion Bank, The, 1.58%, Preferred, Series Z	760,500	676,800
350,000	Toronto-Dominion Bank, The, 3.60%, Preferred, Series 7	8,747,500	7,413,000
250,000	Toronto-Dominion Bank, The, 3.75%, Preferred, Series 5	6,250,000	4,900,000
120,000	Toronto-Dominion Bank, The, 3.80%, Preferred, Series 3	3,000,000	2,362,800
215,000	Toronto-Dominion Bank, The, 3.90%, Preferred, Series 1	5,418,824	4,265,600
113,400	Toronto-Dominion Bank, The, 4.90%, Preferred, Series 11	2,835,000	2,610,468
46,000	Toronto-Dominion Bank, The, Floating, Preferred, Series T	1,151,109	1,030,860
		295,004,798	257,299,736
Telecommunication Services – 3.2%			
116,900	BCE Inc., 2.85%, Preferred, Series 15	2,788,660	1,630,755
20,000	BCE Inc., 0.00%, Preferred, Series AB	450,000	280,900
125,000	BCE Inc., 3.00%, Preferred, Series AD	2,843,750	1,750,000
89,000	BCE Inc., 4.15%, Preferred, Series 19	1,940,342	1,261,130

For equities, all common shares unless otherwise noted.

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

Scotia Private Canadian Preferred Share Pool (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

Number of Shares/ Number of Units	Issuer	Average Cost ($)	Carrying Value ($)
EQUITIES (cont'd)			
Telecommunication Services (cont'd)			
200,000	BCE Inc., 4.15%, Preferred, Series AK	4,438,540	3,006,000
65,000	BCE Inc., 4.25%, Preferred, Series AQ	1,694,038	1,393,600
25,000	BCE Inc., 4.55%, Preferred, Series AO	644,750	560,000
40,000	BCE Inc., 4.60%, Preferred, Series Y	907,200	552,000
90,000	BCE Inc., 4.85%, Preferred, Series AM	2,195,313	1,412,100
80,000	BCE Inc., 5.45%, Preferred, Series AA	1,684,000	1,188,000
		19,586,593	13,034,485
Utilities – 13.5%			
250,000	Brookfield Renewable Energy Partners, 5.50%, Preferred, Series 7	6,250,000	6,175,000
337,200	Canadian Utilities Limited, 4.90%, Preferred, Series AA	8,227,236	7,502,700
90,000	Canadian Utilities Limited, 3.80%, Preferred, Series 4	1,836,000	1,176,750
199,100	Canadian Utilities Limited, 4.00%, Preferred, Series Y	5,159,693	4,059,649
170,000	Canadian Utilities Limited, 4.50%, Preferred, Series CC	4,263,896	3,525,800
95,000	Canadian Utilities Limited, 4.50%, Preferred, Series DD	2,065,700	1,968,400
100,000	Canadian Utilities Limited, 4.90%, Preferred, Series BB	2,385,000	2,226,000
85,000	Canadian Utilities Limited, 5.25%, Preferred, Series EE	2,006,000	2,014,500
180,000	Canadian Utilities Limited, 4.50%, Preferred, Series FF	4,500,000	4,680,000
100,000	Emera Inc., 4.10%, Preferred, Series C	2,523,700	1,973,000
50,000	Emera Inc., 4.25%, Preferred, Series F	1,265,000	1,032,500
40,000	Emera Inc., 4.50%, Preferred, Series E	898,000	812,000
148,000	Fortis Inc., 4.10%, Preferred, Series M	3,712,760	3,093,200
50,900	Fortis Inc., 4.90%, Preferred, Series F	1,222,832	1,188,006
120,000	Fortis Inc., 4.75%, Preferred, Series J	2,892,600	2,732,400
91,600	Fortis Inc., 3.88%, Preferred, Series G	2,307,356	1,691,852
100,000	Fortis Inc., 4.00%, Preferred, Series K	2,504,000	1,929,000
254,700	Westcoast Energy Inc., 5.50%, Preferred, Series H	6,464,906	6,021,108
85,000	Westcoast Energy Inc., 5.25%, Preferred, Series 10	2,125,000	2,114,375
		62,609,679	55,916,240
	TOTAL EQUITIES	462,495,096	393,498,926
INDEX BASED EXCHANGE-TRADED FUNDS – 3.6%			
300,000	BMO S&P/TSX Laddered Preferred Share Index ETF	3,150,000	3,186,000
900,000	iShares S&P/TSX Canadian Preferred Share Index Fund	13,190,245	11,718,000
		16,340,245	14,904,000
	TOTAL INVESTMENT PORTFOLIO	478,835,341	408,402,926
	OTHER ASSETS, LESS LIABILITIES – 1.1%		4,345,507
	NET ASSETS – 100.0%		412,748,433

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

Scotia Private Canadian Preferred Share Pool

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

1. The Fund (note 1)

The Fund's investment objective is to provide regular 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 majority of the Fund's financial assets and liabilities were non-interest bearing as at December 31, 2015 and, 2014. Accordingly, the Fund is not directly subject to significant risk due to fluctuations in the prevailing levels of market interest rates.

ii) Currency risk

The Fund did not have significant currency risk exposure as at December 31, 2015 or December 31, 2014.

iii) Price risk

Price risk is the risk that the carrying 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 price risk is mainly in equities, derivatives and commodities, if applicable. As at December 31, 2015, approximately 98.9% (December 31, 2014 – 99.0%) of the Fund's net assets were exposed to price risk. If prices of these investments had decreased or increased by 10%, with all other variables held constant, net assets of the Fund would have decreased or increased, respectively, by approximately $40,840,293 (December 31, 2014 – $42,623,171). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

iv) Credit risk

The table below summarizes the credit ratings of the bonds and debentures, excluding cash and money market instruments but including preferred shares and derivatives, as applicable, held by the Fund.

	December 31, 2015		December 31, 2014	
	Percentage of Total Preferred Shares Securities (%)	Percentage of net assets (%)	Percentage of Total Preferred Shares Securities (%)	Percentage of net assets (%)
Credit ratings				
AAA	0.2	0.2	8.6	8.1
AA	99.3	94.6	91.4	85.7
NOT RATED	0.5	0.5	–	–
	100.0	95.3	100.0	93.8

v) Liquidity risk

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

	December 31, 2015		December 31, 2014	
	On demand ($)	Less than 3 months ($)	On demand ($)	Less than 3 months ($)
Current liabilities	–	3,471,946	–	3,896,366
Liability for written options	–	–	–	–
Unrealized loss on derivatives	–	–	–	–
Redeemable units	412,748,433	–	430,379,230	–
	412,748,433	3,471,946	430,379,230	3,896,366

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, geographical location, asset type or industry sector, as applicable. The table below is a summary of the Fund's concentration risk:

	Percentage of net assets (%)	
	December 31, 2015	December 31, 2014
Consumer Discretionary	0.5	1.4
Consumer Staples	1.3	1.1
Energy	14.5	13.8
Financials	62.3	60.6
Index Based ETFs	3.6	5.3
Telecommunication Services	3.2	4.0
Utilities	13.5	12.8

vii) Fair value classification (note 2)

The tables below illustrate the classification of the Fund's financial instruments within the fair value hierarchy.

December 31, 2015	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Equities	408,402,926	–	–	408,402,926
	408,402,926	–	–	408,402,926

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

December 31, 2014	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Equities	426,231,705	–	–	426,231,705
	426,231,705	–	–	426,231,705

Transfers between levels

During the periods ended December 31, 2015 and 2014, there were no significant transfers between Level 1 and Level 2.

3. Offsetting of financial assets and liabilities (note 2)

As at December 31, 2015 or December 31, 2014, the Fund did not enter into any agreement whereby the financial instruments were eligible for offset.

4. Interest in Underlying Funds (note 2)

The following table provides information about the Fund's interest in Underlying Funds.

	December 31, 2015	
Underlying Fund	Carrying value of the Underlying Fund ($)	Ownership percentage in Underlying Fund (%)
iShares S&P/TSX Canadian Preferred Share Index Fund	11,718,000	0.8
BMO S&P/TSX Laddered Preferred Share Index ETF	3,186,000	0.3
	14,904,000	

The Fund did not hold any interest in Underlying Funds as at December 31, 2014.

5. Comparison of net asset value per unit and net assets per unit (note 2)

The table below provides a comparison of the net asset value per unit and net assets per unit. The primary reason for the difference between the net asset value per unit and net assets per unit, if any, is described in note 2.

	December 31, 2015		December 31, 2014	
	Net asset value per unit ($)	Net assets per unit ($)	Net asset value per unit ($)	Net assets per unit ($)
Series I	7.74	7.74	–	–
Series M	7.74	7.74	9.47	9.47

Scotia Canadian Dividend Fund

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars except per unit amounts)	December 31, 2015	December 31, 2014
ASSETS		
Current assets		
Investments		
Non-derivative financial assets	6,320,726,106	6,759,835,466
Unrealized gain on currency forward contracts	–	3,233,247
Cash	558,412,886	581,554,753
Receivable for securities sold	30,233,131	1,464,489
Subscriptions receivable	6,297,171	5,461,977
Accrued investment income and other	16,665,674	14,654,113
	6,932,334,968	7,366,204,045
LIABILITIES		
Current liabilities		
Redemptions payable	2,893,228	3,498,474
Distributions payable	2,365	1,289
Unrealized loss on currency forward contracts	8,282,860	15,686,140
	11,178,453	19,185,903
Net assets attributable to holders of redeemable units	6,921,156,515	7,347,018,142
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series A	3,703,575,406	3,769,810,801
Advisor Series	33,992,169	44,045,972
Series F	19,233,262	15,992,729
Series I	2,087,519,843	2,347,292,244
Series M	1,076,835,835	1,169,876,396
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series A	51.84	52.51
Advisor Series	51.57	52.21
Series F	51.66	52.29
Series I	51.69	52.37
Series M	50.49	51.16

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except per unit amounts)	2015	2014
INCOME		
Net gain (loss) on investments (note 2)		
Dividends	205,447,922	181,271,323
Interest for distribution purposes	18,819,963	11,685,101
Capital gains distributions received	–	1,314,787
Net realized gain (loss) on non-derivative financial assets	334,269,255	288,846,365
Net realized gain (loss) on currency forward contracts	(178,235,288)	(53,554,842)
Change in unrealized gain (loss) on non-derivative financial assets	(248,300,180)	603,419,951
Change in unrealized gain (loss) on currency forward contracts	4,170,033	(8,309,649)
Net gain (loss) on investments	136,171,705	1,024,673,036
Securities lending	115,033	430,503
Net realized and unrealized gain(loss) on foreign exchange	700,137	(452,391)
Other income	40,256	35,799
Total income (loss)	137,027,131	1,024,686,947
EXPENSES		
Management fees (note 5)	59,423,981	55,293,523
Fixed administration fees and operating expense (note 6)	3,045,795	1,050,777
Independent Review Committee fees	454	13,705
Interest expense and bank overdraft charges	59,813	489
Foreign withholding taxes/tax reclaims	7,442,332	5,324,581
Audit fees	–	144,744
Custodian fees	–	55,491
Filing fees	–	82,410
Legal fees	–	20,855
Unitholder administration costs	–	1,125,628
Unitholder reporting costs	–	176,041
Other fund costs	8,851	–
Harmonized Sales Tax/Goods and Services Tax	6,699,225	6,176,300
Transaction costs	2,064,210	1,793,395
Total expenses	78,744,661	71,257,939
Increase (decrease) in net assets attributable to holders of redeemable units from operations	58,282,470	953,429,008
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A	(6,751,412)	479,619,016
Advisor Series	(20,797)	5,640,929
Series F	118,476	1,869,896
Series I	44,605,596	319,679,969
Series M	20,330,607	146,619,198
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT†		
Series A	(0.09)	6.71
Advisor Series	(0.03)	6.59
Series F	0.34	7.10
Series I	1.03	7.48
Series M	0.87	7.32
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series A	72,072,482	71,428,402
Advisor Series	798,146	856,497
Series F	347,427	263,247
Series I	43,336,954	42,724,750
Series M	23,389,523	20,023,656

† The increase (decrease) in net assets attributable to holders of redeemable units from operations 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 number of units per series.

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

Scotia Canadian Dividend Fund (Continued)

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the periods ended December 31 (note 1),

(in dollars)	2015	2014
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series A	3,769,810,801	3,293,407,434
Advisor Series	44,045,972	39,723,558
Series F	15,992,729	10,886,045
Series I	2,347,292,244	1,869,375,933
Series M	1,169,876,396	813,990,570
	7,347,018,142	6,027,383,540
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A	(6,751,412)	479,619,016
Advisor Series	(20,797)	5,640,929
Series F	118,476	1,869,896
Series I	44,605,596	319,679,969
Series M	20,330,607	146,619,198
	58,282,470	953,429,008
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net investment income		
Series A	(42,525,678)	(35,249,174)
Advisor Series	(371,826)	(304,990)
Series F	(370,621)	(238,917)
Series I	(64,472,387)	(57,597,210)
Series M	(32,585,784)	(25,785,955)
From net realized gains on investments		
Series A	–	(25,465,187)
Advisor Series	–	(297,125)
Series F	–	(105,585)
Series I	–	(15,790,740)
Series M	–	(7,842,054)
	(140,326,296)	(168,676,937)
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A	457,455,319	485,834,663
Advisor Series	2,475,347	8,306,490
Series F	9,765,206	5,247,420
Series I	297,076,547	352,066,138
Series M	373,678,269	434,615,418
Reinvested distributions		
Series A	41,854,765	59,736,813
Advisor Series	335,095	540,382
Series F	303,284	299,155
Series I	64,472,386	73,387,950
Series M	27,211,344	29,248,467
Payments on redemption		
Series A	(516,268,389)	(488,072,764)
Advisor Series	(12,471,622)	(9,563,272)
Series F	(6,575,812)	(1,965,285)
Series I	(601,454,543)	(193,829,796)
Series M	(481,674,997)	(220,969,248)
	(343,817,801)	534,882,531
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A	(66,235,395)	476,403,367
Advisor Series	(10,053,803)	4,322,414
Series F	3,240,533	5,106,684
Series I	(259,772,401)	477,916,311
Series M	(93,040,561)	355,885,826
	(425,861,627)	1,319,634,602
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series A	3,703,575,406	3,769,810,801
Advisor Series	33,992,169	44,045,972
Series F	19,233,262	15,992,729
Series I	2,087,519,843	2,347,292,244
Series M	1,076,835,835	1,169,876,396
	6,921,156,515	7,347,018,142

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	58,282,470	953,429,008
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(334,269,255)	(288,846,365)
Unrealized (gain) loss on foreign exchange of cash	536,636	452,391
Change in unrealized (gain) loss on non-derivative financial assets	248,300,180	(603,419,951)
Change in unrealized (gain) loss on currency forward contracts	(4,170,033)	8,309,649
Purchases of non-derivative financial assets	(1,089,380,409)	(1,478,701,124)
Proceeds from sale of non-derivative financial assets	1,583,998,081	1,179,125,310
Transaction costs	2,064,210	1,793,395
Accrued investment income and other	(2,011,561)	(976,230)
Net cash provided by (used in) operating activities	463,350,319	(228,833,917)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	1,139,243,405	1,285,827,669
Amounts paid on redemption of redeemable units	(1,619,050,609)	(914,046,872)
Distributions to unitholders of redeemable units	(6,148,346)	(5,464,330)
Net cash provided by (used in) financing activities	(485,955,550)	366,316,467
Unrealized gain (loss) on foreign exchange of cash	(536,636)	(452,391)
Net increase (decrease) in cash	(22,605,231)	137,482,551
Cash (bank overdraft), beginning of period	581,554,753	444,524,593
CASH (BANK OVERDRAFT), END OF PERIOD	558,412,886	581,554,753
Interest paid[1]	59,813	–
Interest received[1]	19,139,233	11,508,179
Dividends received, net of withholding taxes[1]	195,674,758	175,147,434

[1] Classified as operating items.

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

Scotia Canadian Dividend Fund (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2015

Number of Shares	Issuer	Average Cost ($)	Carrying Value ($)
EQUITIES – 91.3%			
Energy – 11.1%			
2,912,000	Canadian Natural Resources Ltd.	101,880,094	88,000,640
2,994,200	Enbridge Inc.	113,050,761	137,733,200
2,714,656	Pembina Pipeline Corporation	83,907,170	81,846,878
5,209,288	Suncor Energy, Inc.	179,085,169	186,075,767
5,343,601	TransCanada Corporation	225,789,458	241,477,329
906,469	Vermilion Energy, Inc.	46,998,813	34,092,299
		750,711,465	769,226,113
Materials – 2.1%			
1,176,000	Agrium Inc.	123,590,780	145,435,920
Industrials – 5.4%			
2,433,880	Canadian National Railway Company	95,810,446	188,260,618
482,000	Honeywell International Inc.	36,214,121	69,019,984
1,070,000	Union Pacific Corporation	89,210,179	115,720,470
		221,234,746	373,001,072
Consumer Discretionary – 8.8%			
968,100	CBS Corporation, Class B	31,709,158	63,081,073
1,926,000	Comcast Corporation, Class A	49,707,527	150,309,348
1,856,200	Magna International Inc.	92,345,322	104,169,944
1,330,000	McDonald's Corporation	156,978,321	217,304,272
806,465	Starwood Hotels & Resorts Worldwide, Inc.	44,736,314	77,248,075
		375,476,642	612,112,712
Consumer Staples – 6.3%			
1,600,000	Alimentation Couche-Tard Inc., Class B	16,470,048	97,456,000
910,000	CVS Caremark Corporation	115,697,937	123,014,300
1,918,500	Empire Company Limited, Class A	28,540,109	49,382,190
2,523,841	Loblaw Companies Limited	98,236,370	164,907,771
		258,944,464	434,760,261
Health Care – 3.9%			
460,500	Becton, Dickinson and Company	85,661,741	98,134,959
1,196,633	Johnson & Johnson	132,266,487	169,953,429
		217,928,228	268,088,388
Financials – 32.6%			
4,548,530	Bank of Nova Scotia, The	232,113,895	254,581,224
4,193,906	Brookfield Asset Management Inc., Class A	75,641,473	183,063,997
2,524,601	Brookfield Property Partners LP	48,378,702	81,342,644
2,361,000	Canadian Imperial Bank of Commerce	218,605,524	215,299,590
1,209,727	First Capital Realty, Inc.	14,867,423	22,198,490
2,468,000	Great-West Lifeco Inc.	66,194,251	85,220,040
877,039	Intact Financial Corporation	45,068,441	77,775,819
7,517,453	Manulife Financial Corporation	143,184,167	155,911,975
5,320,300	Power Corporation of Canada	154,098,627	153,969,482
2,555,802	RioCan Real Estate Investment Trust	61,316,445	60,546,949
4,145,000	Royal Bank of Canada	285,884,917	307,351,750
290,000	Simon Property Group, Inc.	45,307,273	77,971,566
2,950,600	Sun Life Financial Inc.	108,114,924	127,318,390
5,650,000	Toronto-Dominion Bank, The	191,181,136	306,456,000
1,989,000	Wells Fargo & Company	67,002,528	149,463,143
		1,756,959,726	2,258,471,059
Information Technology – 5.6%			
1,060,000	Automatic Data Processing, Inc.	107,804,555	124,197,104
1,946,000	Microsoft Corporation	107,385,050	149,246,173
1,056,200	Visa Inc.	35,202,015	113,278,535
		250,391,620	386,721,812
Telecommunication Services – 8.6%			
1,877,000	BCE Inc.	77,907,299	100,344,420
2,505,600	Rogers Communications, Inc., Class B	102,380,422	119,567,232
4,416,200	TELUS Corporation	116,756,467	168,963,812
3,281,294	Verizon Communications Inc.	172,044,240	209,746,510
		469,088,428	598,621,974
Utilities – 6.9%			
2,536,795	Brookfield Infrastructure Partners LP	77,680,228	132,877,324
143,920	Brookfield Renew Energy Partners LP	3,435,954	5,219,978
1,940,000	Eversource Energy	73,758,858	137,021,035
3,660,777	Fortis, Inc.	126,634,977	136,949,668
2,791,332	Hydro One Limited	58,470,144	62,218,790
		339,980,161	474,286,795
	TOTAL INVESTMENT PORTFOLIO	4,764,306,260	6,320,726,106
	Currency Forward Contracts – (0.1%)		(8,282,860)
	OTHER ASSETS, LESS LIABILITIES – 8.8%		608,713,269
	NET ASSETS – 100.0%		6,921,156,515

CURRENCY FORWARD CONTRACTS

Settlement Date	Currency To Be Received	Contractual Amount	Currency To Be Delivered	Contractual Amount	Canadian Value as at December 31, 2015 ($)	Canadian ($) Appreciation/ (Depreciation)
Jan. 20, 2016	Canadian Dollar	235,685,214	U.S. Dollar	171,796,000	237,536,641	(1,851,426)
Jan. 20, 2016	Canadian Dollar	87,476,339	U.S. Dollar	65,634,000	90,749,959	(3,273,620)
Feb. 18, 2016	Canadian Dollar	722,908,045	U.S. Dollar	525,207,000	726,065,859	(3,157,814)
						(8,282,860)

The currency forward contracts outstanding at December 31, 2015 are placed with a financial institution with a credit rating of A by DBRS.

For equities, all common shares unless otherwise noted.

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

Scotia Canadian Dividend Fund

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

1. The Fund (note 1)

The Fund's investment objective is to earn a high level of dividend income with some potential for long-term capital growth. It invests primarily in dividend-paying common shares and in a broad range of preferred shares, such as floating rate, convertible and retractable preferred shares of Canadian companies.

2. Risks associated with financial instruments (note 4)

i) Interest rate risk

The majority of the Fund's financial assets and liabilities were non-interest bearing as at December 31, 2015 and 2014. Accordingly, the Fund is not directly subject to significant risk due to fluctuations in the prevailing levels of market interest rates.

ii) Currency risk

The tables below indicate the currencies to which the Fund had significant exposure, net of the impact of currency forward contracts and currency spot contracts, if any, based on the monetary and non-monetary assets and liabilities of the Fund. The tables also illustrate the potential impact on the Fund if the functional currency of the Fund had strengthened or weakened by 10% in relation to each of the other currencies, with all other variables held constant.

	December 31, 2015			
Currency	Net currency exposure ($)	Percentage of net assets (%)	Impact on the Fund ($)	Percentage of net assets (%)
US Dollar	995,225,783	14.4	99,522,578	1.4
	995,225,783	14.4	99,522,578	1.4

	December 31, 2014			
Currency	Net currency exposure ($)	Percentage of net assets (%)	Impact on the Fund ($)	Percentage of net assets (%)
US Dollar	901,754,762	12.3	90,175,476	1.2
	901,754,762	12.3	90,175,476	1.2

iii) Price risk

Price risk is the risk that the carrying 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 price risk is mainly in equities, derivatives and commodities, if applicable. As at December 31, 2015, approximately 91.3% (December 31, 2014 – 92.0%) of the Fund's net assets were exposed to price risk. If prices of these investments had decreased or increased by 10%, with all other variables held constant, net assets of the Fund would have decreased or increased, respectively, by approximately $632,072,611 (December 31, 2014 – $675,983,547). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

iv) Credit risk

The Fund had no significant exposure to bonds and debentures, preferred shares or derivatives as at December 31, 2015 or December 31, 2014. In addition, all investment transactions are executed by brokers with an approved credit rating. As such the risk of default on transactions with counterparties and brokers related to purchase and sale of securities is considered minimal. In instances where the credit rating were to fall below the approved rating, the Manager would take appropriate action.

v) Liquidity risk

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

	December 31, 2015		December 31, 2014	
	On demand ($)	Less than 3 months ($)	On demand ($)	Less than 3 months ($)
Current liabilities	–	2,895,593	–	3,499,763
Liability for written options	–	–	–	–
Unrealized loss on derivatives	–	8,282,860	–	15,686,140
Redeemable units	6,921,156,515	–	7,347,018,142	–
	6,921,156,515	11,178,453	7,347,018,142	19,185,903

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, geographical location,

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

asset type or industry sector, as applicable. The table below is a summary of the Fund's concentration risk:

	Percentage of net assets (%)	
	December 31, 2015	December 31, 2014
Consumer Discretionary	8.8	9.1
Consumer Staples	6.3	5.7
Energy	11.1	17.6
Financials	32.6	31.3
Health Care	3.9	1.5
Industrials	5.4	6.0
Information Technology	5.6	4.0
Materials	2.1	3.2
Telecommunication Services	8.6	8.5
Utilities	6.9	5.1

vii) Fair value classification (note 2)

The tables below illustrate the classification of the Fund's financial instruments within the fair value hierarchy.

December 31, 2015	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Equities	6,320,726,106	–	–	6,320,726,106
Currency forward contracts–liabilities	–	(8,282,860)	–	(8,282,860)
	6,320,726,106	(8,282,860)	–	6,312,443,246

December 31, 2014	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Equities	6,759,835,466	–	–	6,759,835,466
Currency forward contracts–assets	–	3,233,247	–	3,233,247
	6,759,835,466	3,233,247	–	6,763,068,713
Currency forward contracts–liabilities	–	(15,686,140)	–	(15,686,140)
	6,759,835,466	(12,452,893)	–	6,747,382,573

Transfers between levels

During the periods ended December 31, 2015 and 2014, there were no significant transfers between Level 1 and Level 2.

3. Offsetting of financial assets and liabilities (note 2)

The following tables present offsetting of financial assets and liabilities and collateral amounts that would occur if future events, such as bankruptcy or termination of contracts were to arise. No amounts were offset in the financial statements.

	December 31, 2015			
Financial assets – by type	Gross amount of assets ($)	Master netting offset ($)	Collateral pledged ($)	Net Amount ($)
Currency forward contracts	–	–	–	–
Options contracts – OTC	–	–	–	–
Swap contracts	–	–	–	–
	–	–	–	–

Financial liabilities – by type	Gross amount of liabilities ($)	Master netting offset ($)	Collateral pledged ($)	Net Amount ($)
Currency forward contracts	8,282,860	–	–	8,282,860
Options contracts – OTC	–	–	–	–
Swap contracts	–	–	–	–
	8,282,860	–	–	8,282,860

	December 31, 2014			
Financial assets – by type	Gross amount of assets ($)	Master netting offset ($)	Collateral pledged ($)	Net Amount ($)
Currency forward contracts	3,233,247	(1,923,589)	–	1,309,658
Options contracts – OTC	–	–	–	–
Swap contracts	–	–	–	–
	3,233,247	(1,923,589)	–	1,309,658

Financial liabilities – by type	Gross amount of liabilities ($)	Master netting offset ($)	Collateral pledged ($)	Net Amount ($)
Currency forward contracts	15,686,140	(1,923,589)	–	13,762,551
Options contracts – OTC	–	–	–	–
Swap contracts	–	–	–	–
	15,686,140	(1,923,589)	–	13,762,551

4. Interest in Underlying Funds (note 2)

The Fund did not hold any interest in Underlying Funds as at December 31, 2015 or December 31, 2014.

5. Comparison of net asset value per unit and net assets per unit (note 2)

The table below provides a comparison of the net asset value per unit and net assets per unit. The primary reason for the difference between the net asset value per unit and net assets per unit, if any, is described in note 2.

	December 31, 2015		December 31, 2014	
	Net asset value per unit ($)	Net assets per unit ($)	Net asset value per unit ($)	Net assets per unit ($)
Series A	51.84	51.84	52.51	52.51
Advisor Series	51.57	51.57	52.21	52.21
Series F	51.66	51.66	52.29	52.29
Series I	51.69	51.69	52.37	52.37
Series M	50.50	50.49	51.16	51.16

Scotia Canadian Blue Chip Fund

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars except per unit amounts)	December 31, 2015	December 31, 2014
ASSETS		
Current assets		
Investments		
Non-derivative financial assets	223,747,078	249,014,049
Cash	24,003,036	4,971,954
Margin deposited on futures	–	1,736,659
Receivable for securities sold	403,625	–
Subscriptions receivable	58,161	69,542
Accrued investment income and other	411,746	283,882
	248,623,646	256,076,086
LIABILITIES		
Current liabilities		
Payable for securities purchased	316,078	–
Redemptions payable	132,153	87,091
Distributions payable	–	871
Unrealized loss on currency forward contracts	2,054,520	509,424
Unrealized loss on swap contracts	–	18,088
	2,502,751	615,474
Net assets attributable to holders of redeemable units	246,120,895	255,460,612
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series A	245,750,326	255,168,800
Series F	41,622	27,472
Series I	328,947	264,340
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series A	26.40	28.73
Series F	27.49	29.78
Series I	31.98	34.14

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except per unit amounts)	2015	2014
INCOME		
Net gain (loss) on investments (note 2)		
Dividends	5,312,438	5,196,888
Interest for distribution purposes	26,908	18,122
Capital gains distributions received	–	(13,176)
Net realized gain (loss) on non-derivative financial assets	51,016,224	25,105,899
Net realized gain (loss) on currency forward contracts	(2,600,314)	(1,437,096)
Net realized gain (loss) on futures contracts	1,422,430	(2,350,708)
Net realized gain (loss) on swap contracts	(113,869)	2,524,199
Change in unrealized gain (loss) on non-derivative financial assets	(37,924,384)	2,435,003
Change in unrealized gain (loss) on currency forward contracts	(1,545,096)	(199,444)
Change in unrealized gain (loss) on swap contracts	18,088	(1,296,951)
Net gain (loss) on investments	15,612,425	29,982,736
Securities lending	3,350	4,885
Net realized and unrealized gain(loss) on foreign exchange	1,895,754	421,632
Other income	3,467	3,650
Total income (loss)	17,514,996	30,412,903
EXPENSES		
Management fees (note 5)	4,833,834	4,749,932
Fixed administration fees (note 6)	287,583	102,051
Independent Review Committee fees	1,133	534
Interest expense and bank overdraft charges	137	57
Foreign withholding taxes/tax reclaims	138,274	140,879
Audit fees	–	5,594
Custodian fees	–	4,788
Filing fees	–	15,323
Legal fees	–	830
Unitholder administration costs	–	114,786
Unitholder reporting costs	–	24,555
Other fund costs	317	–
Harmonized Sales Tax/Goods and Services Tax	562,992	549,740
Transaction costs	257,340	224,267
Total expenses	6,081,610	5,933,336
Expenses absorbed by the Manager	180	(4,276)
Net expenses	6,081,790	5,929,060
Increase (decrease) in net assets attributable to holders of redeemable units from operations	11,433,206	24,483,843
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A	11,414,579	24,454,563.00
Series F	1,052	3,673.00
Series I	17,575	25,607.00
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT†		
Series A	1.34	2.77
Series F	0.96	4.13
Series I	2.09	3.97
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series A	8,540,171	8,817,554
Series F	1,093	889
Series I	8,393	6,452

† The increase (decrease) in net assets attributable to holders of redeemable units from operations 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 number of units per series.

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

Scotia Canadian Blue Chip Fund (Continued)

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the periods ended December 31 (note 1),

(in dollars)	2015	2014
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series A	255,168,800	256,342,591
Series F	27,472	3,724
Series I	264,340	133,188
	255,460,612	256,479,503
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A	11,414,579	24,454,563
Series F	1,052	3,673
Series I	17,575	25,607
	11,433,206	24,483,843
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net investment income		
Series A	–	(1,164,443)
Series F	–	(327)
Series I	–	(6,617)
From net realized gains on investments		
Series A	(29,277,895)	(13,119,882)
Series F	(5,199)	(1,406)
Series I	(39,822)	(13,387)
	(29,322,916)	(14,306,062)
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A	13,345,671	9,158,477
Series F	14,841	28,777
Series I	79,267	220,496
Reinvested distributions		
Series A	29,090,888	14,208,610
Series F	3,456	1,733
Series I	39,822	20,004
Payments on redemption		
Series A	(33,991,717)	(34,711,116)
Series F	–	(8,702)
Series I	(32,235)	(114,951)
	8,549,993	(11,196,672)
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A	(9,418,474)	(1,173,791)
Series F	14,150	23,748
Series I	64,607	131,152
	(9,339,717)	(1,018,891)
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series A	245,750,326	255,168,800
Series F	41,622	27,472
Series I	328,947	264,340
	246,120,895	255,460,612

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	11,433,206	24,483,843
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(51,016,224)	(25,105,899)
Unrealized (gain) loss on foreign exchange of cash	(1,902,506)	(334,595)
Change in unrealized (gain) loss on non-derivative financial assets	37,924,384	(2,435,003)
Change in unrealized (gain) loss on currency forward contracts	1,545,096	199,444
Change in unrealized (gain) loss on swap contracts	(18,088)	1,296,951
Purchases of non-derivative financial assets	(160,551,008)	(103,107,383)
Proceeds from sale of non-derivative financial assets	198,567,177	127,220,507
Transaction costs	255,096	222,005
Margin deposited on futures	1,736,659	(1,390,616)
Accrued investment income and other	(127,864)	69,805
Net cash provided by (used in) operating activities	37,845,928	21,119,059
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	13,451,160	9,371,340
Amounts paid on redemption of redeemable units	(33,978,890)	(34,895,839)
Distributions to unitholders of redeemable units	(189,622)	(77,607)
Net cash provided by (used in) financing activities	(20,717,352)	(25,602,106)
Unrealized gain (loss) on foreign exchange of cash	1,902,506	334,595
Net increase (decrease) in cash	17,128,576	(4,483,047)
Cash (bank overdraft), beginning of period	4,971,954	9,120,406
CASH (BANK OVERDRAFT), END OF PERIOD	24,003,036	4,971,954
Interest paid[1]	137	–
Interest received[1]	26,113	17,532
Dividends received, net of withholding taxes[1]	5,047,095	5,126,404

[1] Classified as operating items.

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

Scotia Canadian Blue Chip Fund (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2015

Number of Shares	Issuer	Average Cost ($)	Carrying Value ($)
EQUITIES – 90.9%			
Energy – 7.8%			
322,100	Canadian Energy Services & Technology Corporation	1,835,127	1,249,748
172,500	Canadian Natural Resources Ltd.	5,246,223	5,212,950
114,600	Enbridge Inc.	4,977,399	5,271,600
338,300	PrairieSky Royalty Ltd.	8,950,471	7,415,536
		21,009,220	19,149,834
Materials – 2.8%			
24,100	Agrium Inc.	3,117,138	2,980,447
74,100	West Fraser Timber Co., Ltd.	3,376,029	3,892,473
		6,493,167	6,872,920
Industrials – 9.5%			
84,840	Canadian National Railway Company	1,678,652	6,562,374
14,500	Canadian Pacific Railway Limited	3,162,556	2,562,585
50,500	Danaher Corporation	3,106,562	6,485,444
23,100	Finning International Inc.	415,630	431,508
54,400	United Parcel Service, Inc., Class B	7,450,882	7,238,337
		15,814,282	23,280,248
Consumer Discretionary – 16.0%			
400,000	Canadian Satellite Radio Holdings Inc.	1,567,573	1,664,000
45,800	Canadian Tire Corporation, Limited, Class A	5,808,912	5,411,728
61,700	Corus Entertainment Inc., Class B	611,512	666,360
51,922	Dollarama Inc.	1,619,351	4,150,645
49,592	Magna International Inc.	2,369,881	2,783,103
138,671	Restaurant Brands International Inc.	6,711,267	7,176,224
129	Restaurant Brands International Limited Partnership	5,321	6,663
304,900	Shaw Communications, Inc., Class B	8,187,020	7,256,620
93,800	Thomson Reuters Corporation	4,940,210	4,916,058
37,600	Walt Disney Company, The	3,338,229	5,464,212
		35,159,276	39,495,613
Consumer Staples – 10.4%			
84,000	Alimentation Couche-Tard Inc., Class B	5,267,273	5,116,440
24,500	Costco Wholesale Corporation	2,216,705	5,472,153
51,200	CVS Caremark Corporation	6,589,128	6,921,244
40,000	Jean Coutu Group (PJC) Inc., The, Class A	709,485	716,400
113,900	Loblaw Companies Limited	5,474,345	7,442,226
		20,256,936	25,668,463
EQUITIES (cont'd)			
Health Care – 2.7%			
47,100	Johnson & Johnson	6,401,561	6,689,442
Financials – 28.7%			
48,200	Bank of Montreal	3,705,115	3,763,456
203,400	Bank of Nova Scotia, The	10,819,024	11,384,299
251,800	Element Financial Corp.	3,388,018	4,205,060
81,800	Intact Financial Corporation	7,329,567	7,254,024
595,400	Manulife Financial Corporation	12,722,628	12,348,596
84,400	Royal Bank of Canada	3,670,850	6,258,260
142,500	Sun Life Financial Inc.	6,184,777	6,148,875
214,096	Toronto-Dominion Bank, The	6,433,617	11,612,567
103,000	Wells Fargo & Company	7,613,809	7,739,921
		61,867,405	70,715,058
Information Technology – 8.5%			
109,600	CGI Group Inc., Class A	4,828,380	6,071,840
6,340	Google Inc. Class C	2,131,849	6,653,988
106,400	Microsoft Corporation	2,943,502	8,160,222
		9,903,731	20,886,050
Telecommunication Services – 4.5%			
157,900	BCE Inc.	8,926,837	8,441,334
66,600	TELUS Corporation	1,993,538	2,548,116
		10,920,375	10,989,450
	TOTAL INVESTMENT PORTFOLIO	187,825,953	223,747,078
	Currency Forward Contracts – (0.8%)		(2,054,520)
	OTHER ASSETS, LESS LIABILITIES – 9.9%		24,428,337
	NET ASSETS – 100.0%		246,120,895

CURRENCY FORWARD CONTRACTS

Settlement Date	Currency To Be Received	Contractual Amount	Currency To Be Delivered	Contractual Amount	Canadian Value as at December 31, 2015 ($)	Canadian ($) Appreciation/ (Depreciation)
Jan. 20, 2016	Canadian Dollar	37,851,236	U.S. Dollar	28,400,000	39,267,740	(1,416,504)
Feb. 18, 2016	Canadian Dollar	16,918,940	U.S. Dollar	12,700,000	17,556,956	(638,016)
						(2,054,520)

The currency forward contracts outstanding at December 31, 2015 are placed with a financial institution with a credit rating of A by DBRS.

For equities, all common shares unless otherwise noted.

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

Scotia Canadian Blue Chip Fund

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

1. The Fund (note 1)

The Fund's investment objective is long-term capital growth. It invests primarily in a broad range of high quality equity securities of large Canadian companies.

2. Risks associated with financial instruments (note 4)

i) Interest rate risk

The majority of the Fund's financial assets and liabilities were non-interest bearing as at December 31, 2015. Accordingly, the Fund is not directly subject to significant risk due to fluctuations in the prevailing levels of market interest rates.

In December 31, 2014, the Fund invested in swap contracts, which are exposed to interest rate risk. As at, December 31, 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 $22,893 or approximately 0.0%. In practice, actual results may differ from this sensitivity analysis and the difference could be material.

ii) Currency risk

The tables below indicate the currencies to which the Fund had significant exposure, net of the impact of currency forward contracts and currency spot contracts, if any, based on the monetary and non-monetary assets and liabilities of the Fund. The tables also illustrate the potential impact on the Fund if the functional currency of the Fund had strengthened or weakened by 10% in relation to each of the other currencies, with all other variables held constant.

	December 31, 2015			
Currency	Net currency exposure ($)	Percentage of net assets (%)	Impact on the Fund ($)	Percentage of net assets (%)
US Dollar	27,651,792	11.2	2,765,179	1.1
British Pound	14	0.0	1	0.0
Total	27,651,806	11.2	2,765,180	1.1

	December 31, 2014			
Currency	Net currency exposure ($)	Percentage of net assets (%)	Impact on the Fund ($)	Percentage of net assets (%)
US Dollar	53,785,686	21.1	5,378,569	2.1
British Pound	13	0.0	1	0.0
	53,785,699	21.1	5,378,570	2.1

iii) Price risk

Price risk is the risk that the carrying 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 price risk is mainly in equities, derivatives and commodities, if applicable. As at December 31, 2015, approximately 90.9% (December 31, 2014 – 97.5%) of the Fund's net assets were exposed to price risk. If prices of these investments had decreased or increased by 10%, with all other variables held constant, net assets of the Fund would have decreased or increased, respectively, by approximately $22,374,708 (December 31, 2014 – $24,901,405). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

iv) Credit risk

The Fund had no significant exposure to bonds and debentures, preferred shares or derivatives as at December 31, 2015 or December 31, 2014. In addition, all investment transactions are executed by brokers with an approved credit rating. As such the risk of default on transactions with counterparties and brokers related to purchase and sale of securities is considered minimal. In instances where the credit rating were to fall below the approved rating, the Manager would take appropriate action.

v) Liquidity risk

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

	December 31, 2015		December 31, 2014	
	On demand ($)	Less than 3 months ($)	On demand ($)	Less than 3 months ($)
Current liabilities	–	448,231	–	87,962
Liability for written options	–	–	–	–
Unrealized loss on derivatives	–	2,054,520	–	527,512
Redeemable units	246,120,895	–	255,460,612	–
	246,120,895	2,502,751	255,460,612	615,474

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.

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

vi) Concentration risk

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

	Percentage of net assets (%)	
	December 31, 2015	December 31, 2014
Consumer Discretionary	16.0	13.3
Consumer Staples	10.4	5.2
Energy	7.8	12.4
Financials	28.7	30.8
Health Care	2.7	8.9
Industrials	9.5	11.7
Information Technology	8.5	9.8
Materials	2.8	3.2
Telecommunication Services	4.5	2.2

vii) Fair value classification (note 2)

The tables below illustrate the classification of the Fund's financial instruments within the fair value hierarchy.

December 31, 2015	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Equities	223,747,078	–	–	223,747,078
Currency forward contracts–liabilities	–	(2,054,520)	–	(2,054,520)
	223,747,078	(2,054,520)	–	221,692,558

December 31, 2014	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Equities	249,014,049	–	–	249,014,049
	249,014,049	–	–	249,014,049
Currency forward contracts–liabilities	–	(509,424)	–	(509,424)
Futures contracts–liabilities	(1,239,214)	–	–	(1,239,214)
Swap contracts–liabilities	–	(18,088)	–	(18,088)
	247,774,835	(527,512)	–	247,247,323

Transfers between levels

During the periods ended December 31, 2015 and 2014, there were no significant transfers between Level 1 and Level 2.

3. Offsetting of financial assets and liabilities (note 2)

The following tables present offsetting of financial assets and liabilities and collateral amounts that would occur if future events, such as bankruptcy or termination of contracts were to arise. No amounts were offset in the financial statements.

	December 31, 2015			
Financial assets – by type	Gross amount of assets ($)	Master netting offset ($)	Collateral pledged ($)	Net Amount ($)
Currency forward contracts	–	–	–	–
Options contracts – OTC	–	–	–	–
Swap contracts	–	–	–	–
	–	–	–	–

Financial liabilities – by type	Gross amount of liabilities ($)	Master netting offset ($)	Collateral pledged ($)	Net Amount ($)
Currency forward contracts	2,054,520	–	–	2,054,520
Options contracts – OTC	–	–	–	–
Swap contracts	–	–	–	–
	2,054,520	–	–	2,054,520

	December 31, 2014			
Financial assets – by type	Gross amount of assets ($)	Master netting offset ($)	Collateral pledged ($)	Net Amount ($)
Currency forward contracts	–	–	–	–
Options contracts – OTC	–	–	–	–
Swap contracts	–	–	–	–
	–	–	–	–

Financial liabilities – by type	Gross amount of liabilities ($)	Master netting offset ($)	Collateral pledged ($)	Net Amount ($)
Currency forward contracts	509,424	–	–	509,424
Options contracts – OTC	–	–	–	–
Swap contracts	18,088	–	–	18,088
	527,512	–	–	527,512

4. Interest in Underlying Funds (note 2)

The Fund did not hold any interest in Underlying Funds as at December 31, 2015 or December 31, 2014.

5. Comparison of net asset value per unit and net assets per unit (note 2)

The table below provides a comparison of the net asset value per unit and net assets per unit. The primary reason for the difference between the net asset value per unit and net assets per unit, if any, is described in note 2.

	December 31, 2015		December 31, 2014	
	Net asset value per unit ($)	Net assets per unit ($)	Net asset value per unit ($)	Net assets per unit ($)
Series A	26.40	26.40	28.73	28.73
Series F	27.50	27.49	29.78	29.78
Series I	31.99	31.98	34.14	34.14

Scotia Private Canadian Equity Pool

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars except per unit amounts)	December 31, 2015	December 31, 2014
ASSETS		
Current assets		
Investments		
Non-derivative financial assets	594,896,453	960,926,359
Cash	5,435,296	51,294,589
Subscriptions receivable	1,247,001	819,737
Accrued investment income and other	1,714,535	2,069,221
	603,293,285	1,015,109,906
LIABILITIES		
Current liabilities		
Redemptions payable	252,320	362,522
	252,320	362,522
Net assets attributable to holders of redeemable units	603,040,965	1,014,747,384
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series I	248,131,684	587,753,578
Series M	354,909,281	426,993,806
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series I	11.89	13.06
Series M	11.84	13.05

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except per unit amounts)	2015	2014
INCOME		
Net gain (loss) on investments (note 2)		
Dividends	22,283,091	25,742,227
Interest for distribution purposes	376,806	326,712
Net realized gain (loss) on non-derivative financial assets	21,550,108	16,545,383
Change in unrealized gain (loss) on non-derivative financial assets	(73,585,297)	30,204,431
Net gain (loss) on investments	(29,375,292)	72,818,753
Securities lending	33,281	76,542
Net realized and unrealized gain(loss) on foreign exchange	26,324	357
Total income (loss)	(29,315,687)	72,895,652
EXPENSES		
Management fees (note 5)	441,520	387,505
Fixed administration fees (note 6)	167,964	69,268
Independent Review Committee fees	1,417	1,817
Interest expense and bank overdraft charges	3,277	–
Audit fees	–	19,268
Custodian fees	–	6,741
Filing fees	–	9,517
Legal fees	–	2,745
Unitholder administration costs	–	66,666
Unitholder reporting costs	–	8,134
Other fund costs	772	–
Harmonized Sales Tax/Goods and Services Tax	62,270	54,282
Transaction costs	697,983	634,490
Total expenses	1,375,203	1,260,433
Increase (decrease) in net assets attributable to holders of redeemable units from operations	(30,690,890)	71,635,219
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series I	(3,541,632)	38,934,965
Series M	(27,149,258)	32,700,254
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT†		
Series I	(0.12)	1.01
Series M	(0.80)	1.12
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series I	30,297,372	38,515,007
Series M	33,737,750	29,297,650

† The increase (decrease) in net assets attributable to holders of redeemable units from operations 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 number of units per series.

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the periods ended December 31 (note 1),

(in dollars)	2015	2014
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series I	587,753,578	451,154,189
Series M	426,993,806	370,934,410
	1,014,747,384	822,088,599
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series I	(3,541,632)	38,934,965
Series M	(27,149,258)	32,700,254
	(30,690,890)	71,635,219
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net investment income		
Series I	(11,631,800)	(14,655,708)
Series M	(11,145,448)	(10,236,871)
	(22,777,248)	(24,892,579)
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series I	84,589,666	160,274,908
Series M	132,806,195	138,486,212
Reinvested distributions		
Series I	11,631,800	14,655,708
Series M	9,505,213	9,011,747
Payments on redemption		
Series I	(420,669,928)	(62,610,484)
Series M	(176,101,227)	(113,901,946)
	(358,238,281)	145,916,145
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series I	(339,621,894)	136,599,389
Series M	(72,084,525)	56,059,396
	(411,706,419)	192,658,785
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series I	248,131,684	587,753,578
Series M	354,909,281	426,993,806
	603,040,965	1,014,747,384

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	(30,690,890)	71,635,219
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(21,550,108)	(16,545,383)
Unrealized (gain) loss on foreign exchange of cash	(24,432)	(357)
Change in unrealized (gain) loss on non-derivative financial assets	73,585,297	(30,204,431)
Purchases of non-derivative financial assets	(257,656,110)	(319,993,646)
Proceeds from sale of non-derivative financial assets	570,952,844	183,123,129
Transaction costs	697,983	634,490
Accrued investment income and other	354,686	(299,165)
Net cash provided by (used in) operating activities	335,669,270	(111,650,144)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	216,968,597	299,804,895
Amounts paid on redemption of redeemable units	(596,881,357)	(176,869,228)
Distributions to unitholders of redeemable units	(1,640,235)	(1,225,124)
Net cash provided by (used in) financing activities	(381,552,995)	121,710,543
Unrealized gain (loss) on foreign exchange of cash	24,432	357
Net increase (decrease) in cash	(45,883,725)	10,060,399
Cash (bank overdraft), beginning of period	51,294,589	41,233,833
CASH (BANK OVERDRAFT), END OF PERIOD	5,435,296	51,294,589
Interest paid[1]	3,277	–
Interest received[1]	417,799	317,240
Dividends received, net of withholding taxes[1]	22,596,783	25,452,533

[1] Classified as operating items.

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

Scotia Private Canadian Equity Pool (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2015

Number of Shares	Issuer	Average Cost ($)	Carrying Value ($)
EQUITIES – 98.6%			
Energy – 13.7%			
263,600	ARC Resources Ltd.	7,057,522	4,402,120
419,970	Canadian Natural Resources Ltd.	15,717,120	12,691,493
276,820	Enbridge Inc.	9,729,947	12,733,720
458,300	PrairieSky Royalty Ltd.	14,140,303	10,045,936
564,098	Suncor Energy, Inc.	20,244,423	20,149,581
376,950	TransCanada Corporation	16,057,573	17,034,371
144,100	Vermilion Energy, Inc.	7,414,063	5,419,601
		90,360,951	82,476,822
Materials – 3.8%			
89,750	Agrium Inc.	7,441,741	11,099,383
413,599	Goldcorp, Inc.	15,225,070	6,613,448
301,040	Teck Resources Ltd., Class B	9,720,834	1,607,554
75,000	West Fraser Timber Co., Ltd.	3,761,142	3,939,750
		36,148,787	23,260,135
Industrials – 9.3%			
410,990	Canadian National Railway Company	19,037,195	31,790,077
283,300	Progressive Waste Solutions Ltd.	10,288,938	9,235,580
443,200	Stantec Inc.	15,282,636	15,210,624
		44,608,769	56,236,281
Consumer Discretionary – 11.4%			
130,480	Canadian Tire Corporation, Limited, Class A	9,345,872	15,417,517
152,800	Cineplex, Inc.	7,236,767	7,265,640
707,300	Hudson's Bay Company	19,291,906	12,802,130
196,990	Magna International Inc.	4,988,497	11,055,079
424,500	Restaurant Brands International Inc.	22,341,038	21,967,875
		63,204,080	68,508,241
Consumer Staples – 5.9%			
153,700	Alimentation Couche-Tard Inc., Class B	2,829,104	9,361,867
270,900	Loblaw Companies Limited	12,372,174	17,700,606
253,820	Saputo Inc.	5,279,878	8,401,442
		20,481,156	35,463,915
Financials – 40.3%			
147,641	Bank of Montreal	9,746,509	11,527,809
481,175	Bank of Nova Scotia, The	26,412,825	26,931,365
376,550	Brookfield Asset Management Inc., Class A	9,786,173	16,436,408
179,290	Canadian Imperial Bank of Commerce	14,230,293	16,349,455
741,800	Element Financial Corp.	12,563,908	12,388,060
192,885	Intact Financial Corporation	10,365,394	17,105,042
1,015,896	Manulife Financial Corporation	17,934,934	21,069,683
455,988	Power Corporation of Canada	13,453,670	13,196,293
581,413	Royal Bank of Canada	33,247,434	43,111,774
448,743	Sun Life Financial Inc.	16,515,054	19,363,260
842,700	Toronto-Dominion Bank, The	34,382,940	45,708,045
		198,639,134	243,187,194
Information Technology – 4.6%			
295,143	CGI Group Inc., Class A	9,752,882	16,350,922
357,200	Davis + Henderson Income Corporation	13,920,491	11,294,664
		23,673,373	27,645,586
Telecommunication Services – 9.6%			
390,704	BCE Inc.	16,696,277	20,887,036
460,228	Manitoba Telecom Services Inc.	13,230,022	13,700,988
493,090	Rogers Communications, Inc., Class B	20,418,336	23,530,255
		50,344,635	58,118,279
	TOTAL INVESTMENT PORTFOLIO	527,460,885	594,896,453
	OTHER ASSETS, LESS LIABILITIES – 1.4%		8,144,512
	NET ASSETS – 100.0%		603,040,965

For equities, all common shares unless otherwise noted.

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

Scotia Private Canadian Equity Pool

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

1. The Fund (note 1)

The Fund's investment objective is long-term capital growth. It invests primarily in a broad range of Canadian equity securities.

2. Risks associated with financial instruments (note 4)

i) Interest rate risk

The majority of the Fund's financial assets and liabilities were non-interest bearing as at December 31, 2015 and 2014. Accordingly, the Fund is not directly subject to significant risk due to fluctuations in the prevailing levels of market interest rates.

ii) Currency risk

The tables below indicate the currencies to which the Fund had significant exposure, net of the impact of currency forward contracts and currency spot contracts, if any, based on the monetary and non-monetary assets and liabilities of the Fund. The tables also illustrate the potential impact on the Fund if the functional currency of the Fund had strengthened or weakened by 10% in relation to each of the other currencies, with all other variables held constant.

The Fund did not have significant currency risk exposure as at December 31, 2015.

	December 31, 2014			
Currency	Net currency exposure ($)	Percentage of net assets (%)	Impact on the Fund ($)	Percentage of net assets (%)
US Dollar	41,882	0.0	4,188	0.0
	41,882	0.0	4,188	0.0

iii) Price risk

Price risk is the risk that the carrying 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 price risk is mainly in equities, derivatives and commodities, if applicable. As at December 31, 2015, approximately 98.6% (December 31, 2014 – 94.7%) of the Fund's net assets were exposed to price risk. If prices of these investments had decreased or increased by 10%, with all other variables held constant, net assets of the Fund would have decreased or increased, respectively, by approximately $59,489,645 (December 31, 2014 – $96,092,636). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

iv) Credit risk

The Fund had no significant exposure to bonds and debentures, preferred shares or derivatives as at December 31, 2015 or December 31, 2014. In addition, all investment transactions are executed by brokers with an approved credit rating. As such the risk of default on transactions with counterparties and brokers related to purchase and sale of securities is considered minimal. In instances where the credit rating were to fall below the approved rating, the Manager would take appropriate action.

v) Liquidity risk

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

	December 31, 2015		December 31, 2014	
	On demand ($)	Less than 3 months ($)	On demand ($)	Less than 3 months ($)
Current liabilities	–	252,320	–	362,522
Liability for written options	–	–	–	–
Unrealized loss on derivatives	–	–	–	–
Redeemable units	603,040,965	–	1,014,747,384	–
	603,040,965	252,320	1,014,747,384	362,522

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, geographical location, asset type or industry sector, as applicable. The table below is a summary of the Fund's concentration risk:

	Percentage of net assets (%)	
	December 31, 2015	December 31, 2014
Consumer Discretionary	11.4	11.4
Consumer Staples	5.9	3.9
Energy	13.7	19.6
Financials	40.3	34.7
Health Care	–	4.2
Industrials	9.3	7.0
Information Technology	4.6	2.2
Materials	3.8	6.3
Telecommunication Services	9.6	5.4

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

vii) Fair value classification (note 2)

The tables below illustrate the classification of the Fund's financial instruments within the fair value hierarchy.

December 31, 2015	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Equities	594,896,453	–	–	594,896,453
	594,896,453	–	–	594,896,453

December 31, 2014	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Equities	960,926,359	–	–	960,926,359
	960,926,359	–	–	960,926,359

Transfers between levels

During the periods ended December 31, 2015 and 2014, there were no significant transfers between Level 1 and Level 2.

3. Offsetting of financial assets and liabilities (note 2)

As at December 31, 2015 or December 31, 2014, the Fund did not enter into any agreement whereby the financial instruments were eligible for offset.

4. Interest in Underlying Funds (note 2)

The Fund did not hold any interest in Underlying Funds as at December 31, 2015 or December 31, 2014.

5. Comparison of net asset value per unit and net assets per unit (note 2)

The table below provides a comparison of the net asset value per unit and net assets per unit. The primary reason for the difference between the net asset value per unit and net assets per unit, if any, is described in note 2.

	December 31, 2015		December 31, 2014	
	Net asset value per unit ($)	Net assets per unit ($)	Net asset value per unit ($)	Net assets per unit ($)
Series I	11.89	11.89	13.06	13.06
Series M	11.84	11.84	13.05	13.05

Scotia Canadian Growth Fund

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars except per unit amounts)	December 31, 2015	December 31, 2014
ASSETS		
Current assets		
Investments		
Non-derivative financial assets	387,880,902	382,302,721
Cash	–	710,903
Subscriptions receivable	334,512	96,701
Accrued investment income and other	783,885	387,967
	388,999,299	383,498,292
LIABILITIES		
Current liabilities		
Bank overdraft	18,022	–
Redemptions payable	94,809	567,407
	112,831	567,407
Net assets attributable to holders of redeemable units	388,886,468	382,930,885
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series A	319,828,383	334,269,730
Advisor Series	121,444	297,464
Series F	423,773	210,091
Series I	68,512,868	48,153,600
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series A	67.91	66.09
Advisor Series	66.08	64.64
Series F	72.51	70.88
Series I	85.55	82.61

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except per unit amounts)	2015	2014
INCOME		
Net gain (loss) on investments (note 2)		
Dividends	6,208,022	6,144,556
Interest for distribution purposes	11,851	10,686
Net realized gain (loss) on non-derivative financial assets	39,736,386	58,398,653
Net realized gain (loss) on currency forward contracts	(10,513,473)	–
Change in unrealized gain (loss) on non-derivative financial assets	(6,229,597)	(12,672,748)
Net gain (loss) on investments	29,213,189	51,881,147
Securities lending	52,919	84,904
Net realized and unrealized gain(loss) on foreign exchange	343,907	(128,784)
Other income	1,788	3,349
Total income (loss)	29,611,803	51,840,616
EXPENSES		
Management fees (note 5)	6,292,304	6,183,897
Fixed administration fees and operating expense (note 6)	477,703	164,415
Independent Review Committee fees	1,142	828
Interest expense and bank overdraft charges	30,617	39,924
Foreign withholding taxes/tax reclaims	326,093	309,689
Audit fees	–	8,578
Custodian fees	–	6,613
Filing fees	–	27,837
Legal fees	–	1,293
Unitholder administration costs	–	170,872
Unitholder reporting costs	–	34,347
Other fund costs	492	–
Harmonized Sales Tax/Goods and Services Tax	720,423	700,012
Transaction costs	559,422	837,775
Total expenses	8,408,196	8,486,080
Expenses absorbed by the Manager	(12,663)	(13,557)
Net expenses	8,395,533	8,472,523
Increase (decrease) in net assets attributable to holders of redeemable units from operations	21,216,270	43,368,093
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A	17,358,157	35,897,702
Advisor Series	5,084	30,924
Series F	11,010	16,347
Series I	3,842,019	7,423,120
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT†		
Series A	3.60	6.85
Advisor Series	1.72	6.44
Series F	2.74	7.65
Series I	6.24	9.76
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series A	4,826,769	5,242,470
Advisor Series	2,958	4,803
Series F	4,013	2,136
Series I	615,295	760,501

† The increase (decrease) in net assets attributable to holders of redeemable units from operations 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 number of units per series.

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

Scotia Canadian Growth Fund (Continued)

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the periods ended December 31 (note 1),

(in dollars)	2015	2014
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series A	334,269,730	337,224,971
Advisor Series	297,464	314,179
Series F	210,091	75,320
Series I	48,153,600	58,077,770
	382,930,885	395,692,240
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A	17,358,157	35,897,702
Advisor Series	5,084	30,924
Series F	11,010	16,347
Series I	3,842,019	7,423,120
	21,216,270	43,368,093
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net realized gains on investments		
Series A	(7,122,592)	(6,867,914)
Advisor Series	(2,860)	(6,120)
Series F	(15,178)	(4,332)
Series I	(2,423,772)	(983,642)
	(9,564,402)	(7,862,008)
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A	16,145,134	14,338,378
Advisor Series	1,413	413
Series F	222,980	126,262
Series I	19,238,266	4,085,000
Reinvested distributions		
Series A	7,083,834	6,833,146
Advisor Series	2,657	4,359
Series F	10,198	2,494
Series I	2,423,772	983,642
Payments on redemption		
Series A	(47,905,880)	(53,156,553)
Advisor Series	(182,314)	(46,291)
Series F	(15,328)	(6,000)
Series I	(2,721,017)	(21,432,290)
	(5,696,285)	(48,267,440)
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A	(14,441,347)	(2,955,241)
Advisor Series	(176,020)	(16,715)
Series F	213,682	134,771
Series I	20,359,268	(9,924,170)
	5,955,583	(12,761,355)
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series A	319,828,383	334,269,730
Advisor Series	121,444	297,464
Series F	423,773	210,091
Series I	68,512,868	48,153,600
	388,886,468	382,930,885

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	21,216,270	43,368,093
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(39,736,386)	(58,398,653)
Unrealized (gain) loss on foreign exchange of cash	12,633	128,784
Change in unrealized (gain) loss on non-derivative financial assets	6,229,597	12,672,748
Purchases of non-derivative financial assets	(295,511,976)	(351,002,596)
Proceeds from sale of non-derivative financial assets	322,881,162	407,569,824
Transaction costs	559,422	837,775
Accrued investment income and other	(395,918)	89,707
Net cash provided by (used in) operating activities	15,254,804	55,265,682
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	35,369,982	18,582,707
Amounts paid on redemption of redeemable units	(51,297,137)	(74,402,924)
Distributions to unitholders of redeemable units	(43,941)	(38,368)
Net cash provided by (used in) financing activities	(15,971,096)	(55,858,585)
Unrealized gain (loss) on foreign exchange of cash	(12,633)	(128,784)
Net increase (decrease) in cash	(716,292)	(592,903)
Cash (bank overdraft), beginning of period	710,903	1,432,590
CASH (BANK OVERDRAFT), END OF PERIOD	(18,022)	710,903
Interest paid[1]	30,617	–
Interest received[1]	12,072	10,946
Dividends received, net of withholding taxes[1]	5,485,790	5,924,313

[1] Classified as operating items.

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

Scotia Canadian Growth Fund (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2015

Number of Shares	Issuer	Average Cost ($)	Carrying Value ($)
EQUITIES – 99.7%			
Energy – 1.0%			
148,600	Peyto Exploration & Development Corporation	3,820,457	3,695,682
Materials – 3.2%			
99,800	Agrium Inc.	12,360,958	12,342,266
Industrials – 11.4%			
83,100	Allegion Public Limited Company	6,254,512	7,574,240
27,490	BuildDirect.com Technologies Inc. Warrants Mar. 31, 2016*	–	–
274,900	BuildDirect.com Technologies Inc., Restricted*	1,649,400	2,303,662
276,100	General Electric Company	9,460,714	11,888,715
105,700	JB Hunt Transport Services Inc.	9,203,675	10,723,930
341,200	Stantec Inc.	11,853,954	11,709,984
		38,422,255	44,200,531
Consumer Discretionary – 14.5%			
305,100	Gildan Activewear Inc.	11,842,500	12,002,634
679,200	Hudson's Bay Company	12,504,619	12,293,520
89,000	Limited Brands, Inc.	9,988,590	11,794,128
259,100	Restaurant Brands International Inc.	12,592,620	13,408,425
73,100	Wynn Resorts Limited	6,084,222	6,994,882
		53,012,551	56,493,589
Consumer Staples – 3.2%			
192,400	Loblaw Companies Limited	12,359,512	12,571,416
Health Care – 6.8%			
32,400	Biogen Inc.	11,192,425	13,727,219
308,600	Inovalon Holdings Inc., Class A	7,560,698	7,244,783
38,700	Valeant Pharmaceuticals International, Inc.	4,907,898	5,439,672
		23,661,021	26,411,674
Financials – 34.7%			
493,500	Bank of America Corporation	9,369,735	11,486,585
195,800	Bank of Nova Scotia, The	11,896,398	10,958,926
140,400	Canadian Imperial Bank of Commerce	12,837,453	12,803,076
390,500	Canadian Western Bank	11,390,061	9,129,890
374,000	E*Trade Financial Corporation	10,229,612	15,330,964
979,600	Element Financial Corp.	16,010,004	16,359,320
740,500	GMP Capital, Inc.	2,961,845	3,480,350
112,300	INFOR Acquisition Corporation Warrants Jul. 06, 2020	–	53,904
224,600	INFOR Acquisition Corporation, Class A	2,246,000	2,207,818
739,800	Manulife Financial Corporation	16,548,241	15,343,452
276,900	Morgan Stanley	8,556,628	12,181,655
198,100	Royal Bank of Canada	14,649,251	14,689,115
257,900	Sun Life Financial Inc.	7,518,073	11,128,385
		124,213,301	135,153,440
Information Technology – 21.5%			
765,000	Celestica Inc.	9,248,737	11,704,500
255,400	CGI Group Inc., Class A	10,572,300	14,149,160
342,300	Davis + Henderson Income Corporation	13,209,238	10,823,526
17,751	Google Inc. Class C	11,026,797	18,630,115
165,290	Open Text Corporation	8,614,942	10,965,339
88,400	Tableau Software Inc.	7,517,961	11,519,006
53,700	Workday Inc.	5,981,970	5,917,568
		66,171,945	83,709,214
Telecommunication Services – 3.4%			
177,000	Level 3 Communications, Inc.	7,202,895	13,303,090
	TOTAL INVESTMENT PORTFOLIO	341,224,895	387,880,902
	OTHER ASSETS, LESS LIABILITIES – 0.3%		1,005,566
	NET ASSETS – 100.0%		388,886,468

* This security is not actively traded and considered illiquid

For equities, all common shares unless otherwise noted.

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

Scotia Canadian Growth Fund

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

1. The Fund (note 1)

The Fund's investment objective is long-term capital growth. It invests primarily in a broad range of Canadian equity securities. The fund can invest up to 49% of its assets in foreign securities.

2. Risks associated with financial instruments (note 4)

i) Interest rate risk

The majority of the Fund's financial assets and liabilities were non-interest bearing as at December 31, 2015 and 2014. Accordingly, the Fund is not directly subject to significant risk due to fluctuations in the prevailing levels of market interest rates.

ii) Currency risk

The tables below indicate the currencies to which the Fund had significant exposure, net of the impact of currency forward contracts and currency spot contracts, if any, based on the monetary and non-monetary assets and liabilities of the Fund. The tables also illustrate the potential impact on the Fund if the functional currency of the Fund had strengthened or weakened by 10% in relation to each of the other currencies, with all other variables held constant.

	December 31, 2015			
Currency	Net currency exposure ($)	Percentage of net assets (%)	Impact on the Fund ($)	Percentage of net assets (%)
US Dollar	158,316,881	40.7	15,831,688	4.1
British Pound	2	0.0	0	0.0
	158,316,883	40.7	15,831,688	4.1

	December 31, 2014			
Currency	Net currency exposure ($)	Percentage of net assets (%)	Impact on the Fund ($)	Percentage of net assets (%)
US Dollar	149,215,557	39.0	14,921,556	3.9
Swiss Franc	7,138,695	1.9	713,870	0.2
British Pound	6,116,186	1.6	611,619	0.2
	162,470,438	42.5	16,247,045	4.3

iii) Price risk

Price risk is the risk that the carrying 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 price risk is mainly in equities, derivatives and commodities, if applicable. As at December 31, 2015, approximately 99.7% (December 31, 2014 – 99.8%) of the Fund's net assets were exposed to price risk. If prices of these investments had decreased or increased by 10%, with all other variables held constant, net assets of the Fund would have decreased or increased, respectively, by approximately $38,788,090 (December 31, 2014 – $38,230,272). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

iv) Credit risk

The Fund had no significant exposure to bonds and debentures, preferred shares or derivatives as at December 31, 2015 or December 31, 2014. In addition, all investment transactions are executed by brokers with an approved credit rating. As such the risk of default on transactions with counterparties and brokers related to purchase and sale of securities is considered minimal. In instances where the credit rating were to fall below the approved rating, the Manager would take appropriate action.

v) Liquidity risk

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

	December 31, 2015		December 31, 2014	
	On demand ($)	Less than 3 months ($)	On demand ($)	Less than 3 months ($)
Current liabilities	–	112,831	–	567,407
Liability for written options	–	–	–	–
Unrealized loss on derivatives	–	–	–	–
Redeemable units	388,886,468	–	382,930,885	
–	388,886,468	112,831	382,930,885	567,407

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, geographical location, asset type or industry sector, as applicable. The table below is a summary of the Fund's concentration risk:

	Percentage of net assets (%)	
	December 31, 2015	December 31, 2014
Consumer Discretionary	14.5	11.3
Consumer Staples	3.2	3.0
Energy	1.0	8.2
Financials	34.7	26.3
Health Care	6.8	13.7
Industrials	11.4	13.0
Information Technology	21.5	18.3
Materials	3.2	2.9
Telecommunication Services	3.4	3.1

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

vii) Fair value classification (note 2)

The tables below illustrate the classification of the Fund's financial instruments within the fair value hierarchy.

December 31, 2015	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Equities	385,523,336	–	2,303,662	387,826,998
Warrants, rights and options	53,904	–	–	53,904
	385,577,240	–	2,303,662	387,880,902

December 31, 2014	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Equities	367,389,490	13,254,881	1,649,400	382,293,771
Warrants, rights and options	8,950	–	–	8,950
	367,398,440	13,254,881	1,649,400	382,302,721

Transfers between levels

During the periods ended December 31, 2015 and 2014, there were no significant transfers between Level 1 and Level 2.

Reconciliation of Level 3 financial instruments

The following table presents the movement in the Fund's Level 3 financial instruments for the periods ended:

	December 31, 2015 ($)	December 31, 2014 ($)
Beginning of period	1,649,400	–
Purchases	–	7,635,400
Sales	–	–
Transfers into Level 3	–	–
Transfers out of Level 3	–	(5,986,000)
Net realized gains (losses)	–	–
Net changes in unrealized gain (loss)*	654,262	–
End of period	2,303,662	1,649,400

* Net change in unrealized gain (loss) for Level 3 financial instruments held as at December 31, 2015 and December 31, 2014 was $654,262 and $0, respectively.

Level 3 valuation techniques

The significant unobservable inputs and valuation techniques used to determine the fair value measurements categorized in Level 3 are indicated below:

Security	Valuation technique	Significant unobservable input	December 31, 2015 ($)	December 31, 2014 ($)
Equities	Financing transaction price	Financing price	2,303,662	1,649,400
			2,303,662	1,649,400

The significant unobservable inputs used in the valuation techniques used to estimate the fair values of level 3 investments can vary considerably over time to time depending on company specific factors and economic or market conditions. A 10% increase or decrease in the results of applying these valuation techniques, with all other variables held consistent, would have resulted in an increase or decrease, respectively, in net assets of $230,366 (December 31, 2014 – $164,940).

3. Offsetting of financial assets and liabilities (note 2)

As at December 31, 2015 or December 31, 2014, the Fund did not enter into any agreement whereby the financial instruments were eligible for offset.

4. Interest in Underlying Funds (note 2)

The Fund did not hold any interest in Underlying Funds as at December 31, 2015 or December 31, 2014.

5. Comparison of net asset value per unit and net assets per unit (note 2)

The table below provides a comparison of the net asset value per unit and net assets per unit. The primary reason for the difference between the net asset value per unit and net assets per unit, if any, is described in note 2.

	December 31, 2015		December 31, 2014	
	Net asset value per unit ($)	Net assets per unit ($)	Net asset value per unit ($)	Net assets per unit ($)
Series A	67.92	67.91	66.09	66.09
Advisor Series	66.08	66.08	64.64	64.64
Series F	72.51	72.51	70.87	70.88
Series I	85.56	85.55	82.61	82.61

Scotia Canadian Small Cap Fund

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars except per unit amounts)	December 31, 2015	December 31, 2014
ASSETS		
Current assets		
Investments		
Non-derivative financial assets	72,364,389	52,688,583
Cash	1,878,436	53,921
Subscriptions receivable	60,787	29,846
Accrued investment income and other	29,148	33,831
	74,332,760	52,806,181
LIABILITIES		
Current liabilities		
Payable for securities purchased	9,254	–
Redemptions payable	40,100	50,523
	49,354	50,523
Net assets attributable to holders of redeemable units	74,283,406	52,755,658
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series A	36,576,415	41,446,470
Series F	45,650	572
Series M	37,661,341	11,308,616
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series A	23.57	23.89
Series F	23.79	23.90
Series M	26.07	25.87

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except per unit amounts)	2015	2014
INCOME		
Net gain (loss) on investments (note 2)		
Dividends	929,495	786,630
Interest for distribution purposes	19,907	4,885
Net realized gain (loss) on non-derivative financial assets	4,883,410	284,774
Net realized gain (loss) on currency forward contracts	(732,827)	–
Change in unrealized gain (loss) on non-derivative financial assets	(4,702,432)	1,490,486
Net gain (loss) on investments	397,553	2,566,775
Net realized and unrealized gain(loss) on foreign exchange	41,969	35,772
Other income	550	835
Total income (loss)	440,072	2,603,382
EXPENSES		
Management fees (note 5)	827,552	916,346
Fixed administration fees (note 6)	150,648	50,643
Independent Review Committee fees	1,111	118
Interest expense and bank overdraft charges	1,782	7,837
Foreign withholding taxes/tax reclaims	4,422	14,449
Audit fees	–	2,199
Custodian fees	–	4,496
Filing fees	–	17,460
Legal fees	–	184
Unitholder administration costs	–	38,227
Unitholder reporting costs	–	10,468
Other fund costs	94	–
Harmonized Sales Tax/Goods and Services Tax	104,424	109,325
Transaction costs	176,383	136,706
Total expenses	1,266,416	1,308,458
Increase (decrease) in net assets attributable to holders of redeemable units from operations	(826,344)	1,294,924
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A	(378,999)	1,021,679
Series F	(1,947)	(13)
Series M	(445,398)	273,258
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT†		
Series A	(0.23)	0.55
Series F	(3.00)	(0.54)
Series M	(0.60)	0.64
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series A	1,624,547	1,848,324
Series F	649	24
Series M	743,939	425,784

† The increase (decrease) in net assets attributable to holders of redeemable units from operations 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 number of units per series.

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

Scotia Canadian Small Cap Fund (Continued)

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the periods ended December 31 (note 1),

(in dollars)	2015	2014
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series A	41,446,470	46,323,530
Series F	572	–
Series M	11,308,616	9,086,099
	52,755,658	55,409,629
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A	(378,999)	1,021,679
Series F	(1,947)	(13)
Series M	(445,398)	273,258
	(826,344)	1,294,924
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A	2,040,219	2,818,469
Series F	47,025	585
Series M	30,206,841	5,763,112
Payments on redemption		
Series A	(6,531,275)	(8,717,208)
Series M	(3,408,718)	(3,813,853)
	22,354,092	(3,948,895)
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A	(4,870,055)	(4,877,060)
Series F	45,078	572
Series M	26,352,725	2,222,517
	21,527,748	(2,653,971)
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series A	36,576,415	41,446,470
Series F	45,650	572
Series M	37,661,341	11,308,616
	74,283,406	52,755,658

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	(826,344)	1,294,924
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(4,883,410)	(284,774)
Unrealized (gain) loss on foreign exchange of cash	(75,480)	(40,718)
Change in unrealized (gain) loss on non-derivative financial assets	4,702,432	(1,490,486)
Purchases of non-derivative financial assets	(59,833,454)	(32,470,754)
Proceeds from sale of non-derivative financial assets	40,171,495	36,862,954
Transaction costs	176,383	136,706
Accrued investment income and other	4,683	1,847
Net cash provided by (used in) operating activities	(20,563,695)	4,009,699
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	32,263,145	8,580,580
Amounts paid on redemption of redeemable units	(9,950,415)	(12,535,799)
Net cash provided by (used in) financing activities	22,312,730	(3,955,219)
Unrealized gain (loss) on foreign exchange of cash	75,480	40,718
Net increase (decrease) in cash	1,749,035	54,480
Cash (bank overdraft), beginning of period	53,921	(41,277)
CASH (BANK OVERDRAFT), END OF PERIOD	1,878,436	53,921
Interest paid[1]	1,782	–
Interest received[1]	19,173	4,878
Dividends received, net of withholding taxes[1]	930,490	774,035

[1] Classified as operating items.

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2015

Number of Shares	Issuer	Average Cost ($)	Carrying Value ($)
EQUITIES – 97.4%			
Energy – 4.6%			
171,600	Birchcliff Energy Ltd.	1,650,249	693,264
371,900	Macro Enterprises Inc	1,222,807	725,205
52,600	Paramount Resources Ltd.	1,408,220	321,912
717,200	Spartan Energy Corp.	1,813,733	1,692,592
		6,095,009	3,432,973
Materials – 3.3%			
40,500	Caesar Stone Sdot Yam Ltd.	1,252,721	2,427,524
Industrials – 26.3%			
144,300	ATS Automation Tooling Systems Inc.	1,852,418	1,642,134
33,700	Boyd Group Income Fund	1,596,399	2,227,570
285,100	Carmanah Technologies Corporation	1,528,763	1,619,368
115,900	GDI Integrated Facility Services Inc.	1,869,075	1,663,165
162,300	Lumenpulse Inc.	2,468,812	3,023,649
119,115	New Flyer Industries Inc.	1,479,219	3,373,337
63,100	Paylocity Holding Corporation	2,574,998	3,538,666
529,200	People Corporation	1,623,599	1,666,980
1,169,800	StorageVault Canada Inc.	760,370	792,609
		15,753,653	19,547,478
Consumer Discretionary – 17.1%			
85,000	Bauer Performance Sports Ltd.	1,316,023	1,133,900
68,000	Carmike Cinemas, Inc.	2,072,222	2,157,357
567,344	Entertainment One Ltd	2,475,613	1,934,122
97,800	Great Canadian Gaming Corporation	1,809,172	1,512,966
39,685	MDC Partners Inc., Class A	942,117	1,192,081
6,600	Oxford Industries Inc.	562,804	582,533
21,100	Scholastic Corporation	1,140,516	1,125,224
1,350,200	Shop.ca Network Inc. Restricted*	1,080,160	837,124
146,100	Yellow Media Ltd.	2,208,867	2,230,947
		13,607,494	12,706,254
Consumer Staples – 1.9%			
90,100	High Liner Foods Inc.	1,599,360	1,401,055
Health Care – 5.5%			
36,700	Civitas Solutions Inc.	1,029,295	1,461,260
15,300	Concordia Healthcare Corporation	879,225	865,062
774,600	Merus Labs International Inc.	2,091,243	1,766,088
		3,999,763	4,092,410
Financials – 14.0%			
55,200	Altus Group Ltd.	1,112,594	1,070,328
172,700	Element Financial Corp.	2,811,441	2,884,090
241,400	Fiera Sceptre Inc.	2,339,279	2,737,476
92,300	Gluskin Sheff + Associates Inc.	2,305,344	1,922,609
372,100	GMP Capital, Inc.	1,488,057	1,748,870
		10,056,715	10,363,373
Information Technology – 22.9%			
301,000	Absolute Software Corporation	1,781,134	2,242,450
811,764	BSM Technologies Inc.	733,438	706,235
314,400	BuildDirect.com Technologies Inc., Restricted*	1,100,400	2,634,672
157,200	BuildDirect.com Technologies Inc., Restricted, Warrants* Aug. 21, 2016	–	492,036
241,800	Halogen Software Inc.	2,188,123	1,728,870
510,800	Pure Technologies Ltd.	2,561,795	2,385,436
57,300	QLIK Technologies Inc.	1,981,930	2,508,911
695,100	Redknee Solutions Inc.	2,591,491	2,064,447
367,300	Stingray Digital Group Inc.	2,433,476	2,266,241
		15,371,787	17,029,298
Utilities – 1.8%			
169,444	Polaris Infrastructure Inc.	1,554,120	1,364,024
	TOTAL INVESTMENT PORTFOLIO	69,290,622	72,364,389
	OTHER ASSETS, LESS LIABILITIES – 2.6%		1,919,017
	NET ASSETS – 100.0%		74,283,406

* This security is not actively traded and considered illiquid.

For equities, all common shares unless otherwise noted.

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

Scotia Canadian Small Cap Fund

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

1. The Fund (note 1)

The Fund's investment objective is aggressive long-term capital growth. It invests primarily in equity securities of small and medium Canadian companies listed on major Canadian stock exchanges.

2. Risks associated with financial instruments (note 4)

i) Interest rate risk

The majority of the Fund's financial assets and liabilities were non-interest bearing as at December 31, 2015 and 2014. Accordingly, the Fund is not directly subject to significant risk due to fluctuations in the prevailing levels of market interest rates.

ii) Currency risk

The tables below indicate the currencies to which the Fund had significant exposure, net of the impact of currency forward contracts and currency spot contracts, if any, based on the monetary and non-monetary assets and liabilities of the Fund. The tables also illustrate the potential impact on the Fund if the functional currency of the Fund had strengthened or weakened by 10% in relation to each of the other currencies, with all other variables held constant.

	December 31, 2015			
Currency	Net currency exposure ($)	Percentage of net assets (%)	Impact on the Fund ($)	Percentage of net assets (%)
US Dollar	16,131,764	21.7	1,613,176	2.2
British Pound	1,934,121	2.6	193,412	0.3
	18,065,885	24.3	1,806,588	2.5

	December 31, 2014			
Currency	Net currency exposure ($)	Percentage of net assets (%)	Impact on the Fund ($)	Percentage of net assets (%)
US Dollar	11,877,055	22.5	1,187,706	2.30
British Pound	1,710,726	3.2	171,073	0.30
	13,587,781	25.7	1,358,779	2.6

iii) Price risk

Price risk is the risk that the carrying 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 price risk is mainly in equities, derivatives and commodities, if applicable. As at December 31, 2015, approximately 97.4% (December 31, 2014 – 99.9%) of the Fund's net assets were exposed to price risk. If prices of these investments had decreased or increased by 10%, with all other variables held constant, net assets of the Fund would have decreased or increased, respectively, by approximately $7,236,439 (December 31, 2014 – $5,268,858). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

iv) Credit risk

The Fund had no significant exposure to bonds and debentures, preferred shares or derivatives as at December 31, 2015 or December 31, 2014. In addition, all investment transactions are executed by brokers with an approved credit rating. As such the risk of default on transactions with counterparties and brokers related to purchase and sale of securities is considered minimal. In instances where the credit rating were to fall below the approved rating, the Manager would take appropriate action.

v) Liquidity risk

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

	December 31, 2015		December 31, 2014	
	On demand ($)	Less than 3 months ($)	On demand ($)	Less than 3 months ($)
Current liabilities	–	49,354	–	50,523
Liability for written options	–	–	–	–
Unrealized loss on derivatives	–	–	–	–
Redeemable units	74,283,406	–	52,755,658	
–	74,283,406	49,354	52,755,658	50,523

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.

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

vi) Concentration risk

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

	Percentage of net assets (%)	
	December 31, 2015	December 31, 2014
Consumer Discretionary	17.1	22.6
Consumer Staples	1.9	1.5
Energy	4.6	8.1
Financials	14.0	9.3
Health Care	5.5	1.2
Industrials	26.3	18.3
Information Technology	22.9	30.9
Materials	3.3	5.7
Telecommunication Services	–	2.3
Utilities	1.8	–

vii) Fair value classification (note 2)

The tables below illustrate the classification of the Fund's financial instruments within the fair value hierarchy.

December 31, 2015	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Equities	65,673,827	2,726,730	3,471,796	71,872,353
Warrants, rights and options	–	–	492,036	492,036
	65,673,827	2,726,730	3,963,832	72,364,389

December 31, 2014	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Equities	47,845,735	1,710,726	3,132,122	52,688,583
	47,845,735	1,710,726	3,132,122	52,688,583

Transfers between levels

During the periods ended December 31, 2015 and 2014, there were no significant transfers between Level 1 and Level 2.

Reconciliation of Level 3 financial instruments

The following table presents the movement in the Fund's Level 3 financial instruments for the periods ended:

	December 31, 2015 ($)	December 31, 2014 ($)
Beginning of period	3,132,122	1,100,400
Purchases	–	1,080,160
Sales	–	–
Transfers into Level 3	–	–
Transfers out of Level 3	–	–
Net realized gains (losses)	–	–
Net changes in unrealized gain (loss)*	831,710	951,562
End of period	3,963,832	3,132,122

* Net change in unrealized gain (loss) for Level 3 financial instruments held as at December 31, 2015 and December 31, 2014 was $831,710 and $951,562, respectively.

Level 3 valuation techniques

The significant unobservable inputs and valuation techniques used to determine the fair value measurements categorized in Level 3 are indicated below:

Security	Valuation technique	Significant unobservable input	December 31, 2015 ($)	December 31, 2014 ($)
Equities	Financing transaction price	Financing price	2,634,672	1,886,400
Equities	Fundamental model analysis based on financial data	Sales multiple	837,124	–
Equities	Internal Fundamental Model	Price to sales multiple, with liquidity discount due to lack of marketability	–	1,127,822
Warrant	Warrant valuation model	Strike price	492,036	117,900
			3,963,832	3,132,122

The significant unobservable inputs used in the valuation techniques used to estimate the fair values of level 3 investments can vary considerably over time to time depending on company specific factors and economic or market conditions. A 10% increase or decrease in the results of applying these valuation techniques, with all other variables held consistent, would have resulted in an increase or decrease, respectively, in net assets of $396,383 (December 31, 2014 – $313,212).

3. Offsetting of financial assets and liabilities (note 2)

As at December 31, 2015 or December 31, 2014, the Fund did not enter into any agreement whereby the financial instruments were eligible for offset.

4. Interest in Underlying Funds (note 2)

The Fund did not hold any interest in Underlying Funds as at December 31, 2015 or December 31, 2014.

5. Comparison of net asset value per unit and net assets per unit (note 2)

The table below provides a comparison of the net asset value per unit and net assets per unit. The primary reason for the difference between the net asset value per unit and net assets per unit, if any, is described in note 2.

	December 31, 2015		December 31, 2014	
	Net asset value per unit ($)	Net assets per unit ($)	Net asset value per unit ($)	Net assets per unit ($)
Series A	23.56	23.57	23.89	23.89
Series F	23.77	23.79	23.90	23.90
Series M	26.06	26.07	25.87	25.87

Scotia Resource Fund

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars except per unit amounts)	December 31, 2015	December 31, 2014
ASSETS		
Current assets		
Investments		
Non-derivative financial assets	71,436,317	80,812,514
Commodities	–	2,785,417
Unrealized gain on currency forward contracts	–	201,686
Cash	12,540,135	18,968,104
Receivable for securities sold	438,654	334,598
Subscriptions receivable	96,545	110,596
Accrued investment income and other	127,153	164,974
	84,638,804	103,377,889
LIABILITIES		
Current liabilities		
Payable for securities purchased	289,734	20,626
Redemptions payable	96,318	132,211
Unrealized loss on accumulator contracts	–	21,844
Unrealized loss on currency forward contracts	398,439	89,090
Unrealized loss on currency spot contracts	1,167	–
Unrealized loss on swap contracts	243,029	294,747
	1,028,687	558,518
Net assets attributable to holders of redeemable units	83,610,117	102,819,371
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series A	83,600,933	102,799,594
Series F	9,184	19,777
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series A	14.66	17.16
Series F	15.19	17.62

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except per unit amounts)	2015	2014
INCOME		
Net gain (loss) on investments (note 2)		
Dividends	2,257,263	2,084,660
Interest for distribution purposes	34,682	55,016
Net realized gain (loss) on non-derivative financial assets	(10,345,032)	9,704,849
Net realized gain (loss) on commodities	(557,332)	–
Net realized gain (loss) on currency forward contracts	(201,871)	(812,884)
Net realized gain (loss) on swap contracts	(2,174,669)	441,703
Change in unrealized gain (loss) on non-derivative financial assets	(2,035,472)	(4,045,521)
Change in unrealized gain (loss) on accumulator contracts	21,844	(21,844)
Change in unrealized gain (loss) on currency forward contracts	(511,035)	101,033
Change in unrealized gain (loss) on currency spots contracts	(1,167)	–
Change in unrealized gain (loss) on swap contracts	51,718	(425,770)
Net gain (loss) on investments	(13,461,071)	7,081,242
Securities lending	38,402	40,403
Net realized and unrealized gain(loss) on foreign exchange	1,740,482	749,025
Other income	1,792	2,849
Total income (loss)	(11,680,395)	7,873,519
EXPENSES		
Management fees (note 5)	1,973,874	2,408,063
Fixed administration fees (note 6)	157,939	64,643
Independent Review Committee fees	1,153	255
Interest expense and bank overdraft charges	–	25
Foreign withholding taxes/tax reclaims	108,756	20,787
Audit fees	–	3,679
Custodian fees	–	7,458
Filing fees	–	12,154
Legal fees	–	406
Unitholder administration costs	–	80,210
Unitholder reporting costs	–	17,902
Other fund costs	107	–
Harmonized Sales Tax/Goods and Services Tax	211,807	256,932
Transaction costs	167,865	225,141
Total expenses	2,621,501	3,097,655
Expenses absorbed by the Manager	–	(2,087)
Net expenses	2,621,501	3,095,568
Increase (decrease) in net assets attributable to holders of redeemable units from operations	(14,301,896)	4,777,951
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A	(14,300,921)	4,777,825
Series F	(975)	126
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT†		
Series A	(2.44)	0.76
Series F	(1.62)	0.06
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series A	5,851,667	6,307,424
Series F	602	2,005

† The increase (decrease) in net assets attributable to holders of redeemable units from operations 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 number of units per series.

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

Scotia Resource Fund (Continued)

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the periods ended December 31 (note 1),

(in dollars)	2015	2014
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series A	102,799,594	112,549,439
Series F	19,777	34,836
	102,819,371	112,584,275
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A	(14,300,921)	4,777,825
Series F	(975)	126
	(14,301,896)	4,777,951
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A	11,998,002	13,132,203
Series F	1,467	2,390
Payments on redemption		
Series A	(16,895,742)	(27,659,873)
Series F	(11,085)	(17,575)
	(4,907,358)	(14,542,855)
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A	(19,198,661)	(9,749,845)
Series F	(10,593)	(15,059)
	(19,209,254)	(9,764,904)
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series A	83,600,933	102,799,594
Series F	9,184	19,777
	83,610,117	102,819,371

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	(14,301,896)	4,777,951
Adjustments for:		
Non-cash income in kind	(296,361)	–
Net realized (gain) loss on non-derivative financial assets	10,345,032	(9,704,849)
Net realized (gain) loss on commodities	557,332	–
Unrealized (gain) loss on foreign exchange of cash	(1,700,078)	(758,027)
Change in unrealized (gain) loss on non-derivative financial assets	2,035,472	4,045,521
Change in unrealized (gain) loss on accumulator contracts	(21,844)	21,844
Change in unrealized (gain) loss on currency forward contracts	511,035	(101,033)
Change in unrealized (gain) loss on currency spot contracts	1,167	–
Change in unrealized (gain) loss on swap contracts	(51,718)	425,770
Purchases of non-derivative financial assets	(59,711,494)	(81,647,712)
Proceeds from sale of non-derivative financial assets	59,228,821	108,939,191
Transaction costs	167,865	225,141
Accrued investment income and other	37,821	13,826
Net cash provided by (used in) operating activities	(3,198,846)	26,237,623
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	12,013,519	13,133,408
Amounts paid on redemption of redeemable units	(16,942,720)	(27,705,311)
Net cash provided by (used in) financing activities	(4,929,201)	(14,571,903)
Unrealized gain (loss) on foreign exchange of cash	1,700,078	758,027
Net increase (decrease) in cash	(8,128,047)	11,665,720
Cash (bank overdraft), beginning of period	18,968,104	6,544,357
CASH (BANK OVERDRAFT), END OF PERIOD	12,540,135	18,968,104
Interest received[1]	37,788	55,309
Dividends received, net of withholding taxes[1]	2,183,222	2,077,405

[1] Classified as operating items.

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2015

Number of Shares	Issuer	Average Cost ($)	Carrying Value ($)
EQUITIES – 85.4%			
Energy – 46.4%			
23,800	Anadarko Petroleum Corporation	2,433,703	1,599,021
77,400	Canadian Natural Resources Ltd.	2,710,190	2,339,028
6,400	Cimarex Energy Co.	874,135	791,116
6,200	Concho Resources Inc.	888,857	795,890
96,400	Crescent Point Energy Corp.	1,867,324	1,553,968
28,300	EOG Resources, Inc.	2,860,603	2,770,627
2,180,900	Fission Uranium Corp.	2,970,355	1,788,338
78,133	Gibson Energy Inc.	1,542,134	1,079,798
6,400,000	NexGen Energy Ltd.	3,678,264	4,607,999
21,600	Occidental Petroleum Corporation	2,091,989	2,019,688
85,656	Pembina Pipeline Corporation	2,600,502	2,582,528
4,600	Pioneer Natural Resources Company	860,781	797,638
90,420	PrairieSky Royalty Ltd.	2,442,889	1,982,006
139,800	Raging River Exploration Inc.	1,118,400	1,170,126
25,800	Royal Dutch Shell PLC, Class B	1,882,586	1,642,762
147,100	Seven Generations Energy Ltd.	2,077,401	1,982,908
108,892	Suncor Energy, Inc.	3,552,142	3,889,622
231,499	Total Cda Oil & Gas	2,591,408	1,192,220
60,485	TransCanada Corporation	2,457,846	2,733,317
40,005	Vermilion Energy, Inc.	1,917,726	1,504,588
16	Whitecap Resources, Inc.	173	145
		43,419,408	38,823,333
Materials – 39.0%			
125,848	Agnico-Eagle Mines Limited	4,033,800	4,577,092
100,000	Detour Gold Corporation	1,142,802	1,441,000
60,000	Franco-Nevada Corporation	3,623,545	3,798,000
900,000	Highfield Resources Ltd.	1,512,961	1,466,702
425,000	HudBay Minerals, Inc.	4,134,708	2,256,750
380,256	HudBay Minerals, Inc. Warrants $1.76 Jul. 20, 2018	805,382	114,077
1,200,000	Independence Group NL	3,828,410	3,028,023
700,000	Lundin Mining Corporation	3,764,339	2,660,000
2,000,000	Northern Star Resources Ltd.	2,264,668	5,604,342
500,000	Pilbara Minerals Ltd.	149,033	160,766
50,000	Randgold Resources Ltd. ADR	3,896,052	4,282,435
274,900	Reservoir Minerals Inc.	1,580,675	1,121,592
575,000	S2 Resources Ltd.	118,358	92,176
900,000	Western Areas NL	2,998,783	2,010,029
		33,853,516	32,612,984
	TOTAL INVESTMENT PORTFOLIO	77,272,924	71,436,317
	Currency Spot Contracts – (0.0%)		(1,167)
	Currency Forward Contracts – (0.5%)		(398,439)
	Swap Contracts – (0.3%)		(243,029)
	OTHER ASSETS, LESS LIABILITIES – 15.4%		12,816,435
	NET ASSETS – 100.0%		83,610,117

For equities, all common shares unless otherwise noted.

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

Scotia Resource Fund (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

CURRENCY SPOT CONTRACTS

Settlement Date	Currency To Be Received	Contractual Amount	Currency To Be Delivered	Contractual Amount	Canadian Value as at December 31, 2015 ($)	Canadian ($) Appreciation/ (Depreciation)
Jan. 5, 2016	Australian Dollar	147,871	Canadian Dollar	150,200	150,201	(1,167)

The currency spot contracts outstanding at December 31, 2015 are placed with a financial institution with a credit rating of AA by DBRS.

CURRENCY FORWARD CONTRACTS

Settlement Date	Currency To Be Received	Contractual Amount	Currency To Be Delivered	Contractual Amount	Canadian Value as at December 31, 2015 ($)	Canadian ($) Appreciation/ (Depreciation)
Jan. 28, 2016	Canadian Dollar	8,528,875	Australian Dollar	8,875,000	8,927,314	(398,439)

The currency forward contracts outstanding at December 31, 2015 are placed with a financial institution with a credit rating of AA by DBRS.

EQUITY SWAP CONTRACTS

Number of Units	Termination Date	Notional Amount (U.S. $)	Variable Rate %	Appreciation/ (Depreciation) ($)
Black Stone Minerals LP, Variable 1 month USD – LIBOR, Counterparty: Toronto-Dominion Bank, The				
3,700	6/13/2016	59,496	0.69%	(8,488)
3,700	6/14/2016	59,496	0.69%	(8,488)
3,800	6/15/2016	61,104	0.69%	(8,717)
3,900	6/16/2016	62,712	0.69%	(8,946)
7,800	6/17/2016	125,424	0.69%	(17,893)
16,200	6/20/2016	260,496	0.69%	(37,161)
8,000	6/21/2016	128,640	0.69%	(18,352)
2,900	6/22/2016	46,632	0.69%	(6,652)
1,900	9/6/2016	30,552	0.69%	(4,359)
2,700	9/8/2016	43,416	0.69%	(6,194)
2,900	9/9/2016	46,632	0.69%	(6,652)
3,800	9/12/2016	61,104	0.69%	(8,717)
5,600	11/29/2016	85,878	0.68%	(7,080)
8,700	11/30/2016	141,085	0.69%	(21,602)
9,000	12/1/2016	144,031	0.70%	(19,689)
2,600	12/2/2016	41,669	0.72%	(5,769)
Macquarie Infrastructure Corporation, Variable 1 month USD – LIBOR, Counterparty: Toronto-Dominion Bank, The				
17,300	11/4/2016	1,298,019	0.69%	(59,107)
Enterprise Products Partners, Variable 1 month USD – LIBOR, Counterparty: Toronto-Dominion Bank, The				
11,600	5/4/2016	294,524	0.69%	2,828
800	5/6/2016	20,312	0.69%	195
11,000	5/9/2016	279,290	0.69%	2,682
1,600	5/10/2016	40,624	0.64%	392
2,800	5/18/2016	71,092	0.69%	683
7,600	5/27/2016	192,964	0.69%	1,853
3,400	6/1/2016	86,326	0.69%	829
5,600	4/29/2016	142,184	0.69%	1,365
3,400	5/2/2016	86,326	0.69%	829
1,600	5/3/2016	40,624	0.69%	390
5,000	8/12/2016	126,950	0.69%	1,219
2,600	8/15/2016	66,014	0.69%	634
4,200	8/17/2016	106,638	0.69%	1,024
100	8/24/2016	2,539	0.69%	24
3,900	10/14/2016	99,021	0.69%	951
10,600	11/29/2016	274,704	0.45%	(5,061)
				(243,029)

The swap contracts outstanding at December 31, 2015 are placed with a financial institution with a minimum credit rating of AA by DBRS.

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

Scotia Resource Fund

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

1. The Fund (note 1)

The Fund's investment objective is aggressive long-term capital growth. It invests primarily in equity securities of Canadian resource based companies, including companies that operate in the oil and gas, gold and precious metals, metals and minerals, and forest products industries.

2. Risks associated with financial instruments (note 4)

i) Interest rate risk

The Fund invests in derivatives, which are exposed to interest rate risk. As at December 31, 2015, 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 $15,389 or approximately 0.0% (December 31, 2014 – $80,742 or approximately 0.1%). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

ii) Currency risk

The tables below indicate the currencies to which the Fund had significant exposure, net of the impact of currency forward contracts and currency spot contracts, if any, based on the monetary and non-monetary assets and liabilities of the Fund. The tables also illustrate the potential impact on the Fund if the functional currency of the Fund had strengthened or weakened by 10% in relation to each of the other currencies, with all other variables held constant.

	December 31, 2015			
Currency	Net currency exposure ($)	Percentage of net assets (%)	Impact on the Fund ($)	Percentage of net assets (%)
US Dollar	20,734,197	24.8	2,073,420	2.5
Australian Dollar	4,387,308	5.2	438,731	0.5
	25,121,505	30.0	2,512,151	3.0

	December 31, 2014			
Currency	Net currency exposure ($)	Percentage of net assets (%)	Impact on the Fund ($)	Percentage of net assets (%)
US Dollar	28,954,118	28.2	2,895,412	2.8
Australian Dollar	2,494,224	2.4	249,422	0.2
British Pound	899,077	0.9	89,908	0.1
	32,347,419	31.5	3,234,742	3.1

iii) Price risk

Price risk is the risk that the carrying 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 price risk is mainly in equities, derivatives and commodities, if applicable. As at December 31, 2015, approximately 90.7% (December 31, 2014 – 81.3%) of the Fund's net assets were exposed to price risk. If prices of these investments had decreased or increased by 10%, with all other variables held constant, net assets of the Fund would have decreased or increased, respectively, by approximately $7,581,981 (December 31, 2014 – $8,359,793). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

iv) Credit risk

The Fund had no significant exposure to bonds and debentures, preferred shares or derivatives as at December 31, 2015 or December 31, 2014. In addition, all investment transactions are executed by brokers with an approved credit rating. As such the risk of default on transactions with counterparties and brokers related to purchase and sale of securities is considered minimal. In instances where the credit rating were to fall below the approved rating, the Manager would take appropriate action.

v) Liquidity risk

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

	December 31, 2015		December 31, 2014	
	On demand ($)	Less than 3 months ($)	On demand ($)	Less than 3 months ($)
Current liabilities	–	386,052	–	152,837
Liability for written options	–	–	–	–
Unrealized loss on derivatives	–	642,635	–	405,681
Redeemable units	83,610,117	–	102,819,371	–
	83,610,117	1,028,687	102,819,371	558,518

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.

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

vi) Concentration risk

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

	Percentage of net assets (%)	
	December 31, 2015	December 31, 2014
Commodities	–	2.7
Energy	46.4	41.2
Materials	39.0	37.4

vii) Fair value classification (note 2)

The tables below illustrate the classification of the Fund's financial instruments within the fair value hierarchy.

December 31, 2015	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Equities	58,960,202	12,362,038	–	71,322,240
Warrants, rights and options	114,077	–	–	114,077
	59,074,279	12,362,038	–	71,436,317
Currency forward contracts–liabilities	–	(398,439)	–	(398,439)
Currency spot contracts–liabilities	(1,167)	–	–	(1,167)
Swap contracts–liabilities	–	(243,029)	–	(243,029)
	59,073,112	11,720,570	–	70,793,682

December 31, 2014	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Equities	71,679,132	8,618,891	–	80,298,023
Commodities	–	2,785,417	–	2,785,417
Warrants, rights and options	395,466	119,025	–	514,491
Currency forward contracts–assets	–	201,686	–	201,686
	72,074,598	11,725,019	–	83,799,617
Accumulator contracts–liabilities	–	(21,844)	–	(21,844)
Currency forward contracts–liabilities	–	(89,090)	–	(89,090)
Swap contracts–liabilities	–	(294,747)	–	(294,747)
	72,074,598	11,319,338	–	83,393,936

Transfers between levels

During the periods ended December 31, 2015 and 2014, there were no significant transfers between Level 1 and Level 2.

3. Offsetting of financial assets and liabilities (note 2)

The following tables present offsetting of financial assets and liabilities and collateral amounts that would occur if future events, such as bankruptcy or termination of contracts were to arise. No amounts were offset in the financial statements.

	December 31, 2015			
Financial assets – by type	Gross amount of assets ($)	Master netting offset ($)	Collateral pledged ($)	Net Amount ($)
Currency forward contracts	–	–	–	–
Options contracts – OTC	–	–	–	–
Swap contracts	15,898	(15,898)	–	–
	15,898	(15,898)	–	–

	December 31, 2015			
Financial liabilities – by type	Gross amount of liabilities ($)	Master netting offset ($)	Collateral pledged ($)	Net Amount ($)
Currency forward contracts	398,439	–	–	398,439
Options contracts – OTC	–	–	–	–
Swap contracts	258,927	(15,898)	–	243,029
	657,366	(15,898)	–	641,468

	December 31, 2014			
Financial assets – by type	Gross amount of assets ($)	Master netting offset ($)	Collateral pledged ($)	Net Amount ($)
Currency forward contracts	201,686	(89,090)	–	112,596
Options contracts – OTC	–	–	–	–
Swap contracts	–	–	–	–
	201,686	(89,090)	–	112,596

	December 31, 2014			
Financial liabilities – by type	Gross amount of liabilities ($)	Master netting offset ($)	Collateral pledged ($)	Net Amount ($)
Currency forward contracts	89,090	(89,090)	–	–
Options contracts – OTC	–	–	–	–
Swap contracts	294,747	–	–	294,747
	383,837	(89,090)	–	294,747

4. Interest in Underlying Funds (note 2)

The Fund did not hold any interest in Underlying Funds as at December 31, 2015 or December 31, 2014.

5. Comparison of net asset value per unit and net assets per unit (note 2)

The table below provides a comparison of the net asset value per unit and net assets per unit. The primary reason for the difference between the net asset value per unit and net assets per unit, if any, is described in note 2.

	December 31, 2015		December 31, 2014	
	Net asset value per unit ($)	Net assets per unit ($)	Net asset value per unit ($)	Net assets per unit ($)
Series A	14.66	14.66	17.14	17.16
Series F	15.19	15.19	17.60	17.62

Scotia Private Real Estate Income Pool

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars except per unit amounts)	December 31, 2015	December 31, 2014
ASSETS		
Current assets		
Investments		
Non-derivative financial assets	189,960,751	165,806,084
Unrealized gain on currency forward contracts	–	55,538
Cash	39,909,566	23,981,247
Receivable for securities sold	–	137,728
Subscriptions receivable	477,165	322,807
Accrued investment income and other	861,341	757,849
	231,208,823	191,061,253
LIABILITIES		
Current liabilities		
Redemptions payable	153,702	180,844
Distributions payable	–	31,037
Unrealized loss on currency forward contracts	130,419	59
	284,121	211,940
Net assets attributable to holders of redeemable units	230,924,702	190,849,313
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series I	5,676,368	488,597
Series M	225,248,334	190,360,716
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series I	10.87	10.14
Series M	12.12	11.29

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except per unit amounts)	2015	2014
INCOME		
Net gain (loss) on investments (note 2)		
Dividends	3,821,040	4,861,023
Interest for distribution purposes	2,257,794	1,569,868
Capital gains distributions received	541,195	230,826
Net realized gain (loss) on non-derivative financial assets	16,160,934	5,141,780
Net realized gain (loss) on options contracts	42,394	–
Net realized gain (loss) on currency forward contracts	(3,924,997)	(2,062,627)
Change in unrealized gain (loss) on non-derivative financial assets	3,224,083	24,493,495
Change in unrealized gain (loss) on currency forward contracts	(185,898)	(6,257)
Net gain (loss) on investments	21,936,545	34,228,108
Securities lending	101,162	60,507
Net realized and unrealized gain(loss) on foreign exchange	1,318,639	277,675
Total income (loss)	23,356,346	34,566,290
EXPENSES		
Management fees (note 5)	320,002	236,054
Fixed administration fees (note 6)	131,580	38,045
Independent Review Committee fees	1,130	311
Foreign withholding taxes/tax reclaims	390,319	345,668
Audit fees	–	3,308
Custodian fees	–	3,319
Filing fees	–	7,378
Legal fees	–	465
Unitholder administration costs	–	11,631
Unitholder reporting costs	–	4,251
Other fund costs	286	–
Harmonized Sales Tax/Goods and Services Tax	46,960	30,596
Transaction costs	320,685	216,491
Total expenses	1,210,962	897,517
Expenses absorbed by the Manager	–	(201)
Net expenses	1,210,962	897,316
Increase (decrease) in net assets attributable to holders of redeemable units from operations	22,145,384	33,668,974
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series I	263,370	5,867
Series M	21,882,014	33,663,107
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT†		
Series I	0.78	0.24
Series M	1.23	2.23
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series I	336,184	24,193
Series M	17,848,313	15,077,169

† The increase (decrease) in net assets attributable to holders of redeemable units from operations 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 number of units per series.

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

Scotia Private Real Estate Income Pool (Continued)

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the periods ended December 31 (note 1),

(in dollars)	2015	2014
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series I	488,597	–
Series M	190,360,716	123,602,744
	190,849,313	123,602,744
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series I	263,370	5,867
Series M	21,882,014	33,663,107
	22,145,384	33,668,974
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net investment income		
Series I	(85,497)	(782)
Series M	(4,489,624)	(5,786,279)
From net realized gains on investments		
Series I	(97,051)	(10)
Series M	(4,445,328)	(74,563)
From return of capital		
Series I	–	(969)
Series M	–	(219,603)
	(9,117,500)	(6,082,206)
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series I	5,014,401	482,730
Series M	83,592,728	58,540,330
Reinvested distributions		
Series I	182,548	1,761
Series M	8,504,290	5,783,771
Payments on redemption		
Series I	(90,000)	–
Series M	(70,156,462)	(25,148,791)
	27,047,505	39,659,801
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series I	5,187,771	488,597
Series M	34,887,618	66,757,972
	40,075,389	67,246,569
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series I	5,676,368	488,597
Series M	225,248,334	190,360,716
	230,924,702	190,849,313

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	22,145,384	33,668,974
Adjustments for:		
Non-cash income in kind	(417,951)	–
Net realized (gain) loss on non-derivative financial assets	(16,160,934)	(5,141,780)
Net realized (gain) loss on options contracts	(42,394)	–
Unrealized (gain) loss on foreign exchange of cash	(1,390,179)	(265,833)
Change in unrealized (gain) loss on non-derivative financial assets	(3,224,083)	(24,493,495)
Change in unrealized (gain) loss on currency forward contracts	185,898	6,257
Purchases of non-derivative financial assets	(125,463,555)	(94,908,386)
Proceeds from sale of non-derivative financial assets	120,971,293	71,214,834
Transaction costs	320,685	216,491
Accrued investment income and other	(103,492)	(309,262)
Net cash provided by (used in) operating activities	(3,179,328)	(20,012,200)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	88,452,770	58,909,158
Amounts paid on redemption of redeemable units	(70,273,604)	(25,078,927)
Distributions to unitholders of redeemable units	(461,698)	(281,023)
Net cash provided by (used in) financing activities	17,717,468	33,549,208
Unrealized gain (loss) on foreign exchange of cash	1,390,179	265,833
Net increase (decrease) in cash	14,538,140	13,537,008
Cash (bank overdraft), beginning of period	23,981,247	10,178,406
CASH (BANK OVERDRAFT), END OF PERIOD	39,909,566	23,981,247
Interest received[1]	2,253,888	1,569,791
Dividends received, net of withholding taxes[1]	3,331,136	4,206,170

[1] Classified as operating items.

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

Scotia Private Real Estate Income Pool (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2015

Number of Shares	Issuer	Average Cost ($)	Carrying Value ($)
EQUITIES – 82.3%			
Australia – 2.1%			
323,960	Scentre Group	2,817,083	1,357,898
360,000	Westfield Corporation	2,710,628	3,425,401
		5,527,711	4,783,299
Canada – 45.4%			
71,035	Allied Properties Real Estate Investment Trust	2,387,678	2,242,575
118,700	Boardwalk Real Estate Investment Trust	7,094,006	5,632,315
335,700	Canadian Apartment Properties Real Estate Investment Trust	8,115,225	9,010,188
146,100	Canadian Real Estate Investment Trust	6,218,771	6,144,966
484,069	Chartwell Seniors Housing Real Estate Investment Trust	4,705,198	6,147,676
385,000	Choice Properties Real Estate Investment Trust	4,255,834	4,543,000
337,975	CT Real Estate Investment Trust	3,366,933	4,393,675
335,000	Dream Global Real Estate Investment Trust	2,977,585	2,901,100
399,800	First Capital Realty, Inc.	7,310,414	7,336,330
143,800	Granite Real Estate Investment Trust	6,065,155	5,458,648
338,100	H&R Real Estate Investment Trust	7,727,849	6,778,905
922,600	InterRent Real Estate Investment Trust	5,536,804	6,052,256
434,700	Milestone Apartments Real Estate Investment Trust	4,061,725	6,542,235
180,500	Milestone Apartments Real Estate Investment Trust	2,707,500	2,705,695
231,124	Morguard North American Residential Real Estate Investment Trust	2,252,641	2,466,093
247,530	Morguard Real Estate Investment Trust	3,912,255	3,371,359
945,000	Pure Industrial Real Estate Trust	4,166,540	4,129,650
364,357	RioCan Real Estate Investment Trust	9,101,864	8,631,617
201,100	Sienna Senior Living Inc.	2,626,278	3,245,754
235,400	Smart Real Estate Investment Trust	6,077,288	7,106,726
		100,667,543	104,840,763
EQUITIES (cont'd)			
United States – 34.8%			
17,400	AvalonBay Communities, Inc.	2,440,825	4,429,351
47,200	Boston Properties, Inc.	6,293,676	8,325,457
32,000	Equity Residential Real Estate Investment Trust	2,514,015	3,610,162
35,100	Extra Space Storage Inc	1,967,340	4,281,980
33,000	Federal Realty Investment Trust	4,677,962	6,670,101
230,800	General Growth Properties, Inc.	7,057,922	8,685,285
51,500	Kilroy Realty Corporation	3,651,592	4,505,280
145,400	ProLogis	6,303,911	8,630,655
22,100	Public Storage Real Estate Investment Trust	4,431,387	7,572,261
37,720	Simon Property Group, Inc.	6,282,240	10,141,681
21,700	SL Green Realty Corp.	3,266,317	3,390,634
143,433	Summit Hotel Properties Inc.	2,338,195	2,370,482
10,500	Taubman Centers Inc	970,234	1,114,373
28,000	Ventas, Inc.	2,099,446	2,185,183
32,000	Vornado Realty Trust Real Estate Investment Trust	3,693,215	4,423,804
		57,988,277	80,336,689
	TOTAL INVESTMENT PORTFOLIO	164,183,531	189,960,751
	Currency Forward Contracts – (0.1%)		(130,419)
	OTHER ASSETS, LESS LIABILITIES – 17.8%		41,094,370
	NET ASSETS – 100.0%		230,924,702

CURRENCY FORWARD CONTRACTS

Settlement Date	Currency To Be Received	Contractual Amount	Currency To Be Delivered	Contractual Amount	Canadian Value as at December 31, 2015 ($)	Canadian ($) Appreciation/ (Depreciation)
Jan 28, 2016	Canadian Dollar	2,791,705	Australian Dollar	2,905,000	2,922,124	(130,419)

The currency forward contracts outstanding at December 31, 2015 are placed with a financial institution with a credit rating of AA by DBRS.

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

Scotia Private Real Estate Income Pool

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

1. The Fund (note 1)

The Fund's investment objective aims to achieve a high level of total investment return, consisting of income and capital gains. It invests primarily in equity and debt securities of real estate assets located anywhere in the world.

2. Risks associated with financial instruments (note 4)

i) Interest rate risk

The majority of the Fund's financial assets and liabilities were non-interest bearing as at December 31, 2015 and 2014. Accordingly, the Fund is not directly subject to significant risk due to fluctuations in the prevailing levels of market interest rates.

ii) Currency risk

The tables below indicate the currencies to which the Fund had significant exposure, net of the impact of currency forward contracts and currency spot contracts, if any, based on the monetary and non-monetary assets and liabilities of the Fund. The tables also illustrate the potential impact on the Fund if the functional currency of the Fund had strengthened or weakened by 10% in relation to each of the other currencies, with all other variables held constant.

	December 31, 2015			
Currency	Net currency exposure ($)	Percentage of net assets (%)	Impact on the Fund ($)	Percentage of net assets (%)
US Dollar	89,375,162	38.7	8,937,516	3.9
Australian Dollar	1,861,176	0.8	186,118	0.1
	91,236,338	39.5	9,123,634	4.0

	December 31, 2014			
Currency	Net currency exposure ($)	Percentage of net assets (%)	Impact on the Fund ($)	Percentage of net assets (%)
US Dollar	93,019,293	48.7	9,301,929	4.9
Australian Dollar	1,252,123	0.7	125,212	0.1
	94,271,416	49.4	9,427,141	5.0

iii) Price risk

Price risk is the risk that the carrying 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 price risk is mainly in equities, derivatives and commodities, if applicable. As at December 31, 2015, approximately 82.3% (December 31, 2014 – 86.9%) of the Fund's net assets were exposed to price risk. If prices of these investments had decreased or increased by 10%, with all other variables held constant, net assets of the Fund would have decreased or increased, respectively, by approximately $18,996,075 (December 31, 2014 – $16,580,608). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

iv) Credit risk

The Fund had no significant exposure to bonds and debentures, preferred shares or derivatives as at December 31, 2015 or December 31, 2014. In addition, all investment transactions are executed by brokers with an approved credit rating. As such the risk of default on transactions with counterparties and brokers related to purchase and sale of securities is considered minimal. In instances where the credit rating were to fall below the approved rating, the Manager would take appropriate action.

v) Liquidity risk

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

	December 31, 2015		December 31, 2014	
	On demand ($)	Less than 3 months ($)	On demand ($)	Less than 3 months ($)
Current liabilities	–	153,702	–	211,881
Liability for written options	–	–	–	–
Unrealized loss on derivatives	–	130,419	–	59
Redeemable units	230,924,702	–	190,849,313	–
	230,924,702	284,121	190,849,313	211,940

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, geographical location, asset type or industry sector, as applicable. The table below is a summary of the Fund's concentration risk:

	Percentage of net assets (%)	
	December 31, 2015	December 31, 2014
Australia	2.1	1.7
Canada	45.4	41.5
United States	34.8	43.7

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

vii) Fair value classification (note 2)

The tables below illustrate the classification of the Fund's financial instruments within the fair value hierarchy.

December 31, 2015	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Equities	185,177,451	4,783,300	–	189,960,751
Currency forward contracts–liabilities	–	(130,419)	–	(130,419)
	185,177,451	4,652,881	–	189,830,332

December 31, 2014	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Equities	162,528,618	3,277,466	–	165,806,084
Currency forward contracts–assets	–	55,538	–	55,538
	162,528,618	3,333,004	–	165,861,622
Currency forward contracts–liabilities	–	(59)	–	(59)
	162,528,618	3,332,945	–	165,861,563

Transfers between levels

During the periods ended December 31, 2015 and 2014, there were no significant transfers between Level 1 and Level 2.

3. Offsetting of financial assets and liabilities (note 2)

The following tables present offsetting of financial assets and liabilities and collateral amounts that would occur if future events, such as bankruptcy or termination of contracts were to arise. No amounts were offset in the financial statements.

	December 31, 2015			
Financial assets – by type	Gross amount of assets ($)	Master netting offset ($)	Collateral pledged ($)	Net Amount ($)
Currency forward contracts	–	–	–	–
Options contracts – OTC	–	–	–	–
Swap contracts	–	–	–	–
	–	–	–	–

Financial liabilities – by type	Gross amount of liabilities ($)	Master netting offset ($)	Collateral pledged ($)	Net Amount ($)
Currency forward contracts	130,419	–	–	130,419
Options contracts – OTC	–	–	–	–
Swap contracts	–	–	–	–
	130,419	–	–	130,419

	December 31, 2014			
Financial assets – by type	Gross amount of assets ($)	Master netting offset ($)	Collateral pledged ($)	Net Amount ($)
Currency forward contracts	55,538	(59)	–	55,479
Options contracts – OTC	–	–	–	–
Swap contracts	–	–	–	–
	55,538	(59)	–	55,479

Financial liabilities – by type	Gross amount of liabilities ($)	Master netting offset ($)	Collateral pledged ($)	Net Amount ($)
Currency forward contracts	59	(59)	–	–
Options contracts – OTC	–	–	–	–
Swap contracts	–	–	–	–
	59	(59)	–	–

4. Interest in Underlying Funds (note 2)

The Fund did not hold any interest in Underlying Funds as at December 31, 2015 or December 31, 2014.

5. Comparison of net asset value per unit and net assets per unit (note 2)

The table below provides a comparison of the net asset value per unit and net assets per unit. The primary reason for the difference between the net asset value per unit and net assets per unit, if any, is described in note 2.

	December 31, 2015		December 31, 2014	
	Net asset value per unit ($)	Net assets per unit ($)	Net asset value per unit ($)	Net assets per unit ($)
Series I	10.87	10.87	10.14	10.14
Series M	12.12	12.12	11.29	11.29

Scotia Private North American Dividend Pool

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars except per unit amounts)	December 31, 2015	December 31, 2014
ASSETS		
Current assets		
Investments		
Non-derivative financial assets	88,487,422	80,080,956
Unrealized gain on currency forward contracts	–	10,752
Cash	8,858,522	5,659,594
Subscriptions receivable	92,488	385,554
Accrued investment income and other	163,402	176,915
	97,601,834	86,313,771
LIABILITIES		
Current liabilities		
Redemptions payable	29,912	177,587
Unrealized loss on currency forward contracts	–	127,792
	29,912	305,379
Net assets attributable to holders of redeemable units	97,571,922	86,008,392
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series M	97,571,922	86,008,392
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series M	13.21	12.55

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except per unit amounts)	2015	2014
INCOME		
Net gain (loss) on investments (note 2)		
Dividends	2,402,854	2,328,395
Interest for distribution purposes	44,946	21,643
Net realized gain (loss) on non-derivative financial assets	8,650,374	3,720,756
Net realized gain (loss) on currency forward contracts	(948,103)	(657,678)
Change in unrealized gain (loss) on non-derivative financial assets	(2,696,255)	3,924,938
Change in unrealized gain (loss) on currency forward contracts	117,040	(93,938)
Net gain (loss) on investments	7,570,856	9,244,116
Securities lending	98	1,385
Net realized and unrealized gain (loss) on foreign exchange	116,722	86,434
Total income (loss)	7,687,676	9,331,935
EXPENSES		
Management fees (note 5)	105,950	74,811
Fixed administration fees (note 6)	52,975	14,346
Independent Review Committee fees	1,123	153
Interest expense and bank overdraft charges	2,075	18
Foreign withholding taxes/tax reclaims	166,832	105,216
Audit fees	–	1,586
Custodian fees	–	3,251
Filing fees	–	9,658
Legal fees	–	232
Unitholder administration costs	–	5,569
Unitholder reporting costs	–	3,841
Other fund costs	123	–
Harmonized Sales Tax/Goods and Services Tax	18,556	11,799
Transaction costs	103,147	29,159
Total expenses	450,781	259,639
Increase (decrease) in net assets attributable to holders of redeemable units from operations	7,236,895	9,072,296
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series M	7,236,895	9,072,296
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT†		
Series M	0.90	1.47
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series M	8,054,318	6,153,281

† The increase (decrease) in net assets attributable to holders of redeemable units from operations 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 number of units per series.

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the periods ended December 31 (note 1),

(in dollars)	2015	2014
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series M	86,008,392	71,361,310
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series M	7,236,895	9,072,296
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net investment income		
Series M	(2,092,286)	(2,135,100)
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series M	48,804,790	19,899,387
Reinvested distributions		
Series M	2,023,923	2,024,199
Payments on redemption		
Series M	(44,409,792)	(14,213,700)
	6,418,921	7,709,886
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series M	11,563,530	14,647,082
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series M	97,571,922	86,008,392

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	7,236,895	9,072,296
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(8,650,374)	(3,720,756)
Unrealized (gain) loss on foreign exchange of cash	(40,005)	(101,716)
Change in unrealized (gain) loss on non-derivative financial assets	2,696,255	(3,924,938)
Change in unrealized (gain) loss on currency forward contracts	(117,040)	93,938
Purchases of non-derivative financial assets	(80,934,082)	(18,961,953)
Proceeds from sale of non-derivative financial assets	78,378,588	15,875,517
Transaction costs	103,147	29,159
Accrued investment income and other	13,513	(1,129)
Net cash provided by (used in) operating activities	(1,313,103)	(1,639,582)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	49,097,856	19,533,369
Amounts paid on redemption of redeemable units	(44,557,467)	(14,097,150)
Distributions to unitholders of redeemable units	(68,363)	(110,901)
Net cash provided by (used in) financing activities	4,472,026	5,325,318
Unrealized gain (loss) on foreign exchange of cash	40,005	101,716
Net increase (decrease) in cash	3,158,923	3,685,736
Cash (bank overdraft), beginning of period	5,659,594	1,872,142
CASH (BANK OVERDRAFT), END OF PERIOD	8,858,522	5,659,594
Interest paid[1]	2,075	–
Interest received[1]	50,270	15,830
Dividends received, net of withholding taxes[1]	2,244,582	2,227,863

[1] Classified as operating items.

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

Scotia Private North American Dividend Pool (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2015

Number of Shares	Issuer	Average Cost ($)	Carrying Value ($)
EQUITIES – 90.7%			
Materials – 3.0%			
7,600	Agrium Inc.	893,598	939,892
9,000	CCL Industries Inc., Class B	2,012,462	2,019,330
		2,906,060	2,959,222
Industrials – 17.0%			
13,400	3M Co.	2,777,167	2,791,674
31,040	Canadian National Railway Company	1,013,206	2,400,944
19,200	Danaher Corporation	1,834,594	2,465,753
25,300	Deere & Company	2,796,712	2,668,665
39,140	General Electric Company	623,255	1,685,347
10,390	Honeywell International Inc.	932,720	1,487,796
8,900	Stanley Black & Decker Inc.	927,653	1,313,392
16,100	Union Pacific Corporation	1,969,339	1,741,215
		12,874,646	16,554,786
Consumer Discretionary – 16.0%			
19,560	Comcast Corporation, Class A	1,156,580	1,526,506
24,600	Dollarama Inc.	1,986,749	1,966,524
48,800	Gildan Activewear Inc.	1,969,080	1,919,792
11,200	Home Depot Inc., The	1,490,774	2,048,488
14,500	Limited Brands, Inc.	1,983,815	1,921,515
21,800	NIKE, Inc., Class B	2,001,092	1,884,779
23,300	Starbucks Corporation	1,942,683	1,934,389
16,500	Walt Disney Company, The	2,185,545	2,397,859
		14,716,318	15,599,852
Consumer Staples – 13.4%			
31,000	Alimentation Couche-Tard Inc., Class B	1,968,550	1,888,210
10,000	Constellation Brands, Inc., Class A	1,983,592	1,969,657
8,800	Costco Wholesale Corporation	2,006,603	1,965,508
10,480	CVS Caremark Corporation	626,180	1,416,692
16,000	Estee Lauder Companies Inc., The	2,000,287	1,947,917
29,900	Loblaw Companies Limited	1,678,898	1,953,666
15,200	Molson Coors Brewing Company, Class B	2,002,611	1,974,337
		12,266,721	13,115,987
Health Care – 4.8%			
13,800	Gilead Sciences, Inc.	2,010,973	1,931,240
10,210	Johnson & Johnson	1,107,108	1,450,089
18,100	Merck & Co., Inc.	1,067,346	1,322,198
		4,185,427	4,703,527
Financials – 21.7%			
18,900	Bank of Montreal	1,200,603	1,475,712
26,800	Bank of Nova Scotia, The	1,733,923	1,499,996
10,500	Berkshire Hathaway Inc., Class B	1,982,296	1,916,319
21,000	Brookfield Asset Management Inc., Class A	646,617	916,650
22,120	Canadian Imperial Bank of Commerce	1,594,056	2,017,123
21,000	Citigroup Inc.	969,298	1,502,967
13,490	Intact Financial Corporation	538,429	1,196,293
56,200	Progressive Corporation, The	2,054,704	2,471,628
39,520	Royal Bank of Canada	1,880,940	2,930,408
21,910	Sun Life Financial Inc.	762,463	945,417
50,520	Toronto-Dominion Bank, The	1,680,800	2,740,205
20,220	Wells Fargo & Company	575,282	1,519,429
		15,619,411	21,132,147
Information Technology – 11.8%			
9,405	Apple Inc.	969,797	1,368,666
8,190	Automatic Data Processing, Inc.	527,350	959,598
1,385	Google Inc. Class A	898,690	1,490,234
1,486	Google Inc. Class C	951,641	1,559,594
39,800	Microsoft Corporation	1,898,165	3,052,414
28,300	Visa Inc.	2,365,501	3,035,204
		7,611,144	11,465,710
EQUITIES (cont'd)			
Telecommunication Services – 3.0%			
22,020	BCE Inc.	780,366	1,177,189
37,280	Rogers Communications, Inc., Class B	1,472,234	1,779,002
		2,252,600	2,956,191
	TOTAL INVESTMENT PORTFOLIO	72,432,327	88,487,422
	OTHER ASSETS, LESS LIABILITIES –9.3%		9,084,500
	NET ASSETS –100.0%		97,571,922

For equities, all common shares unless otherwise noted.

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

Scotia Private North American Dividend Pool

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

1. The Fund (note 1)

The Fund's investment objective is to earn dividend income while providing long-term capital appreciation. It invests primarily in companies located in Canada and the United States.

2. Risks associated with financial instruments (note 4)

i) Interest rate risk

The majority of the Fund's financial assets and liabilities were non-interest bearing as at December 31, 2015 and 2014. Accordingly, the Fund is not directly subject to significant risk due to fluctuations in the prevailing levels of market interest rates.

ii) Currency risk

The tables below indicate the currencies to which the Fund had significant exposure, net of the impact of currency forward contracts and currency spot contracts, if any, based on the monetary and non-monetary assets and liabilities of the Fund. The tables also illustrate the potential impact on the Fund if the functional currency of the Fund had strengthened or weakened by 10% in relation to each of the other currencies, with all other variables held constant.

	December 31, 2015			
Currency	Net currency exposure ($)	Percentage of net assets (%)	Impact on the Fund ($)	Percentage of net assets (%)
US Dollar	62,181,906	63.7	6,218,191	6.4
	62,181,906	63.7	6,218,191	6.4

	December 31, 2014			
Currency	Net currency exposure ($)	Percentage of net assets (%)	Impact on the Fund ($)	Percentage of net assets (%)
US Dollar	29,711,485	34.5	2,971,149	3.5
	29,711,485	34.5	2,971,149	3.5

iii) Price risk

Price risk is the risk that the carrying 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 price risk is mainly in equities, derivatives and commodities, if applicable. As at December 31, 2015, approximately 90.7% (December 31, 2014 – 93.1%) of the Fund's net assets were exposed to price risk. If prices of these investments had decreased or increased by 10%, with all other variables held constant, net assets of the Fund would have decreased or increased, respectively, by approximately $8,848,742 (December 31, 2014 – $8,008,096). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

iv) Credit risk

The Fund had no significant exposure to bonds and debentures, preferred shares or derivatives as at December 31, 2015 or December 31, 2014. In addition, all investment transactions are executed by brokers with an approved credit rating. As such the risk of default on transactions with counterparties and brokers related to purchase and sale of securities is considered minimal. In instances where the credit rating were to fall below the approved rating, the Manager would take appropriate action.

v) Liquidity risk

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

	December 31, 2015		December 31, 2014	
	On demand ($)	Less than 3 months ($)	On demand ($)	Less than 3 months ($)
Current liabilities	–	29,912	–	177,587
Liability for written options	–	–	–	–
Unrealized loss on derivatives	–	–	–	127,792
Redeemable units	97,571,922	–	86,008,392	–
	97,571,922	29,912	86,008,392	305,379

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, geographical location, asset type or industry sector, as applicable. The table below is a summary of the Fund's concentration risk:

	Percentage of net assets (%)	
	December 31, 2015	December 31, 2014
Consumer Discretionary	16.0	11.8
Consumer Staples	13.4	4.8
Energy	–	13.4
Financials	21.7	28.3
Health Care	4.8	10.3
Industrials	17.0	9.2
Information Technology	11.8	7.3
Materials	3.0	4.3
Telecommunication Services	3.0	3.7

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

vii) Fair value classification (note 2)

The tables below illustrate the classification of the Fund's financial instruments within the fair value hierarchy.

December 31, 2015	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Equities	88,487,422	–	–	88,487,422
	88,487,422	–	–	88,487,422

December 31, 2014	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Equities	80,076,987	–	–	80,076,987
Warrants, rights and options	3,969	–	–	3,969
Currency forward contracts–assets	–	10,752	–	10,752
	80,080,956	10,752	–	80,091,708
Currency forward contracts–liabilities	–	(127,792)	–	(127,792)
	80,080,956	(117,040)	–	79,963,916

Transfers between levels

During the periods ended December 31, 2015 and 2014, there were no significant transfers between Level 1 and Level 2.

3. Offsetting of financial assets and liabilities (note 2)

As at December 31, 2015, the Fund did not enter into any agreement whereby the financial instruments were eligible for offset.

The following tables presents offsetting of financial assets and liabilities and collateral amounts that would occur if future events, such as bankruptcy or termination of contracts were to arise, as at December 31, 2014. No amounts were offset in the financial statements.

	December 31, 2014			
Financial assets – by type	Gross amount of assets ($)	Master netting offset ($)	Collateral pledged ($)	Net Amount ($)
Currency forward contracts	10,752	–	–	10,752
Options contracts – OTC	–	–	–	–
Swap contracts	–	–	–	–
	10,752	–	–	10,752

Financial liabilities – by type	Gross amount of liabilities ($)	Master netting offset ($)	Collateral pledged ($)	Net Amount ($)
Currency forward contracts	127,792	–	–	127,792
Options contracts – OTC	–	–	–	–
Swap contracts	–	–	–	–
	127,792	–	–	127,792

4. Interest in Underlying Funds (note 2)

The Fund did not hold any interest in Underlying Funds as at December 31, 2015 or December 31, 2014.

5. Comparison of net asset value per unit and net assets per unit (note 2)

The table below provides a comparison of the net asset value per unit and net assets per unit. The primary reason for the difference between the net asset value per unit and net assets per unit, if any, is described in note 2.

	December 31, 2015		December 31, 2014	
	Net asset value per unit ($)	Net assets per unit ($)	Net asset value per unit ($)	Net assets per unit ($)
Series M	13.21	13.21	12.55	12.55

Scotia U.S. Dividend Fund

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars except per unit amounts)	December 31, 2015	December 31, 2014
ASSETS		
Current assets		
Investments		
Non-derivative financial assets	175,507,814	146,966,222
Cash	23,633,371	26,951,323
Subscriptions receivable	173,795	164,403
Accrued investment income and other	229,075	110,957
	199,544,055	174,192,905
LIABILITIES		
Current liabilities		
Payable for securities purchased	426,524	–
Redemptions payable	134,698	6,101
Unrealized loss on currency forward contracts	1,226,195	–
	1,787,417	6,101
Net assets attributable to holders of redeemable units	197,756,638	174,186,804
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series A	68,625,280	36,339,248
Series I	129,131,358	137,847,556
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series A	14.41	13.56
Series I	14.63	13.73

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except per unit amounts)	2015	2014
INCOME		
Net gain (loss) on investments (note 2)		
Dividends	3,448,408	3,629,523
Interest for distribution purposes	688,369	261,450
Capital gains distributions received	3,956	(3,601)
Net realized gain (loss) on non-derivative financial assets	27,816,338	23,779,695
Net realized gain (loss) on currency forward contracts	(7,067,380)	(4,083,264)
Change in unrealized gain (loss) on non-derivative financial assets	(206,074)	3,176,497
Change in unrealized gain (loss) on currency forward contracts	(1,226,195)	192,924
Change in unrealized gain (loss) on currency spots contracts	–	(1,003)
Net gain (loss) on investments	23,457,422	26,952,221
Securities lending	7,123	404
Net realized and unrealized gain(loss) on foreign exchange	4,632,128	702,015
Other income	2,090	1,418
Total income (loss)	28,098,763	27,656,058
EXPENSES		
Management fees (note 5)	1,040,617	520,360
Fixed administration fees (note 6)	179,324	42,266
Independent Review Committee fees	1,094	322
Interest expense and bank overdraft charges	23	–
Foreign withholding taxes/tax reclaims	565,655	575,892
Audit fees	–	3,338
Custodian fees	–	3,152
Filing fees	–	10,102
Legal fees	–	492
Unitholder administration costs	–	18,063
Unitholder reporting costs	–	6,068
Other fund costs	246	–
Harmonized Sales Tax/Goods and Services Tax	116,153	54,109
Transaction costs	235,424	191,052
Total expenses	2,138,536	1,425,216
Expenses absorbed by the Manager	–	(104)
Net expenses	2,138,536	1,425,112
Increase (decrease) in net assets attributable to holders of redeemable units from operations	25,960,227	26,230,946
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A	5,564,119	4,433,225
Series I	20,396,108	21,797,721
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT†		
Series A	1.45	2.10
Series I	2.07	2.28
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series A	3,836,373	2,110,653
Series I	9,861,260	9,540,166

† The increase (decrease) in net assets attributable to holders of redeemable units from operations 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 number of units per series.

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

Scotia U.S. Dividend Fund (Continued)

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the periods ended December 31 (note 1),

(in dollars)	2015	2014
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series A	36,339,248	17,900,530
Series I	137,847,556	119,013,954
	174,186,804	136,914,484
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A	5,564,119	4,433,225
Series I	20,396,108	21,797,721
	25,960,227	26,230,946
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net investment income		
Series A	(6,476)	(59,802)
Series I	(2,339,713)	(2,494,822)
From net realized gains on investments		
Series A	(3,594,104)	(2,908,640)
Series I	(6,810,378)	(11,177,821)
	(12,750,671)	(16,641,085)
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A	35,943,049	18,892,099
Series I	16,680,070	33,193,207
Reinvested distributions		
Series A	3,581,125	2,956,791
Series I	9,150,089	13,672,643
Payments on redemption		
Series A	(9,201,681)	(4,874,955)
Series I	(45,792,374)	(36,157,326)
	10,360,278	27,682,459
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A	32,286,032	18,438,718
Series I	(8,716,198)	18,833,602
	23,569,834	37,272,320
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series A	68,625,280	36,339,248
Series I	129,131,358	137,847,556
	197,756,638	174,186,804

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	25,960,227	26,230,946
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(27,816,338)	(23,779,695)
Unrealized (gain) loss on foreign exchange of cash	(4,958,220)	(730,146)
Change in unrealized (gain) loss on non-derivative financial assets	206,074	(3,176,497)
Change in unrealized (gain) loss on currency forward contracts	1,226,195	(192,924)
Change in unrealized (gain) loss on currency spot contracts	–	1,003
Purchases of non-derivative financial assets	(292,144,174)	(198,932,772)
Proceeds from sale of non-derivative financial assets	291,403,945	204,358,550
Transaction costs	235,424	191,052
Accrued investment income and other	(118,118)	41,587
Net cash provided by (used in) operating activities	(6,004,985)	4,011,104
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	52,613,727	52,038,881
Amounts paid on redemption of redeemable units	(54,865,457)	(41,026,180)
Distributions to unitholders of redeemable units	(19,457)	(11,651)
Net cash provided by (used in) financing activities	(2,271,187)	11,001,050
Unrealized gain (loss) on foreign exchange of cash	4,958,220	730,146
Net increase (decrease) in cash	(8,276,172)	15,012,154
Cash (bank overdraft), beginning of period	26,951,323	11,209,023
CASH (BANK OVERDRAFT), END OF PERIOD	23,633,371	26,951,323
Interest paid[1]	23	–
Interest received[1]	686,574	327,144
Dividends received, net of withholding taxes[1]	2,766,431	2,901,721

[1] Classified as operating items.

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

Scotia U.S. Dividend Fund (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2015

Number of Shares	Issuer	Average Cost ($)	Carrying Value ($)
EQUITIES – 88.7%			
Energy – 2.2%			
14,000	Exxon Mobil Corporation	1,501,286	1,508,872
30,000	Schlumberger Limited	2,925,997	2,892,873
		4,427,283	4,401,745
Materials – 1.3%			
40,000	Franco-Nevada Corporation	2,470,712	2,529,492
Industrials – 12.3%			
17,000	3M Co.	3,172,620	3,541,676
45,000	Cintas Corporation	4,932,996	5,666,464
35,000	General Dynamics Corporation	6,307,401	6,647,178
35,000	Honeywell International Inc.	3,898,872	5,011,825
26,000	United Parcel Service, Inc., Class B	3,263,670	3,459,499
		21,575,559	24,326,642
Consumer Discretionary – 11.6%			
50,000	Cedar Fair–LP	3,635,606	3,861,314
45,000	Extended Stay America, Inc.	1,023,213	988,286
40,000	Home Depot Inc., The	5,123,921	7,316,027
44,000	TJX Companies, Inc., The	4,169,594	4,314,990
45,000	Walt Disney Company, The	6,167,523	6,539,616
		20,119,857	23,020,233
Consumer Staples – 13.6%			
15,000	Kimberly-Clark Corporation	2,091,158	2,640,408
50,000	Kroger Co., The	1,490,912	2,892,528
40,000	PepsiCo, Inc.	5,119,516	5,525,606
40,000	Procter & Gamble Company, The	3,799,476	4,392,106
40,000	Wal-Mart Stores, Inc.	3,207,084	3,391,096
69,000	Walgreens Boots Alliance Inc.	5,509,736	8,126,039
		21,217,882	26,967,783
Health Care – 9.0%			
10,000	Amgen Inc.	1,630,428	2,245,011
20,000	Becton, Dickinson and Company	2,982,654	4,262,105
35,000	Johnson & Johnson	4,274,786	4,970,923
12,000	Teleflex Incorporated	1,232,243	2,181,532
25,000	UnitedHealth Group Incorporated	2,485,240	4,067,379
		12,605,351	17,726,950
EQUITIES (cont'd)			
Financials – 20.3%			
116,000	Bank of New York Mellon Corporation, The	4,786,307	6,612,804
55,000	Brookfield Property Partners LP (US)	1,299,766	1,767,740
16,000	Chubb Corporation, The	2,908,751	2,934,598
80,000	First Republic Bank	5,174,319	7,305,517
181,000	Store Capital Corporation	5,247,408	5,803,705
100,000	SunTrust Banks, Inc.	4,728,198	5,924,738
47,000	Synchrony Financial	1,922,484	1,975,694
25,000	Torchmark Corporation	1,850,886	1,976,296
100,000	U.S. Bancorp	5,037,074	5,899,152
		32,955,193	40,200,244
Information Technology – 13.9%			
70,000	Accenture PLC, Class A	8,412,243	10,116,586
15,000	Apple Inc.	2,215,651	2,182,880
20,000	Harris Corporation	2,074,726	2,403,640
75,000	Microsoft Corporation	3,791,822	5,752,036
65,000	Visa Inc.	6,221,063	6,971,317
		22,715,505	27,426,459
Utilities – 4.5%			
170,000	Brookfield Infrastructure Partners LP	7,835,135	8,908,266
	TOTAL INVESTMENT PORTFOLIO	145,922,477	175,507,814
	Currency Forward Contracts – (0.6%)		(1,226,195)
	OTHER ASSETS, LESS LIABILITIES – 11.9%		23,475,019
	NET ASSETS – 100.0%		197,756,638

CURRENCY FORWARD CONTRACTS

Settlement Date	Currency To Be Received	Contractual Amount	Currency To Be Delivered	Contractual Amount	Canadian Value as at December 31, 2015 ($)	Canadian ($) Appreciation/ (Depreciation)
Mar. 18, 2016	Canadian Dollar	37,497,613	U.S. Dollar	27,371,000	37,835,558	(337,945)
Mar. 18, 2016	Canadian Dollar	35,497,681	U.S. Dollar	25,911,000	35,817,368	(319,686)
Mar. 18, 2016	Canadian Dollar	27,865,249	U.S. Dollar	20,337,000	28,112,300	(247,051)
Mar. 18, 2016	Canadian Dollar	17,354,554	U.S. Dollar	12,669,000	17,512,648	(158,095)
Mar. 18, 2016	Canadian Dollar	9,346,248	U.S. Dollar	6,823,000	9,431,589	(85,341)
Mar. 18, 2016	U.S. Dollar	6,943,000	Canadian Dollar	9,675,557	9,680,190	(78,077)
						(1,226,195)

The currency forward contracts outstanding at December 31, 2015 are placed with a financial institution with a credit rating of AA by DBRS.

For equities, all common shares unless otherwise noted.

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

Scotia U.S. Dividend Fund

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

1. The Fund (note 1)

The Fund's investment objective aims to achieve a high level of total investment return, consisting of dividend income and capital gains. It invests primarily in equity securities of U.S. companies that pay, or may be expected to pay, dividends.

2. Risks associated with financial instruments (note 4)

i) Interest rate risk

The majority of the Fund's financial assets and liabilities were non-interest bearing as at December 31, 2015 and 2014. Accordingly, the Fund is not directly subject to significant risk due to fluctuations in the prevailing levels of market interest rates.

ii) Currency risk

The tables below indicate the currencies to which the Fund had significant exposure, net of the impact of currency forward contracts and currency spot contracts, if any, based on the monetary and non-monetary assets and liabilities of the Fund. The tables also illustrate the potential impact on the Fund if the functional currency of the Fund had strengthened or weakened by 10% in relation to each of the other currencies, with all other variables held constant.

	December 31, 2015			
Currency	Net currency exposure ($)	Percentage of net assets (%)	Impact on the Fund ($)	Percentage of net assets (%)
US Dollar	79,611,912	40.3	7,961,191	4.0
	79,611,912	40.3	7,961,191	4.0

	December 31, 2014			
Currency	Net currency exposure ($)	Percentage of net assets (%)	Impact on the Fund ($)	Percentage of net assets (%)
US Dollar	173,833,213	99.8	17,383,321	10.0
	173,833,213	99.8	17,383,321	10.0

iii) Price risk

Price risk is the risk that the carrying 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 price risk is mainly in equities, derivatives and commodities, if applicable. As at December 31, 2015, approximately 88.7% (December 31, 2014 – 84.4%) of the Fund's net assets were exposed to price risk. If prices of these investments had decreased or increased by 10%, with all other variables held constant, net assets of the Fund would have decreased or increased, respectively, by approximately $17,550,781 (December 31, 2014 – $14,696,622). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

iv) Credit risk

The Fund had no significant exposure to bonds and debentures, preferred shares or derivatives as at December 31, 2015 or December 31, 2014. In addition, all investment transactions are executed by brokers with an approved credit rating. As such the risk of default on transactions with counterparties and brokers related to purchase and sale of securities is considered minimal. In instances where the credit rating were to fall below the approved rating, the Manager would take appropriate action.

v) Liquidity risk

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

	December 31, 2015		December 31, 2014	
	On demand ($)	Less than 3 months ($)	On demand ($)	Less than 3 months ($)
Current liabilities	–	561,222	–	6,101
Liability for written options	–	–	–	–
Unrealized loss on derivatives	–	1,226,195	–	–
Redeemable units	197,756,638	–	174,186,804	–
	197,756,638	1,787,417	174,186,804	6,101

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, geographical location,

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

asset type or industry sector, as applicable. The table below is a summary of the Fund's concentration risk:

	Percentage of net assets (%)	
	December 31, 2015	December 31, 2014
Consumer Discretionary	11.6	4.0
Consumer Staples	13.6	16.0
Energy	2.2	5.2
Financials	20.3	22.4
Health Care	9.0	14.3
Industrials	12.3	14.3
Information Technology	13.9	4.0
Materials	1.3	–
Utilities	4.5	4.2

vii) Fair value classification (note 2)

The tables below illustrate the classification of the Fund's financial instruments within the fair value hierarchy.

December 31, 2015	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Equities	175,507,814	–	–	175,507,814
Currency forward contracts–liabilities	–	(1,226,195)	–	(1,226,195)
	175,507,814	(1,226,195)	–	174,281,619

December 31, 2014	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Equities	146,966,222	–	–	146,966,222
	146,966,222	–	–	146,966,222

Transfers between levels

During the periods ended December 31, 2015 and 2014, there were no significant transfers between Level 1 and Level 2.

3. Offsetting of financial assets and liabilities (note 2)

The following tables present offsetting of financial assets and liabilities and collateral amounts that would occur if future events, such as bankruptcy or termination of contracts were to arise. No amounts were offset in the financial statements.

	December 31, 2015			
Financial assets – by type	Gross amount of assets ($)	Master netting offset ($)	Collateral pledged ($)	Net amount ($)
Currency forward contracts	–	–	–	–
Options contracts – OTC	–	–	–	–
Swap contracts	–	–	–	–
	–	–	–	–

Financial liabilities – by type	Gross amount of liabilities ($)	Master netting offset ($)	Collateral pledged ($)	Net amount ($)
Currency forward contracts	1,226,195	–	–	1,226,195
Options contracts – OTC	–	–	–	–
Swap contracts	–	–	–	–
	1,226,195	–	–	1,226,195

As at December 31, 2014, the Fund did not enter into any agreement whereby the financial instruments were eligible for offset.

4. Interest in Underlying Funds (note 2)

The Fund did not hold any interest in Underlying Funds as at December 31, 2015 or December 31, 2014.

5. Comparison of net asset value per unit and net assets per unit (note 2)

The table below provides a comparison of the net asset value per unit and net assets per unit. The primary reason for the difference between the net asset value per unit and net assets per unit, if any, is described in note 2.

	December 31, 2015		December 31, 2014	
	Net asset value per unit ($)	Net assets per unit ($)	Net asset value per unit ($)	Net assets per unit ($)
Series A	14.41	14.41	13.56	13.56
Series I	14.63	14.63	13.73	13.73

Scotia Private U.S. Dividend Pool

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars except per unit amounts)	December 31, 2015	December 31, 2014
ASSETS		
Current assets		
Investments		
Non-derivative financial assets	1,120,260,638	1,119,962,068
Unrealized gain on currency forward contracts	–	313,668
Cash	110,300,146	79,542,173
Subscriptions receivable	3,148,960	1,914,734
Accrued investment income and other	1,750,796	2,021,655
	1,235,460,540	1,203,754,298
LIABILITIES		
Current liabilities		
Redemptions payable	809,871	900,143
Unrealized loss on currency forward contracts	–	3,981,876
Unrealized loss on currency spot contracts	8,056	155
	817,927	4,882,174
Net assets attributable to holders of redeemable units	1,234,642,613	1,198,872,124
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series I	24,349,996	142,133,841
Series M	1,210,292,617	1,056,738,283
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series I	18.68	16.13
Series M	19.96	17.25

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except per unit amounts)	2015	2014
INCOME		
Net gain (loss) on investments (note 2)		
Dividends	27,753,473	30,034,544
Interest for distribution purposes	10,988	3,734
Net realized gain (loss) on non-derivative financial assets	205,868,085	42,758,007
Net realized gain (loss) on currency forward contracts	(30,829,044)	(16,628,398)
Change in unrealized gain (loss) on non-derivative financial assets	11,545,069	107,218,542
Change in unrealized gain (loss) on currency forward contracts	3,668,208	(3,640,887)
Change in unrealized gain (loss) on currency spots contracts	(7,901)	1,041
Net gain (loss) on investments	218,008,878	159,746,583
Securities lending	4,460	14,550
Net realized and unrealized gain(loss) on foreign exchange	11,369,210	4,180,007
Total income (loss)	229,382,548	163,941,140
EXPENSES		
Management fees (note 5)	1,331,786	831,283
Fixed administration fees (note 6)	302,735	87,351
Independent Review Committee fees	1,074	1,880
Interest expense and bank overdraft charges	32,963	239
Foreign withholding taxes/tax reclaims	4,431,437	2,890,743
Audit fees	–	19,656
Custodian fees	–	6,942
Filing fees	–	4,046
Legal fees	–	2,793
Unitholder administration costs	–	67,744
Unitholder reporting costs	–	8,234
Other fund costs	1,546	–
Harmonized Sales Tax/Goods and Services Tax	170,996	103,894
Transaction costs	1,454,936	557,869
Total expenses	7,727,473	4,582,674
Expenses absorbed by the Manager	–	(363)
Net expenses	7,727,473	4,582,311
Increase (decrease) in net assets attributable to holders of redeemable units from operations	221,655,075	159,358,829
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series I	12,456,366	20,413,182
Series M	209,198,709	138,945,647
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT†		
Series I	2.36	2.55
Series M	2.93	2.66
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series I	5,279,915	8,006,477
Series M	71,401,509	52,320,231

† The increase (decrease) in net assets attributable to holders of redeemable units from operations 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 number of units per series.

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

Scotia Private U.S. Dividend Pool (Continued)

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the periods ended December 31 (note 1),

(in dollars)	2015	2014
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series I	142,133,841	28,694,385
Series M	1,056,738,283	700,163,014
	1,198,872,124	728,857,399
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series I	12,456,366	20,413,182
Series M	209,198,709	138,945,647
	221,655,075	159,358,829
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net investment income		
Series I	(1,053,288)	(3,318,093)
Series M	(20,547,533)	(21,984,074)
From net realized gains on investments		
Series I	(34,691)	–
Series M	(1,711,141)	–
	(23,346,653)	(25,302,167)
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series I	19,682,001	101,450,887
Series M	675,685,875	369,678,028
Reinvested distributions		
Series I	1,087,978	3,318,093
Series M	20,282,275	20,170,226
Payments on redemption		
Series I	(149,922,211)	(8,424,613)
Series M	(729,353,851)	(150,234,558)
	(162,537,933)	335,958,063
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series I	(117,783,845)	113,439,456
Series M	153,554,334	356,575,269
	35,770,489	470,014,725
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series I	24,349,996	142,133,841
Series M	1,210,292,617	1,056,738,283
	1,234,642,613	1,198,872,124

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	221,655,075	159,358,829
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(205,868,085)	(42,758,007)
Unrealized (gain) loss on foreign exchange of cash	(6,630,159)	(4,574,268)
Change in unrealized (gain) loss on non-derivative financial assets	(11,545,069)	(107,218,542)
Change in unrealized (gain) loss on currency forward contracts	(3,668,208)	3,640,887
Change in unrealized (gain) loss on currency spot contracts	7,901	(1,041)
Purchases of non-derivative financial assets	(994,204,887)	(523,450,471)
Proceeds from sale of non-derivative financial assets	1,209,864,535	244,417,874
Transaction costs	1,454,936	557,869
Accrued investment income and other	270,859	(721,746)
Net cash provided by (used in) operating activities	211,336,898	(270,748,616)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	694,133,650	471,143,219
Amounts paid on redemption of redeemable units	(879,366,334)	(158,068,693)
Distributions to unitholders of redeemable units	(1,976,400)	(1,813,848)
Net cash provided by (used in) financing activities	(187,209,084)	311,260,678
Unrealized gain (loss) on foreign exchange of cash	6,630,159	4,574,268
Net increase (decrease) in cash	24,127,814	40,512,062
Cash (bank overdraft), beginning of period	79,542,173	34,455,843
CASH (BANK OVERDRAFT), END OF PERIOD	110,300,146	79,542,173
Interest paid[1]	32,963	–
Interest received[1]	11,091	3,792
Dividends received, net of withholding taxes[1]	23,598,970	26,421,997

[1] Classified as operating items.

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

Scotia Private U.S. Dividend Pool (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2015

Number of Shares	Issuer	Average Cost ($)	Carrying Value ($)
EQUITIES – 90.7%			
Energy – 1.6%			
196,600	Valero Energy Corporation	19,850,191	19,225,782
Industrials – 22.8%			
197,700	3M Co.	40,746,453	41,187,612
181,700	Boeing Company, The	29,072,862	36,322,661
237,440	Danaher Corporation	19,486,625	30,493,145
368,800	Deere & Company	41,186,008	38,901,318
866,400	General Electric Company	20,086,206	37,306,712
219,740	Honeywell International Inc.	20,123,113	31,465,667
255,200	Stanley Black & Decker Inc.	26,071,373	37,660,415
265,100	Union Pacific Corporation	26,675,141	28,670,557
		223,447,781	282,008,087
Consumer Discretionary – 15.6%			
39,300	AutoZone, Inc.	30,606,394	40,323,984
299,410	Comcast Corporation, Class A	14,480,790	23,366,626
207,490	Home Depot Inc., The	21,048,497	37,950,064
63,700	LVMH Moet Hennessy Louis Vuitton SA	14,249,667	13,782,014
409,300	Omnicom Group Inc.	36,775,267	42,808,182
233,300	Walt Disney Company, The	31,906,107	33,904,275
		149,066,722	192,135,145
Consumer Staples – 13.4%			
233,060	CVS Caremark Corporation	17,275,459	31,505,179
258,600	Estee Lauder Companies Inc., The	31,970,404	31,483,201
551,200	Nestle SA	49,684,427	56,499,147
772,100	Unilever NV	41,840,042	46,297,591
		140,770,332	165,785,118
EQUITIES (cont'd)			
Health Care – 6.6%			
185,700	Cardinal Health, Inc.	10,388,073	22,922,613
246,270	Johnson & Johnson	26,699,608	34,976,832
329,700	Merck & Co., Inc.	19,679,149	24,084,465
		56,766,830	81,983,910
Financials – 11.9%			
217,100	Capital One Financial Corporation	20,932,435	21,667,365
229,000	Citigroup Inc.	11,134,608	16,389,492
832,000	Fifth Third Bancorp	15,383,330	23,128,051
233,500	JPMorgan Chase & Co.	11,918,932	21,322,977
568,600	Progressive Corporation, The	19,719,898	25,006,542
352,300	U.S. Bancorp	14,133,147	20,782,713
247,300	Wells Fargo & Company	8,831,635	18,583,326
		102,053,985	146,880,466
Information Technology – 18.8%			
185,200	Apple Inc.	22,943,837	26,951,291
226,840	Automatic Data Processing, Inc.	16,785,741	26,578,180
357,300	Check Point Software Technologies Ltd.	35,221,133	40,213,360
35,500	Google Inc. Class A	25,945,226	38,197,346
8,229	Google Inc. Class C	407,385	8,636,541
644,790	Microsoft Corporation	30,721,099	49,451,408
393,600	Visa Inc.	33,015,208	42,214,004
		165,039,629	232,242,130
	TOTAL INVESTMENT PORTFOLIO	856,995,470	1,120,260,638
	Currency Spot Contracts – (0.0%)		(8,056)
	OTHER ASSETS, LESS LIABILITIES – 9.3%		114,390,031
	NET ASSETS – 100.0%		1,234,642,613

CURRENCY SPOT CONTRACTS

Settlement Date	Currency To Be Received	Contractual Amount	Currency To Be Delivered	Contractual Amount	Canadian Value as at December 31, 2015 ($)	Canadian ($) Appreciation/ (Depreciation)
Jan. 4, 2016	U.S. Dollar	1,326,654	Canadian Dollar	1,842,191	1,842,194	(7,442)
Jan. 5, 2016	U.S. Dollar	358,849	Canadian Dollar	496,898	496,899	(614)
						(8,056)

The currency spot contracts outstanding at December 31, 2015 are placed with a financial institution with a credit rating of AA by DBRS.

For equities, all common shares unless otherwise noted.

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

Scotia Private U.S. Dividend Pool

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

1. The Fund (note 1)

The Fund's investment objective is to achieve a high level of total investment return, including dividend income and capital gains. It invests primarily in equity securities of U.S. companies that pay, or may be expected to pay, dividends.

2. Risks associated with financial instruments (note 4)

i) Interest rate risk

The majority of the Fund's financial assets and liabilities were non-interest bearing as at December 31, 2015 and 2014. Accordingly, the Fund is not directly subject to significant risk due to fluctuations in the prevailing levels of market interest rates.

ii) Currency risk

The tables below indicate the currencies to which the Fund had significant exposure, net of the impact of currency forward contracts and currency spot contracts, if any, based on the monetary and non-monetary assets and liabilities of the Fund. The tables also illustrate the potential impact on the Fund if the functional currency of the Fund had strengthened or weakened by 10% in relation to each of the other currencies, with all other variables held constant.

	December 31, 2015			
Currency	Net currency exposure ($)	Percentage of net assets (%)	Impact on the Fund ($)	Percentage of net assets (%)
US Dollar	1,115,333,390	90.3	111,533,339	9.0
European Euro	60,767,340	4.9	6,076,734	0.5
Swiss Franc	56,499,147	4.6	5,649,915	0.5
Total	1,232,599,877	99.8	123,259,988	10.0

	December 31, 2014			
Currency	Net currency exposure ($)	Percentage of net assets (%)	Impact on the Fund ($)	Percentage of net assets (%)
US Dollar	942,485,248	78.6	94,248,525	7.9
	942,485,248	78.6	94,248,525	7.9

iii) Price risk

Price risk is the risk that the carrying 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 price risk is mainly in equities, derivatives and commodities, if applicable. As at December 31, 2015, approximately 90.7% (December 31, 2014 – 93.4%) of the Fund's net assets were exposed to price risk. If prices of these investments had decreased or increased by 10%, with all other variables held constant, net assets of the Fund would have decreased or increased, respectively, by approximately $112,026,064 (December 31, 2014 – $111,996,207). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

iv) Credit risk

The Fund had no significant exposure to bonds and debentures, preferred shares or derivatives as at December 31, 2015 or December 31, 2014. In addition, all investment transactions are executed by brokers with an approved credit rating. As such the risk of default on transactions with counterparties and brokers related to purchase and sale of securities is considered minimal. In instances where the credit rating were to fall below the approved rating, the Manager would take appropriate action.

v) Liquidity risk

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

	December 31, 2015		December 31, 2014	
	On demand ($)	Less than 3 months ($)	On demand ($)	Less than 3 months ($)
Current liabilities	–	809,871	–	900,143
Liability for written options	–	–	–	–
Unrealized loss on derivatives	–	8,056	–	3,982,031
Redeemable units	1,234,642,613	–	1,198,872,124	–
	1,234,642,613	817,927	1,198,872,124	4,882,174

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, geographical location,

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

asset type or industry sector, as applicable. The table below is a summary of the Fund's concentration risk:

	Percentage of net assets (%)	
	December 31, 2015	December 31, 2014
Consumer Discretionary	15.6	13.7
Consumer Staples	13.4	6.9
Energy	1.6	9.1
Financials	11.9	13.1
Health Care	6.6	16.4
Industrials	22.8	11.5
Information Technology	18.8	16.5
Materials	–	5.1
Telecommunication Services	–	1.1

vii) Fair value classification (note 2)

The tables below illustrate the classification of the Fund's financial instruments within the fair value hierarchy.

December 31, 2015	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Equities	1,120,260,638	–	–	1,120,260,638
Currency spot contracts–liabilities	(8,056)	–	–	(8,056)
	1,120,252,582	–	–	1,120,252,582

December 31, 2014	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Equities	1,119,826,133	–	–	1,119,826,133
Warrants, rights and options	135,935	–	–	135,935
Currency forward contracts–assets	–	313,668	–	313,668
	1,119,962,068	313,668	–	1,120,275,736
Currency forward contracts–liabilities	–	(3,981,876)	–	(3,981,876)
Currency spot contracts–liabilities	(155)	–	–	(155)
	1,119,961,913	(3,668,208)	–	1,116,293,705

Transfers between levels

During the periods ended December 31, 2015 and 2014, there were no significant transfers between Level 1 and Level 2.

3. Offsetting of financial assets and liabilities (note 2)

As at December 31, 2015, the Fund did not enter into any agreement whereby the financial instruments were eligible for offset.

The following tables present offsetting of financial assets and liabilities and collateral amounts that would occur if future events, such as bankruptcy or termination of contracts were to arise, as at December 31, 2014. No amounts were offset in the financial statements.

	December 31, 2014			
Financial assets – by type	Gross amount of assets ($)	Master netting offset ($)	Collateral pledged ($)	Net Amount ($)
Currency forward contracts	313,668	–	–	313,668
Options contracts – OTC	–	–	–	–
Swap contracts	–	–	–	–
	313,668	–	–	313,668

Financial liabilities – by type	Gross amount of liabilities ($)	Master netting offset ($)	Collateral pledged ($)	Net Amount ($)
Currency forward contracts	3,981,876	–	–	3,981,876
Options contracts – OTC	–	–	–	–
Swap contracts	–	–	–	–
	3,981,876	–	–	3,981,876

As at December 31, 2015, the Fund did not enter into any agreement whereby the financial instruments were eligible for offset.

4. Interest in Underlying Funds (note 2)

The Fund did not hold any interest in Underlying Funds as at December 31, 2015 or December 31, 2014.

5. Comparison of net asset value per unit and net assets per unit (note 2)

The table below provides a comparison of the net asset value per unit and net assets per unit. The primary reason for the difference between the net asset value per unit and net assets per unit, if any, is described in note 2.

	December 31, 2015		December 31, 2014	
	Net asset value per unit ($)	Net assets per unit ($)	Net asset value per unit ($)	Net assets per unit ($)
Series I	18.68	18.68	16.13	16.13
Series M	19.96	19.96	17.25	17.25

Scotia Private U.S. Equity Pool

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars except per unit amounts)	December 31, 2015	December 31, 2014
ASSETS		
Current assets		
Investments		
Non-derivative financial assets	345,213,807	350,693,312
Cash	32,872,894	14,456,307
Receivable for securities sold	10,531,467	–
Subscriptions receivable	529,506	476,351
Accrued investment income and other	167,039	379,516
	389,314,713	366,005,486
LIABILITIES		
Current liabilities		
Redemptions payable	112,662	509,948
	112,662	509,948
Net assets attributable to holders of redeemable units	389,202,051	365,495,538
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series I	4,335,460	5,627,368
Series M	384,866,591	359,868,170
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series I	9.35	10.41
Series M	9.46	10.55

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except per unit amounts)	2015	2014
INCOME		
Net gain (loss) on investments (note 2)		
Dividends	13,047,900	6,459,759
Interest for distribution purposes	20,950	19,234
Net realized gain (loss) on non-derivative financial assets	85,052,277	75,615,500
Change in unrealized gain (loss) on non-derivative financial assets	(59,544,540)	(31,353,195)
Net gain (loss) on investments	38,576,587	50,741,298
Securities lending	1,720	4,914
Net realized and unrealized gain(loss) on foreign exchange	7,412,675	1,465,694
Total income (loss)	45,990,982	52,211,906
EXPENSES		
Management fees (note 5)	399,191	332,552
Fixed administration fees (note 6)	80,980	25,330
Independent Review Committee fees	1,069	761
Interest expense and bank overdraft charges	59	6
Foreign withholding taxes/tax reclaims	609,938	747,767
Audit fees	–	7,755
Custodian fees	–	6,172
Filing fees	–	10,238
Legal fees	–	1,194
Unitholder administration costs	–	28,576
Unitholder reporting costs	–	5,390
Other fund costs	494	–
Harmonized Sales Tax/Goods and Services Tax	53,379	43,886
Transaction costs	549,630	926,920
Total expenses	1,694,740	2,136,547
Increase (decrease) in net assets attributable to holders of redeemable units from operations	44,296,242	50,075,359
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series I	667,092	4,046,943
Series M	43,629,150	46,028,416
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT†		
Series I	1.34	1.72
Series M	1.27	1.59
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series I	498,842	2,358,861
Series M	34,467,937	28,974,118

† The increase (decrease) in net assets attributable to holders of redeemable units from operations 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 number of units per series.

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the periods ended December 31 (note 1),

(in dollars)	2015	2014
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series I	5,627,368	158,070,741
Series M	359,868,170	311,020,812
	365,495,538	469,091,553
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series I	667,092	4,046,943
Series M	43,629,150	46,028,416
	44,296,242	50,075,359
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net investment income		
Series I	(134,029)	(83,183)
Series M	(11,631,330)	(5,157,250)
From net realized gains on investments		
Series I	(718,547)	(855,041)
Series M	(64,568,620)	(50,654,040)
	(77,052,526)	(56,749,514)
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series I	231,000	10,356,000
Series M	97,559,998	73,399,214
Reinvested distributions		
Series I	852,576	938,223
Series M	75,356,599	55,464,318
Payments on redemption		
Series I	(2,190,000)	(166,846,315)
Series M	(115,347,376)	(70,233,300)
	56,462,797	(96,921,860)
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series I	(1,291,908)	(152,443,373)
Series M	24,998,421	48,847,358
	23,706,513	(103,596,015)
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series I	4,335,460	5,627,368
Series M	384,866,591	359,868,170
	389,202,051	365,495,538

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	44,296,242	50,075,359
Adjustments for:		
Non-cash income in kind	(7,298,634)	–
Net realized (gain) loss on non-derivative financial assets	(85,052,277)	(75,615,500)
Unrealized (gain) loss on foreign exchange of cash	(6,273,624)	(1,096,137)
Change in unrealized (gain) loss on non-derivative financial assets	59,544,540	31,353,195
Purchases of non-derivative financial assets	(616,637,063)	(731,051,669)
Proceeds from sale of non-derivative financial assets	643,841,842	881,752,304
Transaction costs	549,630	926,920
Accrued investment income and other	212,477	(25,123)
Net cash provided by (used in) operating activities	33,183,133	156,319,349
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	97,737,843	83,820,075
Amounts paid on redemption of redeemable units	(117,934,662)	(236,827,339)
Distributions to unitholders of redeemable units	(843,351)	(346,973)
Net cash provided by (used in) financing activities	(21,040,170)	(153,354,237)
Unrealized gain (loss) on foreign exchange of cash	6,273,624	1,096,137
Net increase (decrease) in cash	12,142,963	2,965,112
Cash (bank overdraft), beginning of period	14,456,307	10,395,058
CASH (BANK OVERDRAFT), END OF PERIOD	32,872,894	14,456,307
Interest paid[1]	59	–
Interest received[1]	19,344	19,191
Dividends received, net of withholding taxes[1]	12,652,045	5,686,912

[1] Classified as operating items.

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

Scotia Private U.S. Equity Pool (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2015

Number of Shares	Issuer	Average Cost ($)	Carrying Value ($)
EQUITIES – 88.7%			
Energy – 5.6%			
86,900	EOG Resources, Inc.	9,550,163	8,507,684
285,800	Halliburton Company	14,759,716	13,454,620
		24,309,879	21,962,304
Industrials – 18.6%			
40,800	Canadian Pacific Railway Limited	8,099,678	7,210,584
49,885	Eaton Corporation	3,972,821	3,589,234
155,400	Ingersoll-Rand PLC	12,981,027	11,882,758
315,200	MasTec Inc.	6,975,130	7,576,273
333,700	Quanta Services, Inc.	11,364,958	9,345,464
75,100	Ryder System, Inc.	8,920,198	5,902,517
149,600	SPX Corporation	13,298,462	1,930,336
149,600	SPX FLOW Inc.	7,298,634	5,771,353
134,100	Union Pacific Corporation	18,394,782	14,502,911
48,200	United Rentals, Inc.	4,102,061	4,835,532
		95,407,751	72,546,962
Consumer Discretionary – 14.3%			
18,900	Advance Auto Parts, Inc.	3,590,154	3,934,113
79,111	AMC Entertainment Holdings Inc., Class A	2,829,382	2,627,478
37,300	BorgWarner, Inc.	2,551,610	2,230,046
129,400	Brunswick Corporation	7,904,504	9,036,543
107,000	Comcast Corporation, Class A	7,966,668	8,350,519
60,500	Dollar General Corp.	5,648,743	6,011,762
36,900	Dollar Tree, Inc.	3,151,458	3,940,722
175,000	Mattel, Inc.	5,661,986	6,575,781
52,400	Signet Jewelers Ltd.	9,215,508	8,958,228
38,200	Tiffany & Co.	4,106,960	4,030,423
		52,626,973	55,695,615
Consumer Staples – 2.1%			
60,700	CVS Caremark Corporation	7,870,563	8,205,459
Health Care – 27.7%			
118,600	Aetna Inc.	17,249,664	17,734,150
76,900	Anthem, Inc.	14,309,652	14,829,734
91,100	Becton, Dickinson and Company	16,213,655	19,413,887
47,300	CIGNA Corporation	8,119,201	9,583,701
39,500	HCA Holdings, Inc.	3,937,924	3,694,504
183,300	Medtronic, Inc.	14,022,995	19,493,069
316,900	Team Health Holdings Inc.	21,062,914	19,235,678
24,700	Valeant Pharmaceuticals International, Inc.	4,044,551	3,471,832
		98,960,556	107,456,555
Financials – 10.7%			
80,100	Capital One Financial Corporation	7,991,317	7,994,270
32,500	Citigroup Inc.	2,037,027	2,326,020
279,200	Discover Financial Services	20,213,956	20,704,364
92,800	Invesco Limited	4,171,788	4,299,445
67,100	Lazard Ltd.	4,110,306	4,174,088
26,500	Wells Fargo & Company	1,830,066	1,991,339
		40,354,460	41,489,526
Information Technology – 9.7%			
244,300	Cisco Systems, Inc.	6,524,662	9,174,722
221,800	Fidelity National Information Service, Inc.	19,295,362	18,579,703
1,800	Google Inc. Class A	1,454,930	1,936,767
171,400	Intel Corporation	6,922,249	8,166,194
		34,197,203	37,857,386
	TOTAL INVESTMENT PORTFOLIO	353,727,385	345,213,807
	OTHER ASSETS, LESS LIABILITIES – 11.3%		43,988,244
	NET ASSETS – 100.0%		389,202,051

For equities, all common shares unless otherwise noted.

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

Scotia Private U.S. Equity Pool

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

1. The Fund (note 1)

The Fund's investment objective is long-term capital growth. It invests primarily in a broad range of U.S. equity securities listed on major U.S. stock exchanges. The Fund may invest up to 10% of its assets in securities of companies located outside the U.S.

2. Risks associated with financial instruments (note 4)

i) Interest rate risk

The majority of the Fund's financial assets and liabilities were non-interest bearing as at December 31, 2015 and 2014. Accordingly, the Fund is not directly subject to significant risk due to fluctuations in the prevailing levels of market interest rates.

ii) Currency risk

The tables below indicate the currencies to which the Fund had significant exposure, net of the impact of currency forward contracts and currency spot contracts, if any, based on the monetary and non-monetary assets and liabilities of the Fund. The tables also illustrate the potential impact on the Fund if the functional currency of the Fund had strengthened or weakened by 10% in relation to each of the other currencies, with all other variables held constant.

	December 31, 2015			
Currency	Net currency exposure ($)	Percentage of net assets (%)	Impact on the Fund ($)	Percentage of net assets (%)
US Dollar	367,403,682	94.4	36,740,368	9.4
	367,403,682	94.4	36,740,368	9.4

	December 31, 2014			
Currency	Net currency exposure ($)	Percentage of net assets (%)	Impact on the Fund ($)	Percentage of net assets (%)
US Dollar	363,566,628	99.5	36,356,663	9.9
	363,566,628	99.5	36,356,663	9.9

iii) Price risk

Price risk is the risk that the carrying 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 price risk is mainly in equities, derivatives and commodities, if applicable. As at December 31, 2015, approximately 88.7% (December 31, 2014 – 96.0%) of the Fund's net assets were exposed to price risk. If prices of these investments had decreased or increased by 10%, with all other variables held constant, net assets of the Fund would have decreased or increased, respectively, by approximately $34,521,381 (December 31, 2014 – $35,069,331). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

iv) Credit risk

The Fund had no significant exposure to bonds and debentures, preferred shares or derivatives as at December 31, 2015 or December 31, 2014. In addition, all investment transactions are executed by brokers with an approved credit rating. As such the risk of default on transactions with counterparties and brokers related to purchase and sale of securities is considered minimal. In instances where the credit rating were to fall below the approved rating, the Manager would take appropriate action.

v) Liquidity risk

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

	December 31, 2015		December 31, 2014	
	On demand ($)	Less than 3 months ($)	On demand ($)	Less than 3 months ($)
Current liabilities	–	112,662	–	509,948
Liability for written options	–	–	–	–
Unrealized loss on derivatives	–	–	–	–
Redeemable units	389,202,051	–	365,495,538	–
	389,202,051	112,662	365,495,538	509,948

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, geographical location,

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

asset type or industry sector, as applicable. The table below is a summary of the Fund's concentration risk:

	Percentage of net assets (%)	
	December 31, 2015	December 31, 2014
Consumer Discretionary	14.3	6.3
Consumer Staples	2.1	7.3
Energy	5.6	4.4
Financials	10.7	21.8
Health Care	27.7	16.9
Industrials	18.6	9.0
Information Technology	9.7	24.9
Materials	–	5.4

vii) Fair value classification (note 2)

The tables below illustrate the classification of the Fund's financial instruments within the fair value hierarchy.

December 31, 2015	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Equities	345,213,807	–	–	345,213,807
	345,213,807	–	–	345,213,807

December 31, 2014	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Equities	350,693,312	–	–	350,693,312
	350,693,312	–	–	350,693,312

Transfers between levels

During the periods ended December 31, 2015 and 2014, there were no significant transfers between Level 1 and Level 2.

3. Offsetting of financial assets and liabilities (note 2)

As at December 31, 2015 or December 31, 2014, the Fund did not enter into any agreement whereby the financial instruments were eligible for offset.

4. Interest in Underlying Funds (note 2)

The Fund did not hold any interest in Underlying Funds as at December 31, 2015 or December 31, 2014.

5. Comparison of net asset value per unit and net assets per unit (note 2)

The table below provides a comparison of the net asset value per unit and net assets per unit. The primary reason for the difference between the net asset value per unit and net assets per unit, if any, is described in note 2.

	December 31, 2015		December 31, 2014	
	Net asset value per unit ($)	Net assets per unit ($)	Net asset value per unit ($)	Net assets per unit ($)
Series I	9.35	9.35	10.41	10.41
Series M	9.46	9.46	10.55	10.55

Scotia U.S. Blue Chip Fund

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars except per unit amounts)	December 31, 2015	December 31, 2014
ASSETS		
Current assets		
Investments		
Non-derivative financial assets	48,773,506	34,699,792
Unrealized gain on currency forward contracts	260,287	27,166
Unrealized gain on swap contracts	–	4,074
Cash	4,632,707	1,845,507
Subscriptions receivable	70,843	31,306
Accrued investment income and other	46,366	38,829
	53,783,709	36,646,674
LIABILITIES		
Current liabilities		
Redemptions payable	63,676	25,981
Unrealized loss on currency forward contracts	1,004,009	38,366
	1,067,685	64,347
Net assets attributable to holders of redeemable units	52,716,024	36,582,327
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series A	52,698,134	36,582,024
Series F	17,890	303
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series A	11.60	9.74
Series F	11.75	9.75

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except per unit amounts)	2015	2014
INCOME		
Net gain (loss) on investments (note 2)		
Dividends	572,963	450,689
Interest for distribution purposes	13,678	4,509
Net realized gain (loss) on non-derivative financial assets	4,115,230	3,161,649
Net realized gain (loss) on currency forward contracts	(811,036)	(606,640)
Net realized gain (loss) on swap contracts	(11,245)	255,032
Change in unrealized gain (loss) on non-derivative financial assets	5,211,349	2,681,698
Change in unrealized gain (loss) on currency forward contracts	(732,522)	64,708
Change in unrealized gain (loss) on swap contracts	(4,074)	(113,959)
Net gain (loss) on investments	8,354,343	5,897,686
Securities lending	150	278
Net realized and unrealized gain(loss) on foreign exchange	342,253	159,954
Other income	3,392	721
Total income (loss)	8,700,138	6,058,639
EXPENSES		
Management fees (note 5)	911,012	693,346
Fixed administration fees (note 6)	113,887	31,872
Independent Review Committee fees	1,128	72
Interest expense and bank overdraft charges	–	25
Foreign withholding taxes/tax reclaims	91,075	64,848
Audit fees	–	745
Custodian fees	–	1,057
Filing fees	–	10,015
Legal fees	–	111
Unitholder administration costs	–	50,027
Unitholder reporting costs	–	13,432
Other fund costs	66	–
Harmonized Sales Tax/Goods and Services Tax	111,325	85,732
Transaction costs	24,538	18,843
Total expenses	1,253,031	970,125
Increase (decrease) in net assets attributable to holders of redeemable units from operations	7,447,107	5,088,514
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A	7,446,490	5,088,509
Series F	617	5
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT†		
Series A	1.81	1.30
Series F	0.73	0.16
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series A	4,123,946	3,900,249
Series F	850	31

† The increase (decrease) in net assets attributable to holders of redeemable units from operations 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 number of units per series.

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

Scotia U.S. Blue Chip Fund (Continued)

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the periods ended December 31 (note 1),

(in dollars)	2015	2014
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series A	36,582,024	32,695,527
Series F	303	–
	36,582,327	32,695,527
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A	7,446,490	5,088,509
Series F	617	5
	7,447,107	5,088,514
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A	16,013,276	4,866,115
Series F	16,970	298
Payments on redemption		
Series A	(7,343,656)	(6,068,127)
	8,686,590	(1,201,714)
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A	16,116,110	3,886,497
Series F	17,587	303
	16,133,697	3,886,800
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series A	52,698,134	36,582,024
Series F	17,890	303
	52,716,024	36,582,327

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	7,447,107	5,088,514
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(4,115,230)	(3,161,649)
Unrealized (gain) loss on foreign exchange of cash	(301,578)	(147,214)
Change in unrealized (gain) loss on non-derivative financial assets	(5,211,349)	(2,681,698)
Change in unrealized (gain) loss on currency forward contracts	732,522	(64,708)
Change in unrealized (gain) loss on swap contracts	4,074	113,959
Purchases of non-derivative financial assets	(25,814,803)	(14,777,964)
Proceeds from sale of non-derivative financial assets	21,043,130	15,573,813
Transaction costs	24,538	18,843
Accrued investment income and other	(7,537)	(6,344)
Net cash provided by (used in) operating activities	(6,199,126)	(44,448)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	15,990,709	4,865,056
Amounts paid on redemption of redeemable units	(7,305,961)	(6,058,851)
Net cash provided by (used in) financing activities	8,684,748	(1,193,795)
Unrealized gain (loss) on foreign exchange of cash	301,578	147,214
Net increase (decrease) in cash	2,485,622	(1,238,243)
Cash (bank overdraft), beginning of period	1,845,507	2,936,536
CASH (BANK OVERDRAFT), END OF PERIOD	4,632,707	1,845,507
Interest received[1]	12,220	4,665
Dividends received, net of withholding taxes[1]	475,809	379,341

[1] Classified as operating items.

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2015

Number of Shares	Issuer	Average Cost ($)	Carrying Value ($)
EQUITIES – 92.4%			
Materials – 7.1%			
14,400	Ecolab Inc.	1,291,410	2,277,887
9,000	International Flavors & Fragrances Inc.	871,750	1,488,839
		2,163,160	3,766,726
Industrials – 10.4%			
15,900	Allegion Public Limited Company	1,015,170	1,449,223
20,400	Danaher Corporation	1,394,878	2,619,863
13,100	Union Pacific Corporation	816,333	1,416,765
		3,226,381	5,485,851
Consumer Discretionary – 12.7%			
5,900	Home Depot Inc., The	1,090,974	1,079,114
7,900	Limited Brands, Inc.	1,080,837	1,046,894
12,000	NIKE, Inc., Class B	1,101,518	1,037,493
18	Restaurant Brands International Limited Partnership	743	930
18,600	Starbucks Corporation	777,483	1,544,191
13,700	Walt Disney Company, The	998,517	1,990,950
		5,050,072	6,699,572
Consumer Staples – 15.4%			
47,000	Coca-Cola Company, The	2,036,965	2,792,427
4,100	Constellation Brands, Inc., Class A	794,009	807,559
7,200	Costco Wholesale Corporation	954,107	1,608,143
17,400	Estee Lauder Companies Inc., The	1,283,245	2,118,359
6,200	Molson Coors Brewing Company, Class B	793,149	805,322
		5,861,475	8,131,810
Health Care – 10.8%			
14,400	Novartis AG	1,573,227	1,713,195
10,500	Thermo Fisher Scientific, Inc.	1,381,501	2,059,863
29,300	Zoetis Inc.	1,547,644	1,941,798
		4,502,372	5,714,856
Financials – 10.2%			
17,500	American International Group, Inc.	891,654	1,499,820
5,800	Berkshire Hathaway Inc., Class B	1,039,071	1,058,538
18,100	Citigroup Inc.	843,368	1,295,414
20,500	Wells Fargo & Company	982,193	1,540,470
		3,756,286	5,394,242
Information Technology – 25.8%			
9,000	Adobe Systems Incorporated	492,774	1,168,829
23,400	Amphenol Corporation	1,050,053	1,690,268
5,300	Apple Inc.	817,876	771,284
900	Google Inc. Class A	538,297	968,383
2,406	Google Inc. Class C	891,739	2,525,157
7,800	MasterCard, Inc., Class A	1,065,200	1,051,064
35,800	Microsoft Corporation	1,198,244	2,745,639
24,800	Visa Inc.	700,744	2,659,825
		6,754,927	13,580,449
	TOTAL INVESTMENT PORTFOLIO	31,314,673	48,773,506
	Currency Forward Contracts – (1.4%)		(743,722)
	OTHER ASSETS, LESS LIABILITIES – 9.0%		4,686,240
	NET ASSETS – 100.0%		52,716,024

For equities, all common shares unless otherwise noted.

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

Scotia U.S. Blue Chip Fund (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

CURRENCY FORWARD CONTRACTS

Settlement Date	Currency To Be Received	Contractual Amount	Currency To Be Delivered	Contractual Amount	Canadian Value as at December 31, 2015 ($)	Canadian ($) Appreciation/ (Depreciation)
Jan 20, 2016	Canadian Dollar	18,392,502	US Dollar	13,800,000	19,080,803	(688,300)
Jan 20, 2016	US Dollar	2,900,000	Canadian Dollar	3,982,019	3,982,975	27,702
Jan 20, 2016	US Dollar	2,600,000	Canadian Dollar	3,522,436	3,523,282	72,498
Jan 20, 2016	US Dollar	2,500,000	Canadian Dollar	3,421,750	3,422,572	34,908
Jan 20, 2016	US Dollar	2,200,000	Canadian Dollar	3,033,305	3,034,033	8,549
Jan 20, 2016	US Dollar	2,200,000	Canadian Dollar	3,071,200	3,071,937	(29,355)
Jan 20, 2016	US Dollar	1,400,000	Canadian Dollar	1,900,500	1,900,956	35,232
Feb 18, 2016	Canadian Dollar	7,593,540	US Dollar	5,700,000	7,879,894	(286,354)
Feb 18, 2016	US Dollar	3,200,000	Canadian Dollar	4,389,136	4,390,888	34,686
Feb 18, 2016	US Dollar	1,600,000	Canadian Dollar	2,172,154	2,173,021	39,766
Feb 18, 2016	US Dollar	900,000	Canadian Dollar	1,237,253	1,237,747	6,946
						(743,722)

The currency forward contracts outstanding at December 31, 2015 are placed with a financial institution with a credit rating of A by DBRS.

Scotia U.S. Blue Chip Fund

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

1. The Fund (note 1)

The Fund's investment objective is long-term capital growth. It invests primarily in a broad range of U.S. equity securities.

2. Risks associated with financial instruments (note 4)

i) Interest rate risk

As at December 31, 2015, 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 nil (December 31, 2014 – $6,304 or approximately 0.0%).

ii) Currency risk

The tables below indicate the currencies to which the Fund had significant exposure, net of the impact of currency forward contracts and currency spot contracts, if any, based on the monetary and non-monetary assets and liabilities of the Fund. The tables also illustrate the potential impact on the Fund if the functional currency of the Fund had strengthened or weakened by 10% in relation to each of the other currencies, with all other variables held constant.

	December 31, 2015			
Currency	Net currency exposure ($)	Percentage of net assets (%)	Impact on the Fund ($)	Percentage of net assets (%)
US Dollar	49,110,490	93.2	4,911,049	9.3
	49,110,490	93.2	4,911,049	9.3

	December 31, 2014			
Currency	Net currency exposure ($)	Percentage of net assets (%)	Impact on the Fund ($)	Percentage of net assets (%)
US Dollar	29,769,631	81.4	2,976,963	8.1
	29,769,631	81.4	2,976,963	8.1

iii) Price risk

Price risk is the risk that the carrying 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 price risk is mainly in equities, derivatives and commodities, if applicable. As at December 31, 2015, approximately 92.4% (December 31, 2014 – 95.0%) of the Fund's net assets were exposed to price risk. If prices of these investments had decreased or increased by 10%, with all other variables held constant, net assets of the Fund would have decreased or increased, respectively, by approximately $4,877,351 (December 31, 2014 – $3,469,979). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

iv) Credit risk

The Fund had no significant exposure to bonds and debentures, preferred shares or derivatives as at December 31, 2015 or December 31, 2014. In addition, all investment transactions are executed by brokers with an approved credit rating. As such the risk of default on transactions with counterparties and brokers related to purchase and sale of securities is considered minimal. In instances where the credit rating were to fall below the approved rating, the Manager would take appropriate action.

v) Liquidity risk

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

	December 31, 2015		December 31, 2014	
	On demand ($)	Less than 3 months ($)	On demand ($)	Less than 3 months ($)
Current liabilities	–	63,676	–	25,981
Liability for written options	–	–	–	–
Unrealized loss on derivatives	–	1,004,009	–	38,366
Redeemable units	52,716,024	–	36,582,327	–
	52,716,024	1,067,685	36,582,327	64,347

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, geographical location, asset type or industry sector, as applicable. The table below is a summary of the Fund's concentration risk:

	Percentage of net assets (%)	
	December 31, 2015	December 31, 2014
Consumer Discretionary	12.7	12.0
Consumer Staples	15.4	11.1
Energy	–	4.4
Financials	10.2	11.2
Health Care	10.8	13.7
Industrials	10.4	15.5
Information Technology	25.8	18.8
Materials	7.1	8.1

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

vii) Fair value classification (note 2)

The tables below illustrate the classification of the Fund's financial instruments within the fair value hierarchy.

December 31, 2015	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Equities	48,773,506	–	–	48,773,506
Currency forward contracts–assets	–	260,287	–	260,287
	48,773,506	260,287	–	49,033,793
Currency forward contracts–liabilities	–	(1,004,009)	–	(1,004,009)
	48,773,506	(743,722)	–	48,029,784

December 31, 2014	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Equities	34,699,792	–	–	34,699,792
Currency forward contracts–assets	–	27,166	–	27,166
Swap contracts–assets	–	4,720	–	4,720
	34,699,792	31,886	–	34,731,678
Currency forward contracts–liabilities	–	(38,366)	–	(38,366)
Swap contracts–liabilities	–	(646)	–	(646)
	34,699,792	(7,126)	–	34,692,666

Transfers between levels

During the periods ended December 31, 2015 and 2014, there were no significant transfers between Level 1 and Level 2.

3. Offsetting of financial assets and liabilities (note 2)

The following tables present offsetting of financial assets and liabilities and collateral amounts that would occur if future events, such as bankruptcy or termination of contracts were to arise. No amounts were offset in the financial statements.

	December 31, 2015			
Financial assets – by type	Gross amount of assets ($)	Master netting offset ($)	Collateral pledged ($)	Net Amount ($)
Currency forward contracts	260,287	(260,287)	–	–
Options contracts – OTC	–	–	–	–
Swap contracts	–	–	–	–
	260,287	(260,287)	–	–

Financial liabilities – by type	Gross amount of liabilities ($)	Master netting offset ($)	Collateral pledged ($)	Net Amount ($)
Currency forward contracts	1,004,009	(260,287)	–	743,722
Options contracts – OTC	–	–	–	–
Swap contracts	–	–	–	–
	1,004,009	(260,287)	–	743,722

	December 31, 2014			
Financial assets – by type	Gross amount of assets ($)	Master netting offset ($)	Collateral pledged ($)	Net Amount ($)
Currency forward contracts	27,166	–	–	27,166
Options contracts – OTC	–	–	–	–
Swap contracts	4,074	–	–	4,074
	31,240	–	–	31,240

Financial liabilities – by type	Gross amount of liabilities ($)	Master netting offset ($)	Collateral pledged ($)	Net Amount ($)
Currency forward contracts	38,366	–	–	38,366
Options contracts – OTC	–	–	–	–
Swap contracts	–	–	–	–
	38,366	–	–	38,366

4. Interest in Underlying Funds (note 2)

The Fund did not hold any interest in Underlying Funds as at December 31, 2015 or December 31, 2014.

5. Comparison of net asset value per unit and net assets per unit (note 2)

The table below provides a comparison of the net asset value per unit and net assets per unit. The primary reason for the difference between the net asset value per unit and net assets per unit, if any, is described in note 2.

	December 31, 2015		December 31, 2014	
	Net asset value per unit ($)	Net assets per unit ($)	Net asset value per unit ($)	Net assets per unit ($)
Series A	11.60	11.60	9.74	9.74
Series F	11.75	11.75	9.75	9.75

Scotia U.S. Opportunities Fund

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars except per unit amounts)	December 31, 2015	December 31, 2014
ASSETS		
Current assets		
Investments		
Non-derivative financial assets	25,159,206	24,284,880
Cash	3,249,555	782,239
Receivable for securities sold	717,031	–
Subscriptions receivable	28,601	53,097
Accrued investment income and other	12,308	26,046
	29,166,701	25,146,262
LIABILITIES		
Current liabilities		
Payable for securities purchased	274,513	–
Redemptions payable	22,826	9,790
	297,339	9,790
Net assets attributable to holders of redeemable units	28,869,362	25,136,472
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series A	28,167,006	24,855,745
Series F	20,618	621
Series I	681,738	280,106
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series A	12.03	10.98
Series F	12.17	10.99
Series I	14.87	13.23

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except per unit amounts)	2015	2014
INCOME		
Net gain (loss) on investments (note 2)		
Dividends	811,192	444,673
Interest for distribution purposes	2,133	823
Net realized gain (loss) on non-derivative financial assets	5,802,744	3,102,243
Change in unrealized gain (loss) on non-derivative financial assets	(3,828,623)	(220,135)
Net gain (loss) on investments	2,787,446	3,327,604
Securities lending	48	35
Net realized and unrealized gain(loss) on foreign exchange	490,896	94,073
Other income	470	834
Total income (loss)	3,278,860	3,422,546
EXPENSES		
Management fees (note 5)	564,689	473,635
Fixed administration fees (note 6)	105,013	32,181
Independent Review Committee fees	1,140	50
Interest expense and bank overdraft charges	102	81
Foreign withholding taxes/tax reclaims	45,902	50,163
Audit fees	–	511
Custodian fees	–	2,118
Filing fees	–	10,401
Legal fees	–	76
Unitholder administration costs	–	23,966
Unitholder reporting costs	–	8,148
Other fund costs	37	–
Harmonized Sales Tax/Goods and Services Tax	71,371	57,924
Transaction costs	40,165	56,104
Total expenses	828,419	715,358
Expenses absorbed by the Manager	–	(1,598)
Net expenses	828,419	713,760
Increase (decrease) in net assets attributable to holders of redeemable units from operations	2,450,441	2,708,786
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A	2,416,035	2,682,101
Series F	(1,001)	3
Series I	35,407	26,682
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT†		
Series A	1.03	1.16
Series F	(1.28)	0.05
Series I	0.99	1.84
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series A	2,353,712	2,305,553
Series F	783	56
Series I	35,856	14,467

† The increase (decrease) in net assets attributable to holders of redeemable units from operations 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 number of units per series.

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

Scotia U.S. Opportunities Fund (Continued)

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the periods ended December 31 (note 1),

(in dollars)	2015	2014
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series A	24,855,745	21,110,512
Series F	621	–
Series I	280,106	103,015
	25,136,472	21,213,527
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A	2,416,035	2,682,101
Series F	(1,001)	3
Series I	35,407	26,682
	2,450,441	2,708,786
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A	5,359,120	5,732,533
Series F	20,998	618
Series I	511,875	208,184
Payments on redemption		
Series A	(4,463,894)	(4,669,401)
Series I	(145,650)	(57,775)
	1,282,449	1,214,159
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A	3,311,261	3,745,233
Series F	19,997	621
Series I	401,632	177,091
	3,732,890	3,922,945
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series A	28,167,006	24,855,745
Series F	20,618	621
Series I	681,738	280,106
	28,869,362	25,136,472

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	2,450,441	2,708,786
Adjustments for:		
Non-cash income in kind	(400,059)	–
Net realized (gain) loss on non-derivative financial assets	(5,802,744)	(3,102,243)
Unrealized (gain) loss on foreign exchange of cash	(451,417)	(67,187)
Change in unrealized (gain) loss on non-derivative financial assets	3,828,623	220,135
Purchases of non-derivative financial assets	(43,985,423)	(49,839,466)
Proceeds from sale of non-derivative financial assets	45,002,595	48,938,464
Transaction costs	40,165	56,104
Accrued investment income and other	13,738	(10,972)
Net cash provided by (used in) operating activities	695,919	(1,096,379)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	5,916,488	5,903,375
Amounts paid on redemption of redeemable units	(4,596,508)	(4,730,889)
Net cash provided by (used in) financing activities	1,319,980	1,172,486
Unrealized gain (loss) on foreign exchange of cash	451,417	67,187
Net increase (decrease) in cash	2,015,899	76,107
Cash (bank overdraft), beginning of period	782,239	638,945
CASH (BANK OVERDRAFT), END OF PERIOD	3,249,555	782,239
Interest paid[1]	102	–
Interest received[1]	1,635	817
Dividends received, net of withholding taxes[1]	779,526	383,544

[1] Classified as operating items.

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2015

Number of Shares	Issuer	Average Cost ($)	Carrying Value ($)
EQUITIES – 87.1%			
Energy – 5.2%			
6,100	EOG Resources, Inc.	673,064	597,202
19,400	Halliburton Company	1,004,715	913,295
		1,677,779	1,510,497
Industrials – 17.1%			
2,900	Canadian Pacific Railway Limited	576,516	512,517
3,489	Eaton Corporation	277,862	251,034
10,400	Ingersoll-Rand PLC	869,717	795,243
21,300	MasTec Inc.	471,123	511,975
24,000	Quanta Services, Inc.	826,922	672,134
5,300	Ryder System, Inc.	627,355	416,556
8,200	SPX Corporation	735,615	105,807
8,200	SPX FLOW Inc.	400,059	316,344
9,400	Union Pacific Corporation	1,281,490	1,016,610
3,400	United Rentals, Inc.	307,244	341,096
		6,373,903	4,939,316
Consumer Discretionary – 13.8%			
1,300	Advance Auto Parts, Inc.	246,859	270,600
5,475	AMC Entertainment Holdings Inc., Class A	195,609	181,839
2,500	BorgWarner, Inc.	171,004	149,467
9,300	Brunswick Corporation	568,098	649,458
7,500	Comcast Corporation, Class A	558,411	585,317
4,400	Dollar General Corp.	410,984	437,219
2,700	Dollar Tree, Inc.	231,723	288,346
12,700	Mattel, Inc.	411,343	477,214
3,800	Signet Jewelers Ltd.	669,517	649,643
2,700	Tiffany & Co.	293,015	284,873
		3,756,563	3,973,976
Consumer Staples – 3.0%			
6,400	CVS Caremark Corporation	845,259	865,156
Health Care – 26.1%			
8,300	Aetna Inc.	1,207,063	1,241,091
5,400	Anthem, Inc.	1,008,386	1,041,360
6,700	Becton, Dickinson and Company	1,194,385	1,427,805
3,100	CIGNA Corporation	494,311	628,107
2,700	HCA Holdings, Inc.	268,356	252,536
13,500	Medtronic, Inc.	1,039,843	1,435,659
20,600	Team Health Holdings Inc.	1,361,513	1,250,410
1,800	Valeant Pharmaceuticals International, Inc.	289,568	253,008
		6,863,425	7,529,976
Financials – 11.7%			
5,600	Capital One Financial Corporation	558,694	558,900
2,300	Citigroup Inc.	143,399	164,611
21,400	Discover Financial Services	1,552,614	1,586,937
6,600	Invesco Limited	296,699	305,780
10,100	Lazard Ltd.	610,870	628,290
1,900	Wells Fargo & Company	133,178	142,775
		3,295,454	3,387,293
Information Technology – 10.2%			
23,900	Cisco Systems, Inc.	699,305	897,568
16,200	Fidelity National Information Service, Inc.	1,410,167	1,357,039
100	Google Inc. Class A	80,600	107,598
12,400	Intel Corporation	501,983	590,787
		2,692,055	2,952,992
	TOTAL INVESTMENT PORTFOLIO	25,504,438	25,159,206
	OTHER ASSETS, LESS LIABILITIES – 12.9%		3,710,156
	NET ASSETS – 100.0%		28,869,362

For equities, all common shares unless otherwise noted.

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

Scotia U.S. Opportunities Fund

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

1. The Fund (note 1)

The Fund's investment objective is to achieve long-term capital growth. It invests primarily in equity securities of U.S. companies.

2. Risks associated with financial instruments (note 4)

i) Interest rate risk

The majority of the Fund's financial assets and liabilities were non-interest bearing as at December 31, 2015 and 2014. Accordingly, the Fund is not directly subject to significant risk due to fluctuations in the prevailing levels of market interest rates.

ii) Currency risk

The tables below indicate the currencies to which the Fund had significant exposure, net of the impact of currency forward contracts and currency spot contracts, if any, based on the monetary and non-monetary assets and liabilities of the Fund. The tables also illustrate the potential impact on the Fund if the functional currency of the Fund had strengthened or weakened by 10% in relation to each of the other currencies, with all other variables held constant.

	December 31, 2015			
Currency	Net currency exposure ($)	Percentage of net assets (%)	Impact on the Fund ($)	Percentage of net assets (%)
US Dollar	26,576,827	92.1	2,657,683	9.2
	26,576,827	92.1	2,657,683	9.2

	December 31, 2014			
Currency	Net currency exposure ($)	Percentage of net assets (%)	Impact on the Fund ($)	Percentage of net assets (%)
US Dollar	25,064,681	99.7	2,506,468	10.0
	25,064,681	99.7	2,506,468	10.0

iii) Price risk

Price risk is the risk that the carrying 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 price risk is mainly in equities, derivatives and commodities, if applicable. As at December 31, 2015, approximately 87.1% (December 31, 2014 – 96.6%) of the Fund's net assets were exposed to price risk. If prices of these investments had decreased or increased by 10%, with all other variables held constant, net assets of the Fund would have decreased or increased, respectively, by approximately $2,515,921 (December 31, 2014 – $2,428,488). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

iv) Credit risk

The Fund had no significant exposure to bonds and debentures, preferred shares or derivatives as at December 31, 2015 or December 31, 2014. In addition, all investment transactions are executed by brokers with an approved credit rating. As such the risk of default on transactions with counterparties and brokers related to purchase and sale of securities is considered minimal. In instances where the credit rating were to fall below the approved rating, the Manager would take appropriate action.

v) Liquidity risk

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

	December 31, 2015		December 31, 2014	
	On demand ($)	Less than 3 months ($)	On demand ($)	Less than 3 months ($)
Current liabilities	–	297,339	–	9,790
Liability for written options	–	–	–	–
Unrealized loss on derivatives	–	–	–	–
Redeemable units	28,869,362	–	25,136,472	–
	28,869,362	297,339	25,136,472	9,790

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, geographical location, asset type or industry sector, as applicable. The table below is a summary of the Fund's concentration risk:

	Percentage of net assets (%)	
	December 31, 2015	December 31, 2014
Consumer Discretionary	13.8	6.3
Consumer Staples	3.0	7.3
Energy	5.2	4.5
Financials	11.7	22.3
Health Care	26.1	17.0
Industrials	17.1	8.6
Information Technology	10.2	25.1
Materials	–	5.5

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

vii) Fair value classification (note 2)

The tables below illustrate the classification of the Fund's financial instruments within the fair value hierarchy.

December 31, 2015	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Equities	25,159,206	–	–	25,159,206
	25,159,206	–	–	25,159,206

December 31, 2014	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Equities	24,284,880	–	–	24,284,880
	24,284,880	–	–	24,284,880

Transfers between levels

During the periods ended December 31, 2015 and 2014, there were no significant transfers between Level 1 and Level 2.

3. Offsetting of financial assets and liabilities (note 2)

As at December 31, 2015 or December 31, 2014, the Fund did not enter into any agreement whereby the financial instruments were eligible for offset.

4. Interest in Underlying Funds (note 2)

The Fund did not hold any interest in Underlying Funds as at December 31, 2015 or December 31, 2014.

5. Comparison of net asset value per unit and net assets per unit (note 2)

The table below provides a comparison of the net asset value per unit and net assets per unit. The primary reason for the difference between the net asset value per unit and net assets per unit, if any, is described in note 2.

	December 31, 2015		December 31, 2014	
	Net asset value per unit ($)	Net assets per unit ($)	Net asset value per unit ($)	Net assets per unit ($)
Series A	12.03	12.03	10.98	10.98
Series F	12.17	12.17	10.99	10.99
Series I	14.87	14.87	13.23	13.23

Scotia Private International Core Equity Pool

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars except per unit amounts)	December 31, 2015	December 31, 2014
ASSETS		
Current assets		
Investments		
Non-derivative financial assets	438,466,131	44,742,607
Unrealized gain on currency spot contracts	–	416
Cash	24,907,604	2,264,092
Receivable for securities sold	–	9,571
Subscriptions receivable	987,140	49,453
Accrued investment income and other	321,138	17,614
	464,682,013	47,083,753
LIABILITIES		
Current liabilities		
Payable for securities purchased	–	331,931
Redemptions payable	255,267	37,569
	255,267	369,500
Net assets attributable to holders of redeemable units	464,426,746	46,714,253
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series M	464,426,746	46,714,253
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series M	11.12	9.74

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except per unit amounts)	2015	2014
INCOME		
Net gain (loss) on investments (note 2)		
Dividends	10,531,102	1,325,755
Interest for distribution purposes	192,643	24,445
Net realized gain (loss) on non-derivative financial assets	2,687,864	5,902,603
Net realized gain (loss) on currency forward contracts	840,835	–
Change in unrealized gain (loss) on non-derivative financial assets	13,395,630	(5,877,319)
Change in unrealized gain (loss) on currency spots contracts	(416)	1,067
Net gain (loss) on investments	27,647,658	1,376,551
Securities lending	65,744	5,309
Net realized and unrealized gain (loss) on foreign exchange	(238,465)	(36,362)
Total income (loss)	27,474,937	1,345,498
EXPENSES		
Management fees (note 5)	284,921	156,127
Fixed administration fees (note 6)	517,924	30,534
Independent Review Committee fees	785	111
Interest expense and bank overdraft charges	1,734	990
Foreign withholding taxes/tax reclaims	853,637	187,848
Audit fees	–	1,151
Custodian fees	–	27,056
Filing fees	–	9,705
Legal fees	–	182
Unitholder administration costs	–	4,284
Unitholder reporting costs	–	3,740
Other fund costs	570	–
Harmonized Sales Tax/Goods and Services Tax	87,705	24,721
Transaction costs	910,401	77,805
Total expenses	2,657,677	524,254
Increase (decrease) in net assets attributable to holders of redeemable units from operations	24,817,260	821,244
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series M	24,817,260	821,244
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT†		
Series M	0.93	0.15
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series M	26,572,603	5,380,503

† The increase (decrease) in net assets attributable to holders of redeemable units from operations 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 number of units per series.

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the periods ended December 31 (note 1),

(in dollars)	2015	2014
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series M	46,714,253	52,148,225
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series M	24,817,260	821,244
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net investment income		
Series M	(8,930,549)	(784,493)
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series M	435,236,374	23,430,408
Reinvested distributions		
Series M	8,115,549	750,351
Payments on redemption		
Series M	(41,526,141)	(29,651,482)
	401,825,782	(5,470,723)
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series M	417,712,493	(5,433,972)
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series M	464,426,746	46,714,253

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	24,817,260	821,244
Adjustments for:		
Non-cash income in kind	(2,674,188)	–
Net realized (gain) loss on non-derivative financial assets	(2,687,864)	(5,902,603)
Unrealized (gain) loss on foreign exchange of cash	(254,036)	(12,515)
Change in unrealized (gain) loss on non-derivative financial assets	(13,395,630)	5,877,319
Change in unrealized (gain) loss on currency spot contracts	416	(1,067)
Purchases of non-derivative financial assets	(477,801,124)	(46,373,158)
Proceeds from sale of non-derivative financial assets	101,602,521	51,838,052
Transaction costs	910,401	77,805
Accrued investment income and other	(303,524)	(2,799)
Net cash provided by (used in) operating activities	(369,785,768)	6,322,278
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	434,298,687	23,683,424
Amounts paid on redemption of redeemable units	(41,308,443)	(29,618,320)
Distributions to unitholders of redeemable units	(815,000)	(34,142)
Net cash provided by (used in) financing activities	392,175,244	(5,969,038)
Unrealized gain (loss) on foreign exchange of cash	254,036	12,515
Net increase (decrease) in cash	22,389,476	353,240
Cash (bank overdraft), beginning of period	2,264,092	1,898,337
CASH (BANK OVERDRAFT), END OF PERIOD	24,907,604	2,264,092
Interest paid[1]	1,734	–
Interest received[1]	185,297	23,965
Dividends received, net of withholding taxes[1]	9,381,288	1,135,588

[1] Classified as operating items.

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

Scotia Private International Core Equity Pool (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2015

Number of Shares	Issuer	Average Cost ($)	Carrying Value ($)
EQUITIES – 94.4%			
Finland – 4.6%			
117,700	Kone Oyj	6,549,531	6,849,124
295,400	Nokian Renkaat Oyj	11,472,490	14,521,987
		18,022,021	21,371,111
France – 5.2%			
62,700	Dassault Systemes SA	5,197,407	6,942,959
47,630	LVMH Moet Hennessy Louis Vuitton SA	10,421,881	10,305,139
101,619	Technip SA	7,755,366	6,947,159
		23,374,654	24,195,257
Germany – 1.5%			
43,500	Hannover Rueckversicherung AG	6,018,183	6,900,596
Hong Kong – 5.4%			
762,200	CK Hutchison Holdings Ltd.	15,456,239	14,148,229
11,578,000	Li & Fung Limited	12,598,401	10,805,244
		28,054,640	24,953,473
Japan – 16.9%			
346,000	Aeon Delight Co., Ltd.	11,618,048	15,348,362
778,000	Bank of Yokohama Ltd.	6,533,520	6,585,936
206,200	FUJIFILM Holdings Corporation	9,120,093	11,877,715
356,300	KDDI Corporation	11,353,112	12,756,138
205,300	Message Co., Ltd.	5,516,364	8,119,253
808,000	Mitsubishi Electric Corporation	12,051,941	11,716,076
117,900	Sumitomo Mitsui Financial Group, Inc.	6,710,829	6,150,835
67,683	Toyota Motor Corporation	5,267,138	5,745,515
		68,171,045	78,299,830
Netherlands – 2.9%			
227,800	Unilever NV	12,394,777	13,659,618
Norway – 8.6%			
905,610	Atea ASA	11,425,309	10,348,089
324,100	Gjensidige Forsikring ASA	6,740,206	7,143,243
529,400	Kongsberg Gruppen ASA	12,023,356	11,980,384
247,000	Statoil ASA	5,636,348	4,781,487
262,400	TGS Nopec Geophysical Co. ASA	7,615,135	5,744,932
		43,440,354	39,998,135
Russia – 1.6%			
869,530	Mobile TeleSystems ADR	10,040,866	7,431,778
Singapore – 7.4%			
4,679,700	ComfortDelGro Corporation Limited	12,865,423	13,845,945
432,900	DBS Group Holdings Limited	8,125,939	7,010,551
6,491,800	Mapletree Logistics Trust	6,984,122	6,251,191
369,100	United Overseas Bank Ltd.	7,650,577	7,028,680
		35,626,061	34,136,367
Spain – 2.7%			
207,887	Amadeus IT Holding SA, Class A	10,782,533	12,669,180
Sweden – 1.1%			
289,900	Svenska Handelsbanken AB	5,728,050	5,295,451
Switzerland – 11.9%			
66,900	Lonza Group AG	10,947,982	15,040,167
147,500	Nestle SA	14,346,128	15,119,055
53,303	Novartis AG	6,547,875	6,300,495
4,500	SGS SA	11,184,737	11,855,069
52,300	Swiss Re Ltd.	6,177,127	7,035,466
		49,203,849	55,350,252
EQUITIES (cont'd)			
United Kingdom – 20.6%			
201,200	Admiral Group PLC	6,047,056	6,769,849
477,363	Experian PLC	10,599,895	11,668,794
713,700	Inchcape PLC	11,119,347	11,351,426
208,200	Intertek Group PLC	10,588,091	11,778,751
2,031,351	ITV PLC	10,117,637	11,450,099
1,748,200	Mitie Group PLC	11,255,958	11,075,743
173,071	Rio Tinto PLC	9,784,549	6,977,213
482,800	Sky PLC	9,608,991	10,927,080
432,600	WPP Group PLC	13,024,598	13,774,545
		92,146,122	95,773,500
United States – 4.0%			
92,400	Check Point Software Technologies Ltd.	9,245,907	10,399,425
88,500	Teva Pharmaceutical Industries Ltd.	7,186,853	8,032,158
		16,432,760	18,431,583
	TOTAL INVESTMENT PORTFOLIO	419,435,915	438,466,131
	OTHER ASSETS, LESS LIABILITIES – 5.6%		25,960,615
	NET ASSETS – 100.0%		464,426,746

For equities, all common shares unless otherwise noted.

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

Scotia Private International Core Equity Pool

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

1. The Fund (note 1)

The Fund's investment objective is long-term capital growth. It invests primarily in a broad range of equity securities of companies located outside of North America. The Fund generally would not invest more than 20% of its assets in emerging markets.

2. Risks associated with financial instruments (note 4)

i) Interest rate risk

The majority of the Fund's financial assets and liabilities were non-interest bearing as at December 31, 2015 and 2014. Accordingly, the Fund is not directly subject to significant risk due to fluctuations in the prevailing levels of market interest rates.

ii) Currency risk

The tables below indicate the currencies to which the Fund had significant exposure, net of the impact of currency forward contracts and currency spot contracts, if any, based on the monetary and non-monetary assets and liabilities of the Fund. The tables also illustrate the potential impact on the Fund if the functional currency of the Fund had strengthened or weakened by 10% in relation to each of the other currencies, with all other variables held constant.

	December 31, 2015			
Currency	Net currency exposure ($)	Percentage of net assets (%)	Impact on the Fund ($)	Percentage of net assets (%)
British Pound	95,773,497	20.6	9,577,350	2.1
European Euro	78,883,713	17.0	7,888,371	1.7
Japanese Yen	78,394,244	16.9	7,839,424	1.7
Swiss Franc	55,350,263	11.9	5,535,026	1.2
Norwegian Krone	39,998,135	8.6	3,999,814	0.9
Singapore Dollar	34,136,367	7.4	3,413,637	0.7
US Dollar	25,863,363	5.6	2,586,336	0.6
Hong Kong Dollar	24,953,473	5.4	2,495,347	0.5
Swedish Krona	5,295,451	1.1	529,545	0.1
Mexican Peso	1	0.0	0	0.0
	438,648,507	94.5	43,864,850	9.5

	December 31, 2014			
Currency	Net currency exposure ($)	Percentage of net assets (%)	Impact on the Fund ($)	Percentage of net assets (%)
European Euro	10,759,808	23.0	1,075,981	2.3
British Pound	9,593,471	20.5	959,347	2.1
US Dollar	8,594,087	18.4	859,409	1.8
Swiss Franc	4,847,922	10.4	484,792	1.0
Japanese Yen	4,608,645	9.9	460,865	1.0
Hong Kong Dollar	3,931,144	8.4	393,114	0.8
Danish Krone	1,106,924	2.4	110,692	0.2
Swedish Krona	1,027,961	2.2	102,796	0.2
Brazilian Real	386,950	0.8	38,695	0.1
South Korean Won	207,686	0.4	20,769	–
	45,064,598	96.4	4,506,460	9.5

iii) Price risk

Price risk is the risk that the carrying 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 price risk is mainly in equities, derivatives and commodities, if applicable. As at December 31, 2015, approximately 94.4% (December 31, 2014 – 95.8%) of the Fund's net assets were exposed to price risk. If prices of these investments had decreased or increased by 10%, with all other variables held constant, net assets of the Fund would have decreased or increased, respectively, by approximately $43,846,613 (December 31, 2014 – $4,474,261). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

iv) Credit risk

The Fund had no significant exposure to bonds and debentures, preferred shares or derivatives as at December 31, 2015 or December 31, 2014. In addition, all investment transactions are executed by brokers with an approved credit rating. As such the risk of default on transactions with counterparties and brokers related to purchase and sale of securities is considered minimal. In instances where the credit rating were to fall below the approved rating, the Manager would take appropriate action.

v) Liquidity risk

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

	December 31, 2015		December 31, 2014	
	On demand ($)	Less than 3 months ($)	On demand ($)	Less than 3 months ($)
Current liabilities	–	255,267	–	369,500
Liability for written options	–	–	–	–
Unrealized loss on derivatives	–	–	–	–
Redeemable units	464,426,746	–	46,714,253	–
	464,426,746	255,267	46,714,253	369,500

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 Private International Core Equity Pool (Continued)

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

vi) Concentration risk

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

	Percentage of net assets (%)	
	December 31, 2015	December 31, 2014
Brazil	–	1.6
Denmark	–	2.4
Finland	4.6	–
France	5.2	10.7
Germany	1.5	1.2
Hong Kong	5.4	8.4
Italy	–	1.1
India	–	2.7
Japan	16.9	9.9
Netherlands	2.9	6.6
Norway	8.6	–
Russia	1.6	–
Singapore	7.4	–
South Africa	–	–
South Korea	–	0.4
Spain	2.7	3.5
Sweden	1.1	2.2
Switzerland	11.9	10.4
United Kingdom	20.6	22.4
United States	4.0	12.3

vii) Fair value classification (note 2)

The tables below illustrate the classification of the Fund's financial instruments within the fair value hierarchy.

December 31, 2015	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Equities	25,863,360	412,602,771	–	438,466,131
	25,863,360	412,602,771	–	438,466,131

December 31, 2014	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Equities	8,594,091	36,148,516	–	44,742,607
Currency spot contracts–assets	416	–	–	416
	8,594,507	36,148,516	–	44,743,023

Transfers between levels

During the periods ended December 31, 2015 and 2014, there were no significant transfers between Level 1 and Level 2.

3. Offsetting of financial assets and liabilities (note 2)

As at December 31, 2015 or December 31, 2014, the Fund did not enter into any agreement whereby the financial instruments were eligible for offset.

4. Interest in Underlying Funds (note 2)

The Fund did not hold any interest in Underlying Funds as at December 31, 2015 or December 31, 2014.

5. Comparison of net asset value per unit and net assets per unit (note 2)

The table below provides a comparison of the net asset value per unit and net assets per unit. The primary reason for the difference between the net asset value per unit and net assets per unit, if any, is described in note 2.

	December 31, 2015		December 31, 2014	
	Net asset value per unit ($)	Net assets per unit ($)	Net asset value per unit ($)	Net assets per unit ($)
Series M	11.12	11.12	9.74	9.74

Scotia International Value Fund

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars except per unit amounts)	December 31, 2015	December 31, 2014
ASSETS		
Current assets		
Investments		
Non-derivative financial assets	66,146,493	93,325,703
Unrealized gain on currency forward contracts	–	81,535
Cash	813,469	4,712,073
Subscriptions receivable	5,035	5,590
Accrued investment income and other	75,350	172,707
	67,040,347	98,297,608
LIABILITIES		
Current liabilities		
Redemptions payable	1,708	2,673
Distributions payable	51	–
Unrealized loss on currency forward contracts	–	180,150
	1,759	182,823
Net assets attributable to holders of redeemable units	67,038,588	98,114,785
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series A	10,632,104	10,338,905
Advisor Series	3,808	9,063
Series F	21,860	317
Series I	56,380,816	87,766,500
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series A	8.71	7.55
Advisor Series	8.47	7.32
Series F	8.70	7.56
Series I	8.98	7.78

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except per unit amounts)	2015	2014
INCOME		
Net gain (loss) on investments (note 2)		
Dividends	2,592,921	2,340,087
Interest for distribution purposes	14,110	16,886
Net realized gain (loss) on non-derivative financial assets	13,591,594	12,127,824
Net realized gain (loss) on currency forward contracts	(1,196,785)	264,416
Change in unrealized gain (loss) on non-derivative financial assets	2,514,363	(16,135,965)
Change in unrealized gain (loss) on currency forward contracts	98,615	96,621
Net gain (loss) on investments	17,614,818	(1,290,131)
Securities lending	18,932	37,345
Net realized and unrealized gain(loss) on foreign exchange	128,275	(6,653)
Other income	188	193
Total income (loss)	17,762,213	(1,259,246)
EXPENSES		
Management fees (note 5)	229,590	246,547
Fixed administration fees and operating expense (note 6)	117,422	36,255
Independent Review Committee fees	1,133	216
Interest expense and bank overdraft charges	2,288	2,580
Foreign withholding taxes/tax reclaims	334,973	151,479
Audit fees	–	2,254
Custodian fees	–	26,024
Filing fees	–	22,309
Legal fees	–	339
Unitholder administration costs	–	26,167
Unitholder reporting costs	–	10,160
Other fund costs	92	–
Harmonized Sales Tax/Goods and Services Tax	35,093	35,875
Transaction costs	256,147	204,276
Total expenses	976,738	764,481
Expenses absorbed by the Manager	(13,435)	(17,771)
Net expenses	963,303	746,710
Increase (decrease) in net assets attributable to holders of redeemable units from operations	16,798,910	(2,005,956)
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A	1,587,994	(499,623)
Advisor Series	651	(2,185)
Series F	1,269	(4)
Series I	15,208,996	(1,504,144)
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT†		
Series A	1.26	(0.34)
Advisor Series	1.36	(0.62)
Series F	0.65	(0.10)
Series I	1.42	(0.13)
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series A	1,256,142	1,470,062
Advisor Series	479	3,510
Series F	1,951	42
Series I	10,728,550	11,297,081

† The increase (decrease) in net assets attributable to holders of redeemable units from operations 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 number of units per series.

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

Scotia International Value Fund (Continued)

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the periods ended December 31 (note 1),

(in dollars)	2015	2014
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series A	10,338,905	12,089,594
Advisor Series	9,063	32,108
Series F	317	–
Series I	87,766,500	90,284,486
	98,114,785	102,406,188
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A	1,587,994	(499,623)
Advisor Series	651	(2,185)
Series F	1,269	(4)
Series I	15,208,996	(1,504,144)
	16,798,910	(2,005,956)
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net investment income		
Series A	(64,921)	–
Advisor Series	(7)	–
Series F	(467)	–
Series I	(1,821,937)	(1,747,030)
	(1,887,332)	(1,747,030)
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A	1,102,468	1,321,130
Series F	20,274	321
Series I	4,712,301	56,041,803
Reinvested distributions		
Series A	64,657	–
Advisor Series	7	–
Series F	467	–
Series I	1,821,937	1,747,030
Payments on redemption		
Series A	(2,396,999)	(2,572,196)
Advisor Series	(5,906)	(20,860)
Series I	(51,306,981)	(57,055,645)
	(45,987,775)	(538,417)
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A	293,199	(1,750,689)
Advisor Series	(5,255)	(23,045)
Series F	21,543	317
Series I	(31,385,684)	(2,517,986)
	(31,076,197)	(4,291,403)
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series A	10,632,104	10,338,905
Advisor Series	3,808	9,063
Series F	21,860	317
Series I	56,380,816	87,766,500
	67,038,588	98,114,785

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	16,798,910	(2,005,956)
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(13,591,594)	(12,127,824)
Unrealized (gain) loss on foreign exchange of cash	(200,218)	78,521
Change in unrealized (gain) loss on non-derivative financial assets	(2,514,363)	16,135,965
Change in unrealized (gain) loss on currency forward contracts	(98,615)	(96,621)
Purchases of non-derivative financial assets	(54,859,488)	(60,543,050)
Proceeds from sale of non-derivative financial assets	97,888,509	63,761,735
Transaction costs	256,147	204,276
Accrued investment income and other	97,357	(117,147)
Net cash provided by (used in) operating activities	43,776,645	5,289,899
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	5,835,598	57,373,309
Amounts paid on redemption of redeemable units	(53,710,852)	(59,652,381)
Distributions to unitholders of redeemable units	(213)	–
Net cash provided by (used in) financing activities	(47,875,467)	(2,279,072)
Unrealized gain (loss) on foreign exchange of cash	200,218	(78,521)
Net increase (decrease) in cash	(4,098,822)	3,010,827
Cash (bank overdraft), beginning of period	4,712,073	1,779,767
CASH (BANK OVERDRAFT), END OF PERIOD	813,469	4,712,073
Interest paid[1]	2,288	–
Interest received[1]	16,375	14,694
Dividends received, net of withholding taxes[1]	2,353,039	2,073,653

[1] Classified as operating items.

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

Scotia International Value Fund (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2015

Number of Shares	Issuer	Average Cost ($)	Carrying Value ($)
FOREIGN EQUITIES – 98.7%			
Australia – 6.3%			
104,200	McMillan Shakespeare Limited	1,247,015	1,387,501
303,500	Navitas Ltd.	1,315,684	1,417,391
42,935	Westpac Banking Corporation	1,298,477	1,439,414
		3,861,176	4,244,306
Brazil – 3.0%			
165,990	Smiles SA	2,640,674	2,014,003
Finland – 3.0%			
35,000	Kone Oyj	1,897,353	2,036,698
France – 9.4%			
20,692	Airbus Group NV	920,991	1,922,855
25,000	BNP Paribas	2,081,235	1,958,517
21,700	Orpea	1,091,206	2,399,979
		4,093,432	6,281,351
Germany – 11.0%			
20,200	Gerresheimer AG	1,084,328	2,186,633
10,400	Henkel AG & Co. KGaA	1,352,825	1,381,254
25,300	KION Group AG	1,188,713	1,740,876
27,300	NORMA Group	851,965	2,088,313
		4,477,831	7,397,076
Greece – 2.1%			
96,790	JUMBO SA	1,521,086	1,410,626
Hong Kong – 9.1%			
203,000	AAC Acoustic Technologies Holdings Inc.	790,660	1,825,213
158,400	AIA Group Ltd.	1,306,976	1,305,088
754,000	CRRC Corp Ltd	1,233,006	1,277,783
1,041,000	Value Partners Group Limited	951,860	1,663,224
		4,282,502	6,071,308
Ireland – 3.1%			
4,123,800	Governor and Company of the Bank of Ireland, The	1,632,682	2,094,897
Japan – 13.2%			
26,000	Horiba Ltd.	1,117,515	1,388,044
39,800	KDDI Corporation	863,784	1,424,907
10,700	NIDEC Corporation	584,405	1,071,122
24,800	Sumitomo Mitsui Financial Group, Inc.	1,315,993	1,293,814
57,000	Unicharm Corporation	1,503,609	1,607,166
44,300	Zenkoku Hosho Co. Ltd.	1,331,940	2,021,827
		6,717,246	8,806,880
Portugal – 0.0%			
1,538,200	Banco Espirito Santo	2,627,878	2,545
South Korea – 4.6%			
97,700	Aj Rent a Car Co., Ltd.	1,551,715	1,357,454
2,959	Medy-Tox Inc.	477,657	1,758,635
		2,029,372	3,116,089
Switzerland – 4.7%			
56,400	Ascom Holding AG	1,069,055	1,240,773
7,200	Komax Holding AG	1,220,426	1,927,287
		2,289,481	3,168,060
Taiwan – 7.3%			
430,125	Chailease Holding	686,328	1,019,593
221,000	CTCI Corp	381,430	330,995
146,586	MediaTek Inc.	2,055,916	1,528,880
341,000	Taiwan Semiconductor Manufacturing Company Ltd.	1,852,076	2,030,737
		4,975,750	4,910,205
FOREIGN EQUITIES (cont'd)			
Thailand – 2.9%			
1,249,400	Amata Corporation Public Co.Ltd.	677,250	589,631
85,976	Amata VN PCL	24,060	29,536
1,308,800	Pruksa Real Estate PCL	1,104,364	1,325,343
		1,805,674	1,944,510
United Kingdom – 19.0%			
21,009	Berkeley Group Holdings	933,040	1,579,227
10,900	DCC PLC	430,891	1,252,064
82,305	Inchcape PLC	938,965	1,309,064
355,500	Pets at Home Group PLC	1,203,158	1,992,216
32,200	Prudential PLC	991,952	997,236
88,100	Smith & Nephew PLC	1,285,565	2,157,108
57,250	Travis Perkins PLC	1,334,783	2,288,256
12,000	Whitbread PLC	515,010	1,072,768
		7,633,364	12,647,939
	TOTAL INVESTMENT PORTFOLIO	52,485,501	66,146,493
	OTHER ASSETS, LESS LIABILITIES – 1.3%		892,095
	NET ASSETS – 100.0%		67,038,588

For equities, all common shares unless otherwise noted.

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

Scotia International Value Fund

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

1. The Fund (note 1)

The Fund's investment objective is to achieve long-term capital growth. It invests primarily in equity securities of companies located outside of the U.S. and Canada.

2. Risks associated with financial instruments (note 4)

i) Interest rate risk

The majority of the Fund's financial assets and liabilities were non-interest bearing as at December 31, 2015 and 2014. Accordingly, the Fund is not directly subject to significant risk due to fluctuations in the prevailing levels of market interest rates.

ii) Currency risk

The tables below indicate the currencies to which the Fund had significant exposure, net of the impact of currency forward contracts and currency spot contracts, if any, based on the monetary and non-monetary assets and liabilities of the Fund. The tables also illustrate the potential impact on the Fund if the functional currency of the Fund had strengthened or weakened by 10% in relation to each of the other currencies, with all other variables held constant.

	December 31, 2015			
Currency	Net currency exposure ($)	Percentage of net assets (%)	Impact on the Fund ($)	Percentage of net assets (%)
European Euro	19,223,194	28.7	1,922,319	2.9
British Pound	12,647,939	18.9	1,264,794	1.9
Japanese Yen	8,806,880	13.1	880,688	1.3
Hong Kong Dollar	6,071,309	9.1	607,131	0.9
Taiwan Dollar	5,327,893	7.9	532,789	0.8
Australian Dollar	4,244,307	6.3	424,431	0.6
Swiss Franc	3,168,059	4.7	316,806	0.5
South Korean Won	3,116,088	4.6	311,609	0.5
Brazilian Real	2,014,003	3.0	201,400	0.3
Thai Baht	1,944,511	2.9	194,451	0.3
	66,564,183	99.2	6,656,418	10.0

	December 31, 2014			
Currency	Net currency exposure ($)	Percentage of net assets (%)	Impact on the Fund ($)	Percentage of net assets (%)
European Euro	14,540,100	14.8	1,454,010	1.5
Hong Kong Dollar	10,961,885	11.2	1,096,189	1.1
British Pound	9,800,123	10.0	980,012	1.0
Taiwan Dollar	7,243,008	7.4	724,301	0.7
Swiss Franc	6,552,976	6.7	655,298	0.7
South Korean Won	6,232,776	6.4	623,278	0.6
Thai Baht	3,920,883	4.0	392,088	0.4
Turkish Lira	3,523,086	3.6	352,309	0.4
Brazilian Real	2,838,542	2.9	283,854	0.3
Japanese Yen	2,499,207	2.5	249,921	0.3
New Zealand Dollar	544,623	0.6	54,462	0.1
US Dollar	(1,146,246)	(1.2)	(114,625)	(0.1)
	67,510,963	68.9	6,751,097	7.0

iii) Price risk

Price risk is the risk that the carrying 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 price risk is mainly in equities, derivatives and commodities, if applicable. As at December 31, 2015, approximately 98.7% (December 31, 2014 – 95.0%) of the Fund's net assets were exposed to price risk. If prices of these investments had decreased or increased by 10%, with all other variables held constant, net assets of the Fund would have decreased or increased, respectively, by approximately $6,614,649 (December 31, 2014 – $9,332,570). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

iv) Credit risk

The Fund had no significant exposure to bonds and debentures, preferred shares or derivatives as at December 31, 2015 or December 31, 2014. In addition, all investment transactions are executed by brokers with an approved credit rating. As such the risk of default on transactions with counterparties and brokers related to purchase and sale of securities is considered minimal. In instances where the credit rating were to fall below the approved rating, the Manager would take appropriate action.

v) Liquidity risk

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

	December 31, 2015		December 31, 2014	
	On demand ($)	Less than 3 months ($)	On demand ($)	Less than 3 months ($)
Current liabilities	–	1,759	–	2,673
Liability for written options	–	–	–	–
Unrealized loss on derivatives	–	–	–	180,150
Redeemable units	67,038,588	–	98,114,785	–
	67,038,588	1,759	98,114,785	182,823

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.

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

vi) Concentration risk

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

	Percentage of net assets (%)	
	December 31, 2015	December 31, 2014
Australia	6.3	–
Brazil	3.0	2.9
China	–	2.7
Finland	3.0	–
France	9.4	4.7
Germany	11.0	7.6
Greece	2.1	3.7
Hong Kong	9.1	7.6
Ireland	3.1	4.6
Italy	–	0.2
Japan	13.2	8.4
Netherlands	–	2.5
Portugal	0.0	0.0
South Korea	4.6	6.3
Spain	–	3.4
Switzerland	4.7	6.6
Taiwan	7.3	7.1
Thailand	2.9	4.0
Turkey	–	3.3
United Kingdom	19.0	19.3

vii) Fair value classification (note 2)

The tables below illustrate the classification of the Fund's financial instruments within the fair value hierarchy.

December 31, 2015	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Equities	–	66,146,493	–	66,146,493
	–	66,146,493	–	66,146,493

December 31, 2014	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Equities	–	93,325,703	–	93,325,703
Currency forward contracts–assets	–	81,535	–	81,535
	–	93,407,238	–	93,407,238
Currency forward contracts–liabilities	–	(180,150)	–	(180,150)
	–	93,227,088	–	93,227,088

Transfers between levels

During the periods ended December 31, 2015 and 2014, there were no significant transfers between Level 1 and Level 2.

3. Offsetting of financial assets and liabilities (note 2)

As at December 31, 2015, the Fund did not enter into any agreement whereby the financial instruments were eligible for offset.

The following tables present offsetting of financial assets and liabilities and collateral amounts that would occur if future events, such as bankruptcy or termination of contracts were to arise, as at December 31, 2015. No amounts were offset in the financial statements.

	December 31, 2014			
Financial assets – by type	Gross amount of assets ($)	Master netting offset ($)	Collateral pledged ($)	Net Amount ($)
Currency forward contracts	81,535	(74,954)	–	6,581
Options contracts – OTC	–	–	–	–
Swap contracts	–	–	–	–
	81,535	(74,954)	–	6,581

Financial liabilities – by type	Gross amount of liabilities ($)	Master netting offset ($)	Collateral pledged ($)	Net Amount ($)
Currency forward contracts	180,150	(74,954)	–	105,196
Options contracts – OTC	–	–	–	–
Swap contracts	–	–	–	–
	180,150	(74,954)	–	105,196

4. Interest in Underlying Funds (note 2)

The Fund did not hold any interest in Underlying Funds as at December 31, 2015 or December 31, 2014.

5. Comparison of net asset value per unit and net assets per unit (note 2)

The table below provides a comparison of the net asset value per unit and net assets per unit. The primary reason for the difference between the net asset value per unit and net assets per unit, if any, is described in note 2.

	December 31, 2015		December 31, 2014	
	Net asset value per unit ($)	Net assets per unit ($)	Net asset value per unit ($)	Net assets per unit ($)
Series A	8.71	8.71	7.55	7.55
Advisor Series	8.47	8.47	7.32	7.32
Series F	8.70	8.70	7.56	7.56
Series I	8.98	8.98	7.78	7.78

Scotia European Fund

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars except per unit amounts)	December 31, 2015	December 31, 2014
ASSETS		
Current assets		
Investments		
Non-derivative financial assets	25,530,351	18,943,200
Cash	1,104,746	89,998
Subscriptions receivable	93,737	3,018
Accrued investment income and other	22,146	19,777
	26,750,980	19,055,993
LIABILITIES		
Current liabilities		
Payable for securities purchased	472,155	–
Redemptions payable	33,231	27,475
Distributions payable	–	500
Unrealized loss on currency spot contracts	3,162	–
	508,548	27,975
Net assets attributable to holders of redeemable units	26,242,432	19,028,018
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series A	22,501,005	19,026,688
Series F	3,741,427	1,330
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series A	14.70	11.94
Series F	14.61	11.74

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except per unit amounts)	2015	2014
INCOME		
Net gain (loss) on investments (note 2)		
Dividends	514,912	987,628
Interest for distribution purposes	1,316	996
Net realized gain (loss) on non-derivative financial assets	832,265	2,894,446
Change in unrealized gain (loss) on non-derivative financial assets	3,632,539	(4,748,925)
Change in unrealized gain (loss) on currency spots contracts	(3,162)	(1)
Net gain (loss) on investments	4,977,870	(865,856)
Securities lending	1,146	6,909
Net realized and unrealized gain(loss) on foreign exchange	(3,990)	(9,343)
Other income	1,285	33,610
Total income (loss)	4,976,311	(834,680)
EXPENSES		
Management fees (note 5)	433,445	435,610
Fixed administration fees (note 6)	87,018	29,056
Independent Review Committee fees	1,140	47
Interest expense and bank overdraft charges	662	240
Foreign withholding taxes/tax reclaims	76,160	89,659
Audit fees	–	498
Custodian fees	–	17,183
Filing fees	–	9,860
Legal fees	–	75
Unitholder administration costs	–	25,308
Unitholder reporting costs	–	8,249
Other fund costs	29	–
Harmonized Sales Tax/Goods and Services Tax	56,141	55,297
Transaction costs	11,523	19,276
Total expenses	666,118	690,358
Expenses absorbed by the Manager	–	(1,550)
Net expenses	666,118	688,808
Increase (decrease) in net assets attributable to holders of redeemable units from operations	4,310,193	(1,523,488)
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A	4,282,588	(1,523,342)
Series F	27,605	(146)
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT†		
Series A	2.78	(0.90)
Series F	2.30	(1.66)
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series A	1,541,404	1,689,749
Series F	11,984	88

† The increase (decrease) in net assets attributable to holders of redeemable units from operations 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 number of units per series.

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

Scotia European Fund (Continued)

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the periods ended December 31 (note 1),

(in dollars)	2015	2014
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series A	19,026,688	22,525,050
Series F	1,330	–
	19,028,018	22,525,050
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A	4,282,588	(1,523,342)
Series F	27,605	(146)
	4,310,193	(1,523,488)
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net investment income		
Series A	–	(330,286)
Series F	–	(47)
	–	(330,333)
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A	3,381,442	4,481,148
Series F	3,712,492	2,390
Reinvested distributions		
Series A	–	328,378
Series F	–	47
Payments on redemption		
Series A	(4,189,713)	(6,454,260)
Series F	–	(914)
	2,904,221	(1,643,211)
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A	3,474,317	(3,498,362)
Series F	3,740,097	1,330
	7,214,414	(3,497,032)
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series A	22,501,005	19,026,688
Series F	3,741,427	1,330
	26,242,432	19,028,018

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	4,310,193	(1,523,488)
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(832,265)	(2,894,446)
Unrealized (gain) loss on foreign exchange of cash	135	9,343
Change in unrealized (gain) loss on non-derivative financial assets	(3,632,539)	4,748,925
Change in unrealized (gain) loss on currency spot contracts	3,162	1
Purchases of non-derivative financial assets	(7,329,740)	(9,566,619)
Proceeds from sale of non-derivative financial assets	5,668,025	11,109,351
Transaction costs	11,523	19,276
Accrued investment income and other	(2,369)	(8,386)
Net cash provided by (used in) operating activities	(1,803,875)	1,893,957
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	7,003,215	4,503,841
Amounts paid on redemption of redeemable units	(4,183,957)	(6,432,441)
Distributions to unitholders of redeemable units	(500)	(1,408)
Net cash provided by (used in) financing activities	2,818,758	(1,930,008)
Unrealized gain (loss) on foreign exchange of cash	(135)	(9,343)
Net increase (decrease) in cash	1,014,883	(36,051)
Cash (bank overdraft), beginning of period	89,998	135,392
CASH (BANK OVERDRAFT), END OF PERIOD	1,104,746	89,998
Interest paid[1]	662	–
Interest received[1]	1,267	781
Dividends received, net of withholding taxes[1]	436,432	889,798

(1) Classified as operating items.

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2015

Number of Shares	Issuer	Average Cost ($)	Carrying Value ($)
FOREIGN EQUITIES – 97.3%			
Belgium – 2.6%			
5,385	UCB SA	468,942	670,849
Denmark – 3.4%			
11,316	Novo Nordisk A/S, Class B	326,164	900,120
Finland – 2.9%			
78,451	Nokia Oyj	723,834	772,965
France – 8.9%			
8,406	Legrand SA	521,541	656,634
4,084	Renault SA	420,954	566,616
4,065	Sodexo	352,107	547,292
2,664	Valeo SA	200,116	569,219
		1,494,718	2,339,761
Germany – 18.5%			
5,884	Adidas-Salomon AG	447,621	793,523
5,586	Bayer AG	544,308	969,954
6,175	Deutsche Boerse AG	477,864	756,049
7,954	Fresenius SE & Co. KGaA	308,617	787,201
2,281	Linde AG	356,311	458,239
5,835	ProSiebenSat.1 Media SE	394,225	408,502
9,692	Wirecard AG	554,879	676,923
		3,083,825	4,850,391
Ireland – 2.1%			
4,719	Kerry Group PLC	420,866	540,485
Italy – 4.3%			
408,991	Telecom Italia SpA, di Risp Non Conv.	462,147	578,970
71,436	UniCredit SpA	612,924	544,563
		1,075,071	1,123,533
Netherlands – 6.4%			
4,807	ASML Holding NV	301,917	592,887
24,276	Delta Lloyd NV	508,915	197,367
47,071	ING Groep NV	527,175	876,945
		1,338,007	1,667,199
Norway – 2.8%			
25,209	DnB NOR ASA	335,702	429,403
15,031	Statoil ASA	318,166	290,974
		653,868	720,377
Spain – 11.0%			
2,973	Aena SA	297,391	468,795
13,927	Amadeus IT Holding SA, Class A	644,962	848,748
34,623	Gamesa Corporation Tecnologica SA	505,899	821,848
15,931	Industria de Diseno Textil SA	509,618	756,629
		1,957,870	2,896,020
Sweden – 5.0%			
9,771	Hennes & Mauritz AB, Class B	391,756	481,488
6,528	Kinnevik Investment AB Class B	201,594	276,927
18,118	Swedbank AB	305,617	550,641
		898,967	1,309,056
Switzerland – 8.6%			
1,408	Dufry AG	236,310	230,935
3,399	Roche Holdings AG	796,617	1,295,351
27,912	UBS Group AG	460,936	742,780
		1,493,863	2,269,066
United Kingdom – 20.8%			
31,623	ARM Holdings PLC	449,011	660,582
25,764	BG Group PLC	463,934	516,832
32,263	GlaxoSmithKline PLC	932,337	901,450
30,254	Merlin Entertainments PLC	272,746	280,465
8,599	SABMiller PLC	398,529	712,526

For equities, all common shares unless otherwise noted.

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

Scotia European Fund (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

Number of Shares	Issuer	Average Cost ($)	Carrying Value ($)
FOREIGN EQUITIES (cont'd)			
United Kingdom (cont'd)			
44,303	Sberbank of Russia	351,525	357,378
9,232	Schroders PLC	416,624	556,194
19,641	Sports Direct International	240,341	230,369
171,190	Vodafone Group PLC	779,219	765,980
77,922	Worldpay Group PLC	395,169	488,753
		4,699,435	5,470,529
	TOTAL INVESTMENT PORTFOLIO	18,635,430	25,530,351
	Currency Spot Contracts – (0.0%)		(3,162)
	OTHER ASSETS, LESS LIABILITIES – 2.7%		715,243
	NET ASSETS – 100.0%		26,242,432

CURRENCY SPOT CONTRACTS

Settlement Date	Currency To Be Received	Contractual Amount	Currency To Be Delivered	Contractual Amount	Canadian Value as at December 31, 2015 ($)	Canadian ($) Appreciation/ (Depreciation)
Jan. 4, 2016	Danish Krone	57,303	Canadian Dollar	11,647	11,647	(99)
Jan. 4, 2016	European Euro	25,377	Canadian Dollar	38,479	38,479	(310)
Jan. 4, 2016	Norwegian Krone	58,636	Canadian Dollar	9,298	9,298	(130)
Jan. 4, 2016	Swedish Krona	102,506	Canadian Dollar	17,031	17,031	(227)
Jan. 5, 2016	British Pound	54,431	Canadian Dollar	112,188	112,188	(1,185)
Jan. 5, 2016	European Euro	80,289	Canadian Dollar	121,927	121,927	(1,166)
Jan. 5, 2016	U.S. Dollar	6,538	Canadian Dollar	9,087	9,087	(45)
						(3,162)

The currency spot contracts outstanding at December 31, 2015 are placed with a financial institution with a credit rating of AA by DBRS.

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

Scotia European Fund

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

1. The Fund (note 1)

The Fund's investment objective is long-term capital growth. It invests primarily in a broad range of high quality equity securities of companies in Europe.

2. Risks associated with financial instruments (note 4)

i) Interest rate risk

The majority of the Fund's financial assets and liabilities were non-interest bearing as at December 31, 2015 and 2014. Accordingly, the Fund is not directly subject to significant risk due to fluctuations in the prevailing levels of market interest rates.

ii) Currency risk

The tables below indicate the currencies to which the Fund had significant exposure, net of the impact of currency forward contracts and currency spot contracts, if any, based on the monetary and non-monetary assets and liabilities of the Fund. The tables also illustrate the potential impact on the Fund if the functional currency of the Fund had strengthened or weakened by 10% in relation to each of the other currencies, with all other variables held constant.

	December 31, 2015			
Currency	Net currency exposure ($)	Percentage of net assets (%)	Impact on the Fund ($)	Percentage of net assets (%)
European Euro	15,021,608	57.2	1,502,161	5.7
British Pound	5,225,339	19.9	522,534	2.0
Swiss Franc	2,269,066	8.6	226,907	0.9
Swedish Krona	1,326,087	5.1	132,609	0.5
Danish Krone	911,767	3.5	91,177	0.3
Norwegian Krone	729,675	2.8	72,968	0.3
US Dollar	366,465	1.4	36,647	0.1
	25,850,007	98.5	2,585,003	9.8

	December 31, 2014			
Currency	Net currency exposure ($)	Percentage of net assets (%)	Impact on the Fund ($)	Percentage of net assets (%)
European Euro	10,120,034	53.2	1,012,003	5.3
British Pound	4,251,330	22.3	425,133	2.2
Swiss Franc	1,939,048	10.2	193,905	1.0
Swedish Krona	1,177,484	6.2	117,748	0.6
Norwegian Krone	906,931	4.8	90,693	0.5
Danish Krone	548,650	2.9	54,865	0.3
	18,943,477	99.6	1,894,347	9.9

iii) Price risk

Price risk is the risk that the carrying 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 price risk is mainly in equities, derivatives and commodities, if applicable. As at December 31, 2015, approximately 97.3% (December 31, 2014 – 99.6%) of the Fund's net assets were exposed to price risk. If prices of these investments had decreased or increased by 10%, with all other variables held constant, net assets of the Fund would have decreased or increased, respectively, by approximately $2,553,035 (December 31, 2014 – $1,894,320). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

iv) Credit risk

The Fund had no significant exposure to bonds and debentures, preferred shares or derivatives as at December 31, 2015 or December 31, 2014. In addition, all investment transactions are executed by brokers with an approved credit rating. As such the risk of default on transactions with counterparties and brokers related to purchase and sale of securities is considered minimal. In instances where the credit rating were to fall below the approved rating, the Manager would take appropriate action.

v) Liquidity risk

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

	December 31, 2015		December 31, 2014	
	On demand ($)	Less than 3 months ($)	On demand ($)	Less than 3 months ($)
Current liabilities	–	505,386	–	27,975
Liability for written options	–	–	–	–
Unrealized loss on derivatives	–	3,162	–	–
Redeemable units	26,242,432	–	19,028,018	
–	26,242,432	508,548	19,028,018	27,975

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, geographical location,

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

asset type or industry sector, as applicable. The table below is a summary of the Fund's concentration risk:

	Percentage of net assets (%)	
	December 31, 2015	December 31, 2014
Belgium	2.6	2.4
Denmark	3.4	2.9
Finland	2.9	2.9
France	8.9	8.7
Germany	18.5	16.9
Ireland	2.1	2.5
Italy	4.3	4.6
Netherlands	6.4	8.7
Norway	2.8	4.8
Spain	11.0	6.5
Sweden	5.0	6.2
Switzerland	8.6	10.2
United Kingdom	20.8	22.3

vii) Fair value classification (note 2)

The tables below illustrate the classification of the Fund's financial instruments within the fair value hierarchy.

December 31, 2015	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Equities	–	25,530,351	–	25,530,351
Currency spot contracts–liabilities	(3,162)	–	–	(3,162)
	(3,162)	25,530,351	–	25,527,189

December 31, 2014	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Equities	–	18,943,200	–	18,943,200
	–	18,943,200	–	18,943,200

Transfers between levels

During the periods ended December 31, 2015 and 2014, there were no significant transfers between Level 1 and Level 2.

3. Offsetting of financial assets and liabilities (note 2)

As at December 31, 2015 or December 31, 2014, the Fund did not enter into any agreement whereby the financial instruments were eligible for offset.

4. Interest in Underlying Funds (note 2)

The Fund did not hold any interest in Underlying Funds as at December 31, 2015 or December 31, 2014.

5. Comparison of net asset value per unit and net assets per unit (note 2)

The table below provides a comparison of the net asset value per unit and net assets per unit. The primary reason for the difference between the net asset value per unit and net assets per unit, if any, is described in note 2.

	December 31, 2015		December 31, 2014	
	Net asset value per unit ($)	Net assets per unit ($)	Net asset value per unit ($)	Net assets per unit ($)
Series A	14.70	14.70	11.94	11.94
Series F	14.61	14.61	11.74	11.74

Scotia Pacific Rim Fund

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars except per unit amounts)	December 31, 2015	December 31, 2014
ASSETS		
Current assets		
Investments		
Non-derivative financial assets	17,142,533	16,894,287
Unrealized gain on currency forward contracts	–	5,555
Cash	261,027	642,000
Receivable for securities sold	–	20,774
Subscriptions receivable	3,888	3,612
Accrued investment income and other	9,721	9,881
	17,417,169	17,576,109
LIABILITIES		
Current liabilities		
Payable for securities purchased	–	54,939
Redemptions payable	6,899	17,324
Distributions payable	734	–
Unrealized loss on currency spot contracts	264	–
	7,897	72,263
Net assets attributable to holders of redeemable units	17,409,272	17,503,846
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series A	17,409,272	17,503,846
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series A	13.00	11.93

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except per unit amounts)	2015	2014
INCOME		
Net gain (loss) on investments (note 2)		
Dividends	1,110,101	524,982
Interest for distribution purposes	530	653
Net realized gain (loss) on non-derivative financial assets	848,721	1,021,525
Net realized gain (loss) on currency forward contracts	(191,288)	190,685
Change in unrealized gain (loss) on non-derivative financial assets	1,429,754	2,363
Change in unrealized gain (loss) on currency forward contracts	(5,555)	(196,748)
Change in unrealized gain (loss) on currency spots contracts	(264)	4
Net gain (loss) on investments	3,191,999	1,543,464
Net realized and unrealized gain (loss) on foreign exchange	(418,752)	(8,287)
Other income	1,364	51
Total income (loss)	2,774,611	1,535,228
EXPENSES		
Management fees (note 5)	365,688	368,016
Fixed administration fees (note 6)	73,126	26,194
Independent Review Committee fees	1,144	38
Interest expense and bank overdraft charges	486	1,087
Foreign withholding taxes/tax reclaims	193,499	63,738
Audit fees	–	401
Custodian fees	–	7,871
Filing fees	–	8,721
Legal fees	–	60
Unitholder administration costs	–	23,555
Unitholder reporting costs	–	10,241
Other fund costs	22	–
Harmonized Sales Tax/Goods and Services Tax	44,480	44,751
Transaction costs	36,506	31,703
Total expenses	714,951	586,376
Increase (decrease) in net assets attributable to holders of redeemable units from operations	2,059,660	948,852
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A	2,059,738	948,852
Series F	(78)	–
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT†		
Series A	1.49	0.60
Series F	(1.20)	–
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series A	1,380,223	1,570,625
Series F	65	–

† The increase (decrease) in net assets attributable to holders of redeemable units from operations 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 number of units per series.

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

Scotia Pacific Rim Fund (Continued)

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the periods ended December 31 (note 1),

(in dollars)	2015	2014
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series A	17,503,846	19,359,816
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A	2,059,738	948,852
Series F	(78)	–
	2,059,660	948,852
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net investment income		
Series A	(418,773)	–
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A	1,509,604	1,099,764
Series F	919	–
Reinvested distributions		
Series A	414,178	–
Payments on redemption		
Series A	(3,659,321)	(3,904,586)
Series F	(841)	–
	(1,735,461)	(2,804,822)
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A	(94,574)	(1,855,970)
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series A	17,409,272	17,503,846

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	2,059,660	948,852
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(848,721)	(1,021,525)
Unrealized (gain) loss on foreign exchange of cash	420,237	(20,718)
Change in unrealized (gain) loss on non-derivative financial assets	(1,429,754)	(2,363)
Change in unrealized (gain) loss on currency forward contracts	5,555	196,748
Change in unrealized (gain) loss on currency spot contracts	264	(4)
Purchases of non-derivative financial assets	(7,781,923)	(6,357,515)
Proceeds from sale of non-derivative financial assets	9,741,481	9,104,262
Transaction costs	36,506	31,703
Accrued investment income and other	160	4,441
Net cash provided by (used in) operating activities	2,203,465	2,883,881
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	1,510,247	1,102,939
Amounts paid on redemption of redeemable units	(3,670,587)	(3,897,624)
Distributions to unitholders of redeemable units	(3,861)	(25)
Net cash provided by (used in) financing activities	(2,164,201)	(2,794,710)
Unrealized gain (loss) on foreign exchange of cash	(420,237)	20,718
Net increase (decrease) in cash	39,264	89,171
Cash (bank overdraft), beginning of period	642,000	532,111
CASH (BANK OVERDRAFT), END OF PERIOD	261,027	642,000
Interest paid[1]	486	–
Interest received[1]	648	560
Dividends received, net of withholding taxes[1]	916,645	465,778

[1] Classified as operating items.

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2015

Number of Shares	Issuer	Average Cost ($)	Carrying Value ($)
EQUITIES – 98.5%			
Australia – 7.8%			
27,100	McMillan Shakespeare Limited	321,635	360,854
99,500	Navitas Ltd.	430,874	464,679
12,800	Westpac Banking Corporation	330,317	429,126
1,000	Westpac Banking Corporation, Preferred, Series CPS	104,981	99,889
		1,187,807	1,354,548
Hong Kong – 21.0%			
58,000	AAC Acoustic Technologies Holdings Inc.	411,398	521,490
64,600	AIA Group Ltd.	480,483	532,252
110,000	China Vanke Co., Ltd.	364,916	449,511
296,000	CRRC Corp Ltd	478,689	501,623
140,500	MGM China Holdings Ltd.	258,515	241,028
1,231,000	Nirvana Asia Ltd.	452,421	515,811
475,000	Sun Hung Kai & Co., Ltd.	419,531	429,531
288,000	Value Partners Group Limited	270,206	460,143
		3,136,159	3,651,389
Indonesia – 7.5%			
2,059,475	Ciputra Property Tbk PT	176,040	84,388
231,000	PT Bank Central Asia Tbk	259,906	305,362
2,197,500	PT Matahari Putra Prima Tbk	403,180	396,940
4,070,000	Tiphone Mobile Indonesia Tbk PT	287,085	311,615
4,952,500	Wismilak Inti Makmur Tbk PT	452,111	212,261
		1,578,322	1,310,566
Japan – 35.2%			
12,000	Aisin Seiki Co., Ltd.	381,370	713,559
2,400	FANUC Corp.	350,220	572,201
14,100	Honda Motor Co., Ltd.	516,029	624,820
11,500	Horiba Ltd.	467,536	613,943
10,500	KDDI Corporation	140,054	375,918
4,500	NIDEC Corporation	264,056	450,472
7,100	Nitori Holdings Co., Ltd.	357,870	825,291
4,400	Nitto Denko Corporation	276,532	443,884
6,500	Sumitomo Mitsui Financial Group, Inc.	344,914	339,105
19,100	Unicharm Corporation	487,807	538,542
13,600	Zenkoku Hosho Co. Ltd.	406,024	620,696
		3,992,412	6,118,431
Philippines – 2.4%			
60,000	BDO Unibank, Inc.	171,397	185,066
1,522,200	Vista Land & Lifescapes Inc.	210,429	231,508
		381,826	416,574
South Korea – 6.4%			
25,400	Aj Rent a Car Co., Ltd.	420,018	352,910
4,962	Korea Aerospace Industries Ltd.	115,573	452,572
527	Medy-Tox Inc.	82,979	313,214
		618,570	1,118,696
Taiwan – 11.6%			
37,440	Asustek Computer Inc.	265,842	426,298
141,670	Chailease Holding	195,082	335,823
92,000	CTCI Corp	153,774	137,790
103,400	Lung Yen Life Service Corporation	363,828	233,781
29,494	MediaTek Inc.	380,558	307,620
98,000	Taiwan Semiconductor Manufacturing Company Ltd.	526,804	583,614
		1,885,888	2,024,926
Thailand – 6.6%			
722,200	Amata Corporation Public Co.Ltd.	410,215	340,829
28,888	Amata VN PCL	8,084	9,924
2,365,300	Ananda Development PCL	169,620	379,746
411,700	Pruksa Real Estate PCL	346,744	416,904
		934,663	1,147,403
	TOTAL INVESTMENT PORTFOLIO	13,715,647	17,142,533
	Currency Spot Contracts – (0.0%)		(264)
	OTHER ASSETS, LESS LIABILITIES – 1.5%		267,003
	NET ASSETS – 100.0%		17,409,272

For equities, all common shares unless otherwise noted.

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

Scotia Pacific Rim Fund (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

CURRENCY SPOT CONTRACTS

Settlement Date	Currency To Be Received	Contractual Amount	Currency To Be Delivered	Contractual Amount	Canadian Value as at December 31, 2015 ($)	Canadian ($) Appreciation/ (Depreciation)
Jan. 4, 2016	Canadian Dollar	67,957	Japanese Yen	5,918,368	68,099	(142)
Jan. 4, 2016	Canadian Dollar	58,201	Australian Dollar	57,825	58,280	(79)
Jan. 4, 2016	Canadian Dollar	37,235	Hong Kong Dollar	208,905	37,279	(43)
						(264)

The currency spot contracts outstanding at December 31, 2015 are placed with a financial institution with a credit rating of AA by DBRS.

Scotia Pacific Rim Fund

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

1. The Fund (note 1)

The Fund's investment objective is long-term capital growth. It invests primarily in a broad range of equity securities of companies in the western portion of the Pacific Rim.

2. Risks associated with financial instruments (note 4)

i) Interest rate risk

The majority of the Fund's financial assets and liabilities were non-interest bearing as at December 31, 2015 and 2014. Accordingly, the Fund is not directly subject to significant risk due to fluctuations in the prevailing levels of market interest rates.

ii) Currency risk

The tables below indicate the currencies to which the Fund had significant exposure, net of the impact of currency forward contracts and currency spot contracts, if any, based on the monetary and non-monetary assets and liabilities of the Fund. The tables also illustrate the potential impact on the Fund if the functional currency of the Fund had strengthened or weakened by 10% in relation to each of the other currencies, with all other variables held constant.

	December 31, 2015			
Currency	Net currency exposure ($)	Percentage of net assets (%)	Impact on the Fund ($)	Percentage of net assets (%)
Japanese Yen	6,118,427	35.1	611,843	3.5
Hong Kong Dollar	3,651,388	21.0	365,139	2.1
Taiwan Dollar	2,129,012	12.2	212,901	1.2
Australian Dollar	1,354,551	7.8	135,455	0.8
Indonesian Rupiah	1,310,996	7.5	131,100	0.8
Thai Baht	1,147,403	6.6	114,740	0.7
South Korean Won	1,118,697	6.4	111,870	0.6
Philippines Peso	416,574	2.4	41,657	0.2
	17,247,048	99.0	1,724,705	9.9

	December 31, 2014			
Currency	Net currency exposure ($)	Percentage of net assets (%)	Impact on the Fund ($)	Percentage of net assets (%)
Hong Kong Dollar	3,883,078	22.2	388,308	2.2
Taiwan Dollar	3,200,645	18.3	320,065	1.8
South Korean Won	1,962,529	11.2	196,253	1.1
Indonesian Rupiah	1,855,853	10.6	185,585	1.1
Thai Baht	1,793,915	10.2	179,392	1.0
Japanese Yen	1,093,754	6.2	109,375	0.6
Philippines Peso	469,574	2.7	46,957	0.3
Australian Dollar	452,068	2.6	45,207	0.3
Singapore Dollar	361,363	2.1	36,136	0.2
New Zealand Dollar	172,432	1.0	17,243	0.1
US Dollar	(465,257)	(2.7)	(46,526)	(0.3)
	14,779,954	84.4	1,477,995	8.4

iii) Price risk

Price risk is the risk that the carrying 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 price risk is mainly in equities, derivatives and commodities, if applicable. As at December 31, 2015, approximately 98.5% (December 31, 2014 – 96.5%) of the Fund's net assets were exposed to price risk. If prices of these investments had decreased or increased by 10%, with all other variables held constant, net assets of the Fund would have decreased or increased, respectively, by approximately $1,714,253 (December 31, 2014 – $1,689,429). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

iv) Credit risk

The table below summarizes the credit ratings of the bonds and debentures, excluding cash and money market instruments but including preferred shares and derivatives, as applicable, held by the Fund.

	December 31, 2015		December 31, 2014	
	Percentage of total preferred shares (%)	Percentage of net assets (%)	Percentage of total preferred shares (%)	Percentage of net assets (%)
Credit ratings				
AAA	–	–	100.0	0.6
AA	100.0	0.6	–	–
	100.0	0.6	100.0	0.6

v) Liquidity risk

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

	December 31, 2015		December 31, 2014	
	On demand ($)	Less than 3 months ($)	On demand ($)	Less than 3 months ($)
Current liabilities	–	7,633	–	72,263
Liability for written options	–	–	–	–
Unrealized loss on derivatives	–	264	–	–
Redeemable units	17,409,272	–	17,503,846	–
	17,409,272	7,897	17,503,846	72,263

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.

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

vi) Concentration risk

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

	Percentage of net assets (%)	
	December 31, 2015	December 31, 2014
Australia	7.8	2.6
China	–	4.3
Hong Kong	21.0	17.9
Indonesia	7.5	10.6
Japan	35.2	19.0
New Zealand	–	1.0
Philippines	2.4	2.7
Singapore	–	2.0
South Korea	6.4	11.2
Taiwan	11.6	15.0
Thailand	6.6	10.2

vii) Fair value classification (note 2)

The tables below illustrate the classification of the Fund's financial instruments within the fair value hierarchy.

December 31, 2015	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Equities	–	17,142,533	–	17,142,533
Currency spot contracts–liabilities	(264)	–	–	(264)
	(264)	17,142,533	–	17,142,269

December 31, 2014	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Equities	–	16,894,287	–	16,894,287
Currency forward contracts–assets	–	5,555	–	5,555
	–	16,899,842	–	16,899,842

Transfers between levels

During the periods ended December 31, 2015 and 2014, there were no significant transfers between Level 1 and Level 2.

3. Offsetting of financial assets and liabilities (note 2)

As at December 31, 2015, the Fund did not enter into any agreement whereby the financial instruments were eligible for offset.

The following tables presents offsetting of financial assets and liabilities and collateral amounts that would occur if future events, such as bankruptcy or termination of contracts were to arise, as at December 31, 2014. No amounts were offset in the financial statements.

	December 31, 2014			
Financial assets – by type	Gross amount of assets ($)	Master netting offset ($)	Collateral pledged ($)	Net Amount ($)
Currency forward contracts	5,555	–	–	5,555
Options contracts – OTC	–	–	–	–
Swap contracts	–	–	–	–
	5,555	–	–	5,555

Financial liabilities – by type	Gross amount of liabilities ($)	Master netting offset ($)	Collateral pledged ($)	Net Amount ($)
Currency forward contracts	–	–	–	–
Options contracts – OTC	–	–	–	–
Swap contracts	–	–	–	–
	–	–	–	–

As at December 31, 2015, the Fund did not enter into any agreement whereby the financial instruments were eligible for offset.

4. Interest in Underlying Funds (note 2)

The Fund did not hold any interest in Underlying Funds as at December 31, 2015 or December 31, 2014.

5. Comparison of net asset value per unit and net assets per unit (note 2)

The table below provides a comparison of the net asset value per unit and net assets per unit. The primary reason for the difference between the net asset value per unit and net assets per unit, if any, is described in note 2.

	December 31, 2015		December 31, 2014	
	Net asset value per unit ($)	Net assets per unit ($)	Net asset value per unit ($)	Net assets per unit ($)
Series A	13.00	13.00	11.93	11.93

Scotia Latin American Fund

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars except per unit amounts)	December 31, 2015	December 31, 2014
ASSETS		
Current assets		
Investments		
Non-derivative financial assets	19,898,731	29,371,119
Cash	66,591	202,686
Receivable for securities sold	81,879	95,288
Subscriptions receivable	10,438	5,609
Accrued investment income and other	42,168	55,374
	20,099,807	29,730,076
LIABILITIES		
Current liabilities		
Payable for securities purchased	62,534	85,241
Redemptions payable	26,249	72,565
Distributions payable	–	430
	88,783	158,236
Net assets attributable to holders of redeemable units	20,011,024	29,571,840
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series A	20,011,024	29,571,840
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series A	14.23	18.01

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except per unit amounts)	2015	2014
INCOME		
Net gain (loss) on investments (note 2)		
Dividends	452,118	707,492
Interest for distribution purposes	178,684	553,034
Net realized gain (loss) on non-derivative financial assets	(3,352,260)	(158,959)
Change in unrealized gain (loss) on non-derivative financial assets	(1,989,447)	(2,711,905)
Net gain (loss) on investments	(4,710,905)	(1,610,338)
Securities lending	176	198
Net realized and unrealized gain(loss) on foreign exchange	(56,631)	(312,563)
Other income	58	477
Total income (loss)	(4,767,302)	(1,922,226)
EXPENSES		
Management fees (note 5)	506,120	922,942
Fixed administration fees (note 6)	83,511	41,675
Independent Review Committee fees	1,150	79
Interest expense and bank overdraft charges	81	206
Foreign withholding taxes/tax reclaims	46,496	92,132
Audit fees	–	833
Custodian fees	–	27,486
Filing fees	–	10,136
Legal fees	–	123
Unitholder administration costs	–	44,683
Unitholder reporting costs	–	11,411
Other fund costs	26	–
Harmonized Sales Tax/Goods and Services Tax	62,683	93,253
Transaction costs	49,511	120,242
Total expenses	749,578	1,365,201
Expenses absorbed by the Manager	–	(185,843)
Net expenses	749,578	1,179,358
Increase (decrease) in net assets attributable to holders of redeemable units from operations	(5,516,880)	(3,101,584)
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A	(5,516,880)	(3,100,048)
Series F	–	(1,536)
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT†		
Series A	(3.66)	(1.76)
Series F	–	(3.05)
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series A	1,508,753	1,765,999
Series F	–	503

† The increase (decrease) in net assets attributable to holders of redeemable units from operations 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 number of units per series.

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the periods ended December 31 (note 1),

(in dollars)	2015	2014
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series A	29,571,840	39,115,614
Series F	–	47,401
	29,571,840	39,163,015
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A	(5,516,880)	(3,100,048)
Series F	–	(1,536)
	(5,516,880)	(3,101,584)
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net investment income		
Series A	–	(243,582)
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A	1,561,898	2,872,465
Reinvested distributions		
Series A	–	241,395
Payments on redemption		
Series A	(5,605,834)	(9,314,004)
Series F	–	(45,865)
	(4,043,936)	(6,246,009)
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A	(9,560,816)	(9,543,774)
Series F	–	(47,401)
	(9,560,816)	(9,591,175)
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series A	20,011,024	29,571,840

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	(5,516,880)	(3,101,584)
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	3,352,260	158,959
Unrealized (gain) loss on foreign exchange of cash	(2,133)	12,461
Change in unrealized (gain) loss on non-derivative financial assets	1,989,447	2,711,905
Purchases of non-derivative financial assets	(25,584,878)	(55,761,293)
Proceeds from sale of non-derivative financial assets	29,656,750	62,450,026
Transaction costs	49,511	120,242
Accrued investment income and other	13,206	29,223
Net cash provided by (used in) operating activities	3,957,283	6,619,939
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	1,557,069	2,879,049
Amounts paid on redemption of redeemable units	(5,652,150)	(9,352,318)
Distributions to unitholders of redeemable units	(430)	(2,454)
Net cash provided by (used in) financing activities	(4,095,511)	(6,475,723)
Unrealized gain (loss) on foreign exchange of cash	2,133	(12,461)
Net increase (decrease) in cash	(138,228)	144,216
Cash (bank overdraft), beginning of period	202,686	70,931
CASH (BANK OVERDRAFT), END OF PERIOD	66,591	202,686
Interest paid[1]	81	–
Interest received[1]	178,710	553,016
Dividends received, net of withholding taxes[1]	418,803	644,601

(1) Classified as operating items.

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

Scotia Latin American Fund (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2015

Number of Shares	Issuer	Average Cost ($)	Carrying Value ($)
EQUITIES – 99.4%			
Brazil – 32.4%			
82,321	Ambev SA	574,822	509,205
27,432	Banco Bradesco S.A.	357,746	194,790
2,121	Banco Bradesco S.A. Preference, Rights, Feb. 05, 2016	–	1,730
898	Banco Bradesco S.A., Rights, Feb. 05, 2016	–	564
64,775	Banco Bradesco SA, Preference	1,067,876	431,003
86,273	BB Seguridade Participacoes S/A	994,747	728,824
61,711	BM&F BOVESPA SA	266,016	233,224
79,109	Cielo SA	1,081,617	924,940
16,431	Embraer SA	669,636	671,265
146,290	Itau Unibanco Holding SA, Preference	2,025,700	1,320,547
63,851	Lojas Americanas SA	419,380	430,856
35,846	Petroleo Brasileiro S.A.	289,001	106,637
200,166	Petroleo Brasileriro S.A., Preferred	1,300,828	469,142
44,935	Vale SA	706,136	203,871
72,171	Vale SA ADR, Preference	826,733	254,520
		10,580,238	6,481,118
Chile – 8.0%			
401,516	E-CL SA	675,638	757,674
28,335	Empresas Copec SA	388,502	334,731
58,048	SACI Falabella	557,312	510,123
		1,621,452	1,602,528
Colombia – 1.7%			
33,663	Grupo Nutresa SA	288,284	330,619
Mexico – 41.6%			
796,749	America Movil SAB de CV	981,552	775,668
84,087	Banregio Grupo Financiero SAB de CV	570,891	596,675
877,624	Cemex SAB de CV	1,031,215	664,771
313,769	Corporacion Inmobiliaria Vesta SAB de CV	717,493	656,805
159,344	Grupo Financiero Banorte SAB de CV, Series O	994,548	1,211,267
82,226	Grupo Financiero Interacciones SA de CV	637,381	683,698
116,987	Grupo Mexico SAB de CV, Series B	401,435	345,716
107,839	Industrias Bachoco, S.A., Series B	574,839	607,566
154,961	Infraestructura Energetica Nova SAB de CV	970,933	896,266
230,705	Macquarie Mexico Real Estate Management SA de CV	420,235	404,912
316,543	Prologis Property Mexico S.A. de C.V.	647,281	664,137
27,732	Promotora y Operadora de Infraestructura SAB de CV	407,368	451,954
39,837	Telesites SAB	42,204	35,871
78,978	Unifin Financiera SAPI de CV	178,071	340,225
		8,575,446	8,335,531
Spain – 1.6%			
72,979	Cemex Latam Holdings SA	614,965	327,608
United States – 14.1%			
40,339	BRF SA	992,747	770,997
18,176	Companhia Brasileira de Distribuicao Grupo Pao de Acucar ADR	766,519	264,444
4,439	Credicorp Limited	763,738	596,843
5,948	Empresa Nacional de Electricidad SA – ADR	300,049	304,651
4,992	Grupo Aeroportuario del Centro Norte SAB de CV – ADR	255,636	264,764
34,070	Grupo Aval Acciones y Valores S.A.	512,392	307,213
14,393	YPF SA – ADR	372,699	312,415
		3,963,780	2,821,327
	TOTAL INVESTMENT PORTFOLIO	25,644,165	19,898,731
	OTHER ASSETS, LESS LIABILITIES – 0.6%		112,293
	NET ASSETS – 100.0%		20,011,024

For equities, all common shares unless otherwise noted.

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

Scotia Latin American Fund

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

1. The Fund (note 1)

The Fund's investment objective is long-term capital growth. It invests primarily in a broad range of high quality equity securities of companies in Latin America.

2. Risks associated with financial instruments (note 4)

i) Interest rate risk

The majority of the Fund's financial assets and liabilities were non-interest bearing as at December 31, 2015 and 2014. Accordingly, the Fund is not directly subject to significant risk due to fluctuations in the prevailing levels of market interest rates.

ii) Currency risk

The tables below indicate the currencies to which the Fund had significant exposure, net of the impact of currency forward contracts and currency spot contracts, if any, based on the monetary and non-monetary assets and liabilities of the Fund. The tables also illustrate the potential impact on the Fund if the functional currency of the Fund had strengthened or weakened by 10% in relation to each of the other currencies, with all other variables held constant.

	December 31, 2015			
Currency	Net currency exposure ($)	Percentage of net assets (%)	Impact on the Fund ($)	Percentage of net assets (%)
Mexican Peso	8,335,530	41.7	833,553	4.2
Brazilian Real	5,555,331	27.8	555,533	2.8
US Dollar	3,776,093	18.9	377,609	1.9
Chile Peso	1,602,528	8.0	160,253	0.8
Colombia Peso	658,228	3.3	65,823	0.3
	19,927,710	99.7	1,992,771	10.0

	December 31, 2014			
Currency	Net currency exposure ($)	Percentage of net assets (%)	Impact on the Fund ($)	Percentage of net assets (%)
Brazilian Real	13,076,674	44.2	1,307,667	4.4
Mexican Peso	7,082,721	24.0	708,272	2.4
US Dollar	6,984,290	23.6	698,429	2.4
Chile Peso	1,747,213	5.9	174,721	0.6
Colombia Peso	638,642	2.2	63,864	0.2
	29,529,540	99.9	2,952,953	10.0

iii) Price risk

Price risk is the risk that the carrying 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 price risk is mainly in equities, derivatives and commodities, if applicable. As at December 31, 2015, approximately 99.4% (December 31, 2014 – 99.3%) of the Fund's net assets were exposed to price risk. If prices of these investments had decreased or increased by 10%, with all other variables held constant, net assets of the Fund would have decreased or increased, respectively, by approximately $1,989,873 (December 31, 2014 – $2,937,112). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

iv) Credit risk

The table below summarizes the credit ratings of the bonds and debentures, excluding cash and money market instruments but including preferred shares and derivatives, as applicable, held by the Fund.

	December 31, 2015	
	Percentage of total preferred shares securities (%)	Percentage of net assets (%)
Credit ratings		
AA	10.3	1.3
BBB	17.4	2.2
BB	72.3	8.9
	100.0	12.4

The Fund had no significant exposure to bonds and debentures, preferred shares or derivatives as at December 31, 2014. In addition, all investment transactions are executed by brokers with an approved credit rating. As such the risk of default on transactions with counterparties and brokers related to purchase and sale of securities is considered minimal. In instances where the credit rating were to fall below the approved rating, the Manager would take appropriate action.

v) Liquidity risk

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

	December 31, 2015		December 31, 2014	
	On demand ($)	Less than 3 months ($)	On demand ($)	Less than 3 months ($)
Current liabilities	–	88,783	–	158,236
Liability for written options	–	–	–	–
Unrealized loss on derivatives	–	–	–	–
Redeemable units	20,011,024	–	29,571,840	–
	20,011,024	88,783	29,571,840	158,236

Redeemable units are redeemable on demand at the holder's option. However, the Manager does not expect that

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

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, geographical location, asset type or industry sector, as applicable. The table below is a summary of the Fund's concentration risk:

	Percentage of net assets (%)	
	December 31, 2015	December 31, 2014
Brazil	32.4	46.3
Chile	8.0	5.9
Colombia	1.7	0.8
Mexico	41.6	28.2
Peru	–	3.5
Spain	1.6	1.3
United States	14.1	13.3

vii) Fair value classification (note 2)

The tables below illustrate the classification of the Fund's financial instruments within the fair value hierarchy.

December 31, 2015	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Equities	12,082,644	7,813,793	–	19,896,437
Warrants, rights and options	–	2,294	–	2,294
	12,082,644	7,816,087	–	19,898,731

December 31, 2014	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Equities	13,993,243	15,377,876	–	29,371,119
	13,993,243	15,377,876	–	29,371,119

Transfers between levels

During the periods ended December 31, 2015 and 2014, there were no significant transfers between Level 1 and Level 2.

3. Offsetting of financial assets and liabilities (note 2)

As at December 31, 2015 or December 31, 2014, the Fund did not enter into any agreement whereby the financial instruments were eligible for offset.

4. Interest in Underlying Funds (note 2)

The Fund did not hold any interest in Underlying Funds as at December 31, 2015 or December 31, 2014.

5. Comparison of net asset value per unit and net assets per unit (note 2)

The table below provides a comparison of the net asset value per unit and net assets per unit. The primary reason for the difference between the net asset value per unit and net assets per unit, if any, is described in note 2.

	December 31, 2015		December 31, 2014	
	Net asset value per unit ($)	Net assets per unit ($)	Net asset value per unit ($)	Net assets per unit ($)
Series A	14.24	14.23	18.01	18.01

Scotia Global Dividend Fund

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars except per unit amounts)	December 31, 2015	December 31, 2014
ASSETS		
Current assets		
Investments		
Non-derivative financial assets	503,481,306	379,658,553
Unrealized gain on currency forward contracts	368,343	4,799,773
Unrealized gain on currency spot contracts	571	–
Cash	29,311,384	39,396,734
Receivable for securities sold	204,521	–
Subscriptions receivable	301,314	340,758
Accrued investment income and other	741,816	434,344
	534,409,255	424,630,162
LIABILITIES		
Current liabilities		
Payable for securities purchased	139,289	844,345
Redemptions payable	76,942	201,562
Distributions payable	35	16
Unrealized loss on currency forward contracts	319,025	313,494
Unrealized loss on currency spot contracts	592	104
	535,883	1,359,521
Net assets attributable to holders of redeemable units	533,873,372	423,270,641
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series A	199,764,285	137,405,371
Series I	334,109,087	285,865,270
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series A	17.05	15.92
Series I	17.02	15.88

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except per unit amounts)	2015	2014
INCOME		
Net gain (loss) on investments (note 2)		
Dividends	13,537,847	10,186,435
Interest for distribution purposes	171,219	332,654
Net realized gain (loss) on non-derivative financial assets	29,622,480	21,075,433
Net realized gain (loss) on currency forward contracts	5,910,094	1,032,890
Change in unrealized gain (loss) on non-derivative financial assets	24,529,500	25,394,777
Change in unrealized gain (loss) on currency forward contracts	(4,436,961)	6,716,991
Change in unrealized gain (loss) on currency spots contracts	83	(297)
Net gain (loss) on investments	69,334,262	64,738,883
Securities lending	45,340	43,057
Net realized and unrealized gain(loss) on foreign exchange	5,157,473	373,818
Other income	8,207	2,376
Total income (loss)	74,545,282	65,158,134
EXPENSES		
Management fees (note 5)	3,560,511	2,364,022
Fixed administration fees (note 6)	375,028	106,209
Independent Review Committee fees	1,046	774
Interest expense and bank overdraft charges	144	(2,836)
Foreign withholding taxes/tax reclaims	1,763,875	1,590,830
Audit fees	—	8,056
Custodian fees	—	37,029
Filing fees	—	12,209
Legal fees	—	1,181
Unitholder administration costs	—	54,705
Unitholder reporting costs	—	12,382
Other fund costs	661	—
Harmonized Sales Tax/Goods and Services Tax	397,118	259,952
Transaction costs	670,407	457,124
Total expenses	6,768,790	4,901,637
Expenses absorbed by the Manager	—	(82)
Net expenses	6,768,790	4,901,555
Increase (decrease) in net assets attributable to holders of redeemable units from operations	67,776,492	60,256,579
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A	20,600,481	16,710,457
Series I	47,176,011	43,546,122
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT†		
Series A	2.02	2.15
Series I	2.58	2.52
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series A	10,179,672	7,779,494
Series I	18,318,772	17,246,517

† The increase (decrease) in net assets attributable to holders of redeemable units from operations 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 number of units per series.

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

Scotia Global Dividend Fund (Continued)

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the periods ended December 31 (note 1),

(in dollars)	2015	2014
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series A	137,405,371	91,124,139
Series I	285,865,270	234,148,233
	423,270,641	325,272,372
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A	20,600,481	16,710,457
Series I	47,176,011	43,546,122
	67,776,492	60,256,579
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net investment income		
Series A	(240,312)	(233,812)
Series I	(7,094,486)	(6,022,745)
From net realized gains on investments		
Series A	(11,318,821)	(2,914,840)
Series I	(19,011,466)	(6,123,059)
	(37,665,085)	(15,294,456)
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A	68,542,981	46,255,219
Series I	35,559,676	69,251,064
Reinvested distributions		
Series A	11,488,581	3,130,607
Series I	26,105,952	12,145,804
Payments on redemption		
Series A	(26,713,996)	(16,666,399)
Series I	(34,491,870)	(61,080,149)
	80,491,324	53,036,146
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A	62,358,914	46,281,232
Series I	48,243,817	51,717,037
	110,602,731	97,998,269
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series A	199,764,285	137,405,371
Series I	334,109,087	285,865,270
	533,873,372	423,270,641

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	67,776,492	60,256,579
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(29,622,480)	(21,075,433)
Unrealized (gain) loss on foreign exchange of cash	(4,874,871)	(648,847)
Change in unrealized (gain) loss on non-derivative financial assets	(24,529,500)	(25,394,777)
Change in unrealized (gain) loss on currency forward contracts	4,436,961	(6,716,991)
Change in unrealized (gain) loss on currency spot contracts	(83)	297
Purchases of non-derivative financial assets	(357,390,049)	(230,750,760)
Proceeds from sale of non-derivative financial assets	286,139,290	195,121,764
Transaction costs	670,407	457,124
Accrued investment income and other	(307,472)	82,331
Net cash provided by (used in) operating activities	(57,701,305)	(28,668,713)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	104,142,102	115,962,621
Amounts paid on redemption of redeemable units	(61,330,486)	(77,586,279)
Distributions to unitholders of redeemable units	(70,532)	(18,029)
Net cash provided by (used in) financing activities	42,741,084	38,358,313
Unrealized gain (loss) on foreign exchange of cash	4,874,871	648,847
Net increase (decrease) in cash	(14,960,221)	9,689,600
Cash (bank overdraft), beginning of period	39,396,734	29,058,287
CASH (BANK OVERDRAFT), END OF PERIOD	29,311,384	39,396,734
Interest paid[1]	144	–
Interest received[1]	169,956	356,480
Dividends received, net of withholding taxes[1]	11,467,762	8,654,110

[1] Classified as operating items.

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

Scotia Global Dividend Fund (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2015

Number of Shares	Issuer	Average Cost ($)	Carrying Value ($)
Australia – 0.8%			
743,400	Telstra Corporation Limited	3,166,790	4,171,924
Canada – 3.7%			
77,000	Canadian Natural Resources Ltd.	2,992,022	2,326,940
164,300	Crescent Point Energy Corp.	2,913,958	2,648,516
160,310	Genworth MI Canada Inc.	4,828,047	4,264,246
51,700	Loblaw Companies Limited	2,216,986	3,378,078
42,700	Potash Corporation of Saskatchewan Inc.	1,666,305	1,011,990
48,300	Royal Bank of Canada, 5.25%, Preferred, Series BJ	1,159,200	1,202,670
71,300	Royal Bank of Canada, 5.50%, Preferred, Series BK	1,782,500	1,838,827
67,500	TransCanada Corporation	2,875,194	3,050,325
		20,434,212	19,721,592
Denmark – 0.8%			
23,100	Pandora AS	2,085,678	4,033,714
France – 1.8%			
156,595	Engie	3,711,079	3,835,616
60,877	Eutelsat Communications	1,997,147	2,516,130
38,469	Schneider Electric SA	3,328,576	3,031,357
		9,036,802	9,383,103
Germany – 2.5%			
49,850	Bayer AG	5,999,459	8,655,958
18,600	Daimler AG	2,145,670	2,148,745
67,850	Deutsche Post AG	2,693,143	2,644,521
		10,838,272	13,449,224
Hong Kong – 1.2%			
423,500	China Mobile Limited	4,760,933	6,564,114
Indonesia – 0.7%			
4,102,600	PT Bank Mandiri	3,335,140	3,765,807
Italy – 0.7%			
638,900	Enel SpA	3,687,693	3,698,605
Japan – 0.2%			
17,800	Denso Corporation	1,102,157	1,173,742
Netherlands – 1.8%			
87,484	Koninklijke Ahold NV	1,402,328	2,556,354
71,650	Koninklijke Philips Electronics NV	2,332,247	2,521,300
73,000	Unilever NV	3,500,353	4,377,314
		7,234,928	9,454,968
Peru – 0.5%			
81,700	Intercorp Financial Services Inc.	2,801,658	2,570,533
Poland – 0.5%			
226,310	Powszechny Zaklad Ubezpieczen SA	2,776,838	2,701,772
Portugal – 0.4%			
144,200	Galp Energia SGPS SA	2,598,426	2,313,449
Singapore – 0.9%			
1,375,900	Singapore Telecommunications Limited	4,282,915	4,898,064
South Africa – 0.0%			
473,488	African Bank Investments Limited	625,644	1,296
Spain – 0.8%			
207,010	Banco Bilbao Vizcaya Argentaria, SA	2,255,570	2,089,359
74,800	Endesa SA	2,102,684	2,074,068
		4,358,254	4,163,427
Sweden – 1.1%			
86,100	Swedbank AB	2,656,475	2,616,745
248,600	Telefonaktiebolaget LM Ericsson, Class B	3,194,695	3,332,417
		5,851,170	5,949,162
Switzerland – 10.3%			
123,150	Nestle SA	8,934,229	12,623,131
91,400	Novartis AG	7,695,398	10,803,618
34,400	Roche Holdings AG	9,423,318	13,109,761
602,700	UBS Group AG	12,614,036	16,038,737
1,600,000	Credit Suisse Group AG 7.50% due Dec. 11, 2023	1,733,638	2,332,977
		40,400,619	54,908,224
Turkey – 0.4%			
183,300	Turkcell Iletisim Hizmetleri AS ADR	3,022,533	2,152,236
United Kingdom – 8.6%			
30,600	AstraZeneca PLC	2,542,443	2,861,899
654,600	Barclays PLC	2,992,574	2,930,921
498,600	BG Group PLC	10,515,064	10,002,028
127,100	British American Tobacco PLC	8,029,311	9,765,006
100,400	Diageo PLC	3,014,071	3,787,522
95,900	GlaxoSmithKline PLC	2,479,629	2,679,511
121,100	National Grid PLC	2,008,918	2,304,138
99,500	Prudential PLC	3,091,310	3,081,521
115,800	Rio Tinto PLC	4,727,383	4,668,381
52,520	Wolseley PLC	3,089,978	3,949,331
		42,490,681	46,030,258
United States – 56.7%			
61,300	Apple Inc.	4,841,199	8,920,703
106,900	AT&T Inc.	4,416,466	5,087,238
29,200	Avangrid Inc.	1,459,598	1,550,721
26,239	Banco de Chile	2,122,989	2,153,894
94,200	Bristol-Myers Squibb Company	7,664,835	8,961,813
37,550	Capital One Financial Corporation	3,753,163	3,747,626
59,550	Chevron Corporation	7,589,231	7,406,792
117,200	Cisco Systems, Inc.	3,125,364	4,401,463
293,750	Citigroup Inc.	16,328,371	21,023,639
121,000	Citigroup Inc., 7.875%, Preferred	4,125,196	4,357,586
153,600	Coca-Cola Company, The	6,561,177	9,125,888
27,650	Colgate-Palmolive Company	1,571,967	2,547,531
14,400	Credicorp Limited	2,598,868	1,936,145
26,900	CVS Caremark Corporation	2,557,792	3,636,357
25,450	Danaher Corporation	1,855,765	3,268,407
51,300	Discover Financial Services	3,638,169	3,804,204
21,100	Dominion Resources, Inc.	1,658,689	1,973,374
48,950	Dow Chemical Company, The	1,982,763	3,485,065
13,300	DTE Energy Company	1,420,248	1,474,630
22,800	Duke Energy Corporation	2,151,274	2,250,612
25,900	Eastman Chemical Company	2,609,831	2,417,637
16,200	Eaton Corporation	1,327,409	1,165,593
24,530	Edison International	1,460,874	2,008,178
45,900	EOG Resources, Inc.	4,937,846	4,493,702
26,350	Exxon Mobil Corporation	2,563,506	2,839,912
483,940	Frontier Communications Corporation	2,750,734	3,125,562
84,380	General Electric Company	3,007,150	3,633,357
27,700	Hershey Company, The	3,148,754	3,419,833
55,100	Honeywell International Inc.	5,253,295	7,890,044
132,600	Invesco Limited	6,258,679	6,143,389
43,700	Johnson & Johnson	4,736,964	6,206,552
320,800	JPMorgan Chase & Co. Warrants Oct. 28, 2018	6,737,081	10,614,657
33,500	Kraft Heinz Co., The	3,330,980	3,370,293
52,400	Lazard Ltd.	3,268,773	3,259,646
53,300	Medtronic, Inc.	5,221,122	5,668,197
95,000	Merck & Co., Inc.	5,130,942	6,939,715
87,150	Microsoft Corporation	3,116,382	6,683,866
171,100	Mondelez International, Inc.	6,832,227	10,610,486
45,000	Morgan Stanley, Preferred, Series F	1,197,560	1,727,011
155,700	Newell Rubbermaid Inc.	5,570,456	9,488,598

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

Scotia Global Dividend Fund (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

Number of Shares	Issuer	Average Cost ($)	Carrying Value ($)
United States (cont'd)			
46,600	NextEra Energy, Inc.	5,173,063	6,693,832
53,150	PepsiCo, Inc.	5,285,265	7,342,149
186,300	Pfizer Inc.	6,752,420	8,316,987
26,800	PG&E Corporation	1,869,607	1,970,888
193,834	PNC Financial Services Group, Inc., The Warrants Dec. 31, 2018	3,788,936	7,696,315
111,500	Procter & Gamble Company, The	9,722,115	12,242,995
11,300	Raytheon Company	1,534,271	1,945,506
14,800	Sempra Energy	1,943,905	1,924,223
98,260	Synchrony Financial	3,753,587	4,130,461
42,000	Thermo Fisher Scientific, Inc.	5,583,068	8,239,451
69,300	Tyco International Ltd.	3,613,917	3,056,380
26,400	United Parcel Service, Inc., Class B	2,937,406	3,512,722
22,500	UnitedHealth Group Incorporated	3,373,795	3,660,641
486,400	Vereit Inc.	5,630,854	5,327,683
56,500	Verizon Communications Inc.	3,032,649	3,611,587
41,000	Wal-Mart Stores, Inc.	3,314,188	3,475,874
504,891	Wells Fargo & Company Warrants Oct. 28, 2018	9,025,361	14,307,351
25,300	Western Digital Corporation	2,134,772	2,101,131
		238,352,868	302,376,092
	TOTAL INVESTMENT PORTFOLIO	413,244,211	503,481,306
	Currency Spot Contracts – (0.0%)		(21)
	Currency Forward Contracts – 0.0%		49,318
	OTHER ASSETS, LESS LIABILITIES – 5.6%		30,342,769
	NET ASSETS – 100.0%		533,873,372

CURRENCY SPOT CONTRACTS

Settlement Date	Currency To Be Received	Contractual Amount	Currency To Be Delivered	Contractual Amount	Canadian Value as at December 31, 2015 ($)	Canadian ($) Appreciation/ (Depreciation)
Jan. 4, 2016	British Pound	55,361	U.S. Dollar	82,062	113,491	(592)
Jan. 4, 2016	Canadian Dollar	2,669	U.S. Dollar	1,922	2,659	10
Jan. 4, 2016	U.S. Dollar	148,287	British Pound	100,289	204,522	558
Jan. 5, 2016	Canadian Dollar	2,624	U.S. Dollar	1,895	2,621	3
						(21)

The currency spot contracts outstanding at December 31, 2015 are placed with a financial institution with a credit rating of AA by DBRS.

CURRENCY FORWARD CONTRACTS

Settlement Date	Currency To Be Received	Contractual Amount	Currency To Be Delivered	Contractual Amount	Canadian Value as at December 31, 2015 ($)	Canadian ($) Appreciation/ (Depreciation)
Mar. 15, 2016	Australian Dollar	1,031,000	U.S. Dollar	737,834	1,024,487	14,618
Mar. 15, 2016	Australian Dollar	329,000	U.S. Dollar	235,958	327,629	3,957
Mar. 15, 2016	European Euro	8,528,000	U.S. Dollar	9,406,810	12,997,500	(170,739)
Mar. 15, 2016	European Euro	1,000,000	U.S. Dollar	1,097,924	1,517,015	(12,939)
Mar. 15, 2016	Singapore Dollar	367,000	U.S. Dollar	257,962	357,794	238
Mar. 15, 2016	U.S. Dollar	1,889,314	Australian Dollar	2,610,000	2,620,063	(7,158)
Mar. 15, 2016	U.S. Dollar	558,303	Australian Dollar	772,000	774,977	(2,849)
Mar. 15, 2016	U.S. Dollar	9,134,533	British Pound	6,061,000	12,365,119	267,866
Mar. 15, 2016	U.S. Dollar	1,816,232	British Pound	1,205,000	2,458,335	53,500
Mar. 15, 2016	U.S. Dollar	10,842,519	European Euro	10,005,000	15,062,304	(67,188)
Mar. 15, 2016	U.S. Dollar	8,425,884	European Euro	7,775,000	11,705,089	(52,158)
Mar. 15, 2016	U.S. Dollar	167,379	Japanese Yen	20,599,000	237,478	(5,994)
Mar. 15, 2016	U.S. Dollar	1,323,153	Singapore Dollar	1,863,000	1,812,226	17,685
Mar. 15, 2016	U.S. Dollar	495,739	Singapore Dollar	698,000	678,977	6,626
Mar. 15, 2016	U.S. Dollar	288,703	Singapore Dollar	406,500	395,421	3,853
						49,318

The currency forward contracts outstanding at December 31, 2015 are placed with a financial institution with a credit rating of A by DBRS.

Scotia Global Dividend Fund

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

1. The Fund (note 1)

The Fund's investment objective aims to achieve high total investment return. It invests primarily in equity securities of companies anywhere in the world that pay, or may be expected to pay, dividends as well as in other types of securities that may be expected to distribute income.

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 (earlier of maturity date or interest reset date) of the Fund's portfolio, excluding cash, money market instruments, underlying funds, preferred shares and overdrafts, as applicable.

Interest rate exposure	December 31, 2015 ($)	December 31, 2014 ($)
Less than 1 year	–	–
1-3 years	–	–
3-5 years	–	–
5-10 years	2,332,977	1,940,202
> 10 years	–	–
	2,332,977	1,940,202

As at December 31, 2015, 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 $34,732 or approximately 0.0% (December 31, 2014 – $669,988 or approximately 0.2%). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

ii) Currency risk

The tables below indicate the currencies to which the Fund had significant exposure, net of the impact of currency forward contracts and currency spot contracts, if any, based on the monetary and non-monetary assets and liabilities of the Fund. The tables also illustrate the potential impact on the Fund if the functional currency of the Fund had strengthened or weakened by 10% in relation to each of the other currencies, with all other variables held constant.

	December 31, 2015			
Currency	Net currency exposure ($)	Percentage of net assets (%)	Impact on the Fund ($)	Percentage of net assets (%)
US Dollar	361,395,734	67.7	36,139,573	6.8
Swiss Franc	53,834,069	10.1	5,383,407	1.0
European Euro	32,774,194	6.1	3,277,419	0.6
British Pound	32,440,091	6.1	3,244,009	0.6
Hong Kong Dollar	6,819,222	1.3	681,922	0.1
Swedish Krona	6,093,842	1.1	609,384	0.1
Danish Krone	4,062,841	0.8	406,284	0.1
Indonesian Rupiah	3,765,807	0.7	376,581	0.1
Polish Zloty	2,701,775	0.5	270,178	0.1
Singapore Dollar	2,603,172	0.5	260,317	0.1
Australian Dollar	2,354,289	0.4	235,429	0.0
Japanese Yen	1,147,180	0.2	114,718	0.0
Mexican Peso	5,803	0.0	580	0.0
South African Rand	1,296	0.0	130	0.0
	509,999,315	95.5	50,999,931	9.6

	December 31, 2014			
Currency	Net currency exposure ($)	Percentage of net assets (%)	Impact on the Fund ($)	Percentage of net assets (%)
US Dollar	333,338,803	78.8	33,333,880	7.9
British Pound	15,797,127	3.7	1,579,713	0.4
European Euro	14,038,523	3.3	1,403,852	0.3
Swiss Franc	11,211,073	2.6	1,121,107	0.3
Japanese Yen	8,016,329	1.9	801,633	0.2
Hong Kong Dollar	7,045,118	1.7	704,512	0.2
Swedish Krona	4,708,312	1.1	470,831	0.1
Singapore Dollar	4,388,610	1.0	438,861	0.1
Australian Dollar	3,169,999	0.7	317,000	0.1
Indonesian Rupiah	2,128,881	0.5	212,888	0.1
Brazilian Real	1,730,867	0.4	173,087	0.0
Thai Baht	1,495,726	0.4	149,573	0.0
South African Rand	33,236	0.0	3,324	0.0
Polish Zloty	3	0.0	0	0.0
	407,102,607	96.1	40,710,261	9.7

iii) Price risk

Price risk is the risk that the carrying 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 price risk is mainly in equities, derivatives and commodities, if applicable. As at December 31, 2015, approximately 94.0% (December 31, 2014 – 89.2%) of the Fund's net assets were exposed to price risk. If prices of these investments had decreased or increased by 10%, with all other variables held constant, net assets of the Fund would have decreased or increased, respectively, by approximately $50,114,933 (December 31, 2014 – $37,771,835). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

iv) Credit risk

The table below summarizes the credit ratings of the bonds and debentures, excluding cash and money market instruments but including preferred shares and derivatives, as applicable, held by the Fund.

	December 31, 2015		December 31, 2014	
	Percentage of total bonds and debentures (%)	Percentage of net assets (%)	Percentage of total bonds and debentures (%)	Percentage of net assets (%)
Credit ratings				
AA	79.6	1.7	41.7	0.3
A	20.4	0.4	–	–
BB	–	–	58.3	0.5
	100.0	2.1	100.0	0.8

v) Liquidity risk

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

	December 31, 2015		December 31, 2014	
	On demand ($)	Less than 3 months ($)	On demand ($)	Less than 3 months ($)
Current liabilities	–	216,266	–	1,045,923
Liability for written options	–	–	–	–
Unrealized loss on derivatives	–	319,617	–	313,598
Redeemable units	533,873,372	–	423,270,641	–
	533,873,372	535,883	423,270,641	1,359,521

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, geographical location, asset type or industry sector, as applicable. The table below is a summary of the Fund's concentration risk:

	Percentage of net assets (%)	
	December 31, 2015	December 31, 2014
Australia	0.8	0.9
Belgium	–	0.1
Brazil	–	0.4
Canada	3.7	2.8
Denmark	0.8	–
France	1.8	5.0
Germany	2.5	2.8
Hong Kong	1.2	1.6
Indonesia	0.7	0.5
Ireland	–	0.5
Italy	0.7	1.3
Japan	0.2	1.9
Netherlands	1.8	1.6
Peru	0.5	0.3
Poland	0.5	–
Portugal	0.4	0.4
Singapore	0.9	1.0
South Africa	0.0	–
Spain	0.8	1.2
Sweden	1.1	1.1
Switzerland	10.3	10.4
Thailand	–	0.4
Turkey	0.4	1.2
United Kingdom	8.6	7.3
United States	56.7	46.5

vii) Fair value classification (note 2)

The tables below illustrate the classification of the Fund's financial instruments within the fair value hierarchy.

December 31, 2015	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Equities	294,202,130	174,327,876	–	468,530,006
Bonds and debentures	–	2,332,977	–	2,332,977
Warrants, rights and options	32,618,323	–	–	32,618,323
Currency forward contracts–assets	–	368,343	–	368,343
Currency spot contracts–assets	571	–	–	571
	326,821,024	177,029,196	–	503,850,220
Currency forward contracts–liabilities	–	(319,025)	–	(319,025)
Currency spot contracts–liabilities	(592)	–	–	(592)
	326,820,432	176,710,171	–	503,530,603

December 31, 2014	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Equities	178,237,430	162,974,280	–	341,211,710
Bonds and debentures	–	1,940,202	–	1,940,202
Warrants, rights and options	36,476,572	30,069	–	36,506,641
Currency forward contracts–assets	–	4,799,773	–	4,799,773
	214,714,002	169,744,324	–	384,458,326
Currency forward contracts–liabilities	–	(313,494)	–	(313,494)
Currency spot contracts–liabilities	(104)	–	–	(104)
	214,713,898	169,430,830	–	384,144,728

Transfers between levels

During the periods ended December 31, 2015 and 2014, there were no significant transfers between Level 1 and Level 2

3. Offsetting of financial assets and liabilities (note 2)

The following tables present offsetting of financial assets and liabilities and collateral amounts that would occur if

future events, such as bankruptcy or termination of contracts were to arise. No amounts were offset in the financial statements.

	December 31, 2015			
Financial assets – by type	**Gross amount of assets ($)**	**Master netting offset ($)**	**Collateral pledged ($)**	**Net Amount ($)**
Currency forward contracts	368,343	(133,588)	–	234,755
Options contracts – OTC	–	–	–	–
Swap contracts	–	–	–	–
	368,343	(133,588)	–	234,755

Financial liabilities – by type	**Gross amount of liabilities ($)**	**Master netting offset ($)**	**Collateral pledged ($)**	**Net Amount ($)**
Currency forward contracts	319,025	(133,588)	–	185,437
Options contracts – OTC	–	–	–	–
Swap contracts	–	–	–	–
	319,025	(133,588)	–	185,437

	December 31, 2014			
Financial assets – by type	**Gross amount of assets ($)**	**Master netting offset ($)**	**Collateral pledged ($)**	**Net Amount ($)**
Currency forward contracts	4,799,773	(287,893)	–	4,511,880
Options contracts – OTC	–	–	–	–
Swap contracts	–	–	–	–
	4,799,773	(287,893)	–	4,511,880

Financial liabilities – by type	**Gross amount of liabilities ($)**	**Master netting offset ($)**	**Collateral pledged ($)**	**Net Amount ($)**
Currency forward contracts	313,494	(287,893)	–	25,601
Options contracts – OTC	–	–	–	–
Swap contracts	–	–	–	–
	313,494	(287,893)	–	25,601

4. Interest in Underlying Funds (note 2)

The Fund did not hold any interest in Underlying Funds as at December 31, 2015 or December 31, 2014.

5. Comparison of net asset value per unit and net assets per unit (note 2)

The table below provides a comparison of the net asset value per unit and net assets per unit. The primary reason for the difference between the net asset value per unit and net assets per unit, if any, is described in note 2.

	December 31, 2015		December 31, 2014	
	Net asset value per unit ($)	**Net assets per unit ($)**	**Net asset value per unit ($)**	**Net assets per unit ($)**
Series A	17.05	17.05	15.93	15.92
Series I	17.02	17.02	15.89	15.88

Scotia Global Growth Fund

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars except per unit amounts)	December 31, 2015	December 31, 2014
ASSETS		
Current assets		
Investments		
Non-derivative financial assets	832,461,351	600,457,101
Cash	15,113,860	5,973,296
Receivable for securities sold	114,415	–
Subscriptions receivable	208,720	226,368
Accrued investment income and other	229,118	159,696
	848,127,464	606,816,461
LIABILITIES		
Current liabilities		
Payable for securities purchased	–	64,261
Redemptions payable	61,950	90,605
Accrued expenses	29	2
	61,979	154,868
Net assets attributable to holders of redeemable units	848,065,485	606,661,593
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series A	137,988,750	114,604,895
Advisor Series	745,761	652,225
Series F	18,896	9,915
Series I	709,312,078	491,394,558
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series A	56.88	47.90
Advisor Series	56.13	47.36
Series F	61.08	50.82
Series I	62.65	51.91

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except per unit amounts)	2015	2014
INCOME		
Net gain (loss) on investments (note 2)		
Dividends	10,215,948	6,331,599
Interest for distribution purposes	119,480	89,196
Net realized gain (loss) on non-derivative financial assets	25,067,706	20,446,115
Change in unrealized gain (loss) on non-derivative financial assets	99,815,460	43,301,571
Change in unrealized gain (loss) on currency spots contracts	–	726
Net gain (loss) on investments	135,218,594	70,169,207
Securities lending	550,834	353,477
Net realized and unrealized gain(loss) on foreign exchange	(103,956)	(581,270)
Other income	1,375	2,917
Total income (loss)	135,666,847	69,944,331
EXPENSES		
Management fees (note 5)	2,603,149	2,231,217
Fixed administration fees and operating expense (note 6)	570,314	160,187
Independent Review Committee fees	1,042	845
Interest expense and bank overdraft charges	244	7
Foreign withholding taxes/tax reclaims	1,346,161	864,080
Audit fees	–	8,612
Custodian fees	–	47,119
Filing fees	–	31,464
Legal fees	–	1,263
Unitholder administration costs	–	118,420
Unitholder reporting costs	–	26,150
Other fund costs	1,048	–
Harmonized Sales Tax/Goods and Services Tax	329,601	270,157
Transaction costs	126,253	99,785
Total expenses	4,977,812	3,859,306
Expenses absorbed by the Manager	(13,541)	(18,127)
Net expenses	4,964,271	3,841,179
Increase (decrease) in net assets attributable to holders of redeemable units from operations	130,702,576	66,103,152
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A	21,532,296	12,488,824
Advisor Series	117,948	64,807
Series F	2,091	1,009
Series I	109,050,241	53,548,512
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT†		
Series A	8.93	5.10
Advisor Series	8.70	4.75
Series F	10.25	5.76
Series I	11.19	8.02
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series A	2,411,816	2,450,586
Advisor Series	13,563	13,643
Series F	204	175
Series I	9,748,872	6,681,008

† The increase (decrease) in net assets attributable to holders of redeemable units from operations 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 number of units per series.

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

Scotia Global Growth Fund (Continued)

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the periods ended December 31 (note 1),

(in dollars)	2015	2014
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series A	114,604,895	104,339,381
Advisor Series	652,225	472,063
Series F	9,915	6,684
Series I	491,394,558	259,258,740
	606,661,593	364,076,868
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A	21,532,296	12,488,824
Advisor Series	117,948	64,807
Series F	2,091	1,009
Series I	109,050,241	53,548,512
	130,702,576	66,103,152
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net investment income		
Series I	(5,771,017)	(3,237,800)
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A	22,911,247	16,862,227
Advisor Series	62,298	157,799
Series F	7,000	2,294
Series I	152,990,262	284,264,338
Reinvested distributions		
Series I	5,771,017	3,237,800
Payments on redemption		
Series A	(21,059,688)	(19,085,537)
Advisor Series	(86,710)	(42,444)
Series F	(110)	(72)
Series I	(44,122,983)	(105,677,032)
	116,472,333	179,719,373
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A	23,383,855	10,265,514
Advisor Series	93,536	180,162
Series F	8,981	3,231
Series I	217,917,520	232,135,818
	241,403,892	242,584,725
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series A	137,988,750	114,604,895
Advisor Series	745,761	652,225
Series F	18,896	9,915
Series I	709,312,078	491,394,558
	848,065,485	606,661,593

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	130,702,576	66,103,152
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(25,067,706)	(20,446,115)
Unrealized (gain) loss on foreign exchange of cash	(40,897)	(107,066)
Change in unrealized (gain) loss on non-derivative financial assets	(99,815,460)	(43,301,571)
Change in unrealized (gain) loss on currency spot contracts	–	(726)
Purchases of non-derivative financial assets	(199,074,172)	(252,394,275)
Proceeds from sale of non-derivative financial assets	91,648,159	69,720,480
Transaction costs	126,253	99,785
Accrued investment income and other	(69,422)	28,039
Accrued expenses	27	2
Net cash provided by (used in) operating activities	(101,590,642)	(180,298,295)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	175,988,451	301,274,205
Amounts paid on redemption of redeemable units	(65,298,146)	(124,830,169)
Distributions to unitholders of redeemable units	4	–
Net cash provided by (used in) financing activities	110,690,309	176,444,036
Unrealized gain (loss) on foreign exchange of cash	40,897	107,066
Net increase (decrease) in cash	9,099,667	(3,854,259)
Cash (bank overdraft), beginning of period	5,973,296	9,720,489
CASH (BANK OVERDRAFT), END OF PERIOD	15,113,860	5,973,296
Interest paid[1]	244	–
Interest received[1]	119,130	90,842
Dividends received, net of withholding taxes[1]	8,799,530	5,493,911

[1] Classified as operating items.

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

Scotia Global Growth Fund (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2015

Number of Shares	Issuer	Average Cost ($)	Carrying Value ($)
EQUITIES – 98.2%			
Australia – 0.9%			
624,616	Brambles Limited	5,409,942	7,229,204
Brazil – 0.3%			
774,100	BM&F BOVESPA SA	4,679,938	2,925,548
Canada – 0.1%			
1,555	Fairfax Financial Holdings Limited	1,005,647	1,021,495
Denmark – 0.8%			
56,678	Carlsberg AS, Series B	4,748,014	6,934,709
Germany – 2.8%			
54,099	Deutsche Boerse AG	4,414,524	6,623,723
154,038	SAP AG	14,228,872	16,980,889
		18,643,396	23,604,612
Hong Kong – 2.3%			
1,688,400	AIA Group Ltd.	10,391,643	13,911,055
692,800	Sands China Ltd.	3,842,336	3,240,631
418,000	Tsingtao Brewery Company Ltd.	2,634,936	2,602,776
		16,868,915	19,754,462
India – 1.2%			
45,895	HDFC Bank Ltd-ADR	3,546,562	3,909,901
563,745	ICICI Bank Limited ADR	5,200,154	6,104,697
		8,746,716	10,014,598
Ireland – 3.1%			
16,166,351	Governor and Company of the Bank of Ireland, The	6,685,938	8,212,534
151,342	Ryanair Holding PLC ADR	8,469,642	18,096,490
		15,155,580	26,309,024
Italy – 0.7%			
307,300	Fiat Chrysler Automobiles NV	3,495,219	5,856,327
Japan – 6.8%			
87,100	Cyberagent Inc.	3,952,624	4,975,472
527,800	Inpex Corporation	7,565,641	7,203,576
385,900	MS & AD Insurance Group Holdings, Inc.	13,621,510	15,607,721
133,500	Olympus Corporation	4,213,517	7,271,945
237,600	Osaka Securities Exchange Co., Ltd.	3,038,063	5,132,139
65,600	ROHM Company Limited	4,281,690	4,584,957
21,100	SMC Corporation	5,286,424	7,567,567
214,900	THK Co., Ltd.	5,183,235	5,499,856
		47,142,704	57,843,233
Norway – 1.2%			
114,593	Schibsted ASA, Class A	5,400,325	5,205,773
115,488	Schibsted ASA, Class B	788,952	5,074,042
		6,189,277	10,279,815
Singapore – 0.6%			
76,600	Jardine Matheson Holdings Limited	4,439,487	5,143,585
South Africa – 3.1%			
175,095	MTN Group Limited	3,831,862	2,075,289
128,062	Naspers Limited N Shares	11,054,753	24,207,546
		14,886,615	26,282,835
South Korea – 1.6%			
80,294	Hynix Semiconductor Inc.	3,260,111	2,861,342
14,211	Samsung Electronics Co., Ltd. GDR	7,065,519	10,439,454
		10,325,630	13,300,796
Spain – 0.8%			
535,382	Banco Popular Espanol SA	3,413,166	2,440,007
542,405	Distribuidora Internacional de Alimentacion SA	4,665,807	4,410,377
		8,078,973	6,850,384
EQUITIES (cont'd)			
Sweden – 2.6%			
24,824	Atlas Copco AB	851,143	836,875
245,380	Atlas Copco AB, Class B	5,200,969	7,807,228
499,562	Svenska Handelsbanken AB	6,541,637	9,125,236
308,666	Volvo AB, Class B	4,206,068	3,943,387
		16,799,817	21,712,726
Switzerland – 3.5%			
51,415	Compagnie Financiere Richemont SA , Class A	3,014,627	5,107,306
136,360	Nestle SA	8,914,286	13,977,184
45,716	Schindler Holdings AG	5,411,482	10,585,723
		17,340,395	29,670,213
Taiwan – 2 .3%			
612,726	Taiwan Semiconductor Manufacturing Company Ltd. ADR	11,979,751	19,278,239
United Kingdom – 9.6%			
81,902	Aggreko PLC	1,392,939	1,523,960
131,282	Coca-Cola HBC AG	3,245,305	3,872,071
553,603	CRH PLC	18,714,421	22,228,730
1,615,746	Hays Plc.	2,797,809	4,780,850
960,727	Prudential PLC	18,334,954	29,753,772
458,047	Rolls-Royce Group PLC	5,420,863	5,363,377
36,912,861	Rolls-Royce Holdings PLC	74,441	75,277
397,329	Sberbank of Russia	3,943,819	3,205,125
143,171	Wolseley PLC	7,420,800	10,765,988
		61,345,351	81,569,150
United States – 53.9%			
116,266	Alibaba Group Holding Ltd.	11,667,123	13,067,805
30,982	Alnylam Pharmaceuticals Inc.	4,118,838	4,033,697
35,541	Amazon.com, Inc.	11,391,803	33,221,963
66,189	American Express Company	6,443,989	6,365,154
93,119	Anthem, Inc.	10,857,770	17,957,478
66,239	Autohome Inc	3,740,929	3,198,952
43,569	Baidu, Inc.	6,387,498	11,390,714
83,932	C.H. Robinson Worldwide, Inc.	7,740,859	7,199,113
146,362	CarMax, Inc.	6,326,735	10,924,471
86,708	Colgate-Palmolive Company	6,398,810	7,988,835
89,733	Dolby Laboratories Inc., Class A	3,562,126	4,175,966
130,101	eBay Inc.	2,539,335	4,944,439
90,785	EOG Resources, Inc.	6,283,770	8,888,033
67,463	Facebook Inc.	5,352,761	9,764,860
10,404	Fairfax Financial Holdings Limited	4,324,766	6,777,053
95,408	Financial Engines Inc.	4,365,686	4,437,428
176,010	First Republic Bank	8,916,412	16,073,050
20,071	Google Inc. Class C	9,819,876	21,065,015
98,928	GrubHub Inc.	3,539,853	3,308,910
149,395	Harley-Davidson, Inc.	8,575,685	9,375,023
20,962	Howard Hughes Corporation	3,264,912	3,280,540
4,121	Intuitive Surgical, Inc.	1,849,588	3,112,735
126,623	Leucadia National Corporation	3,247,821	3,045,312
87,702	Lincoln Electric Holdings, Inc.	5,917,735	6,293,798
74,653	M&T Bank Corporation	9,723,846	12,518,396
14,331	Markel Corporation	8,593,930	17,499,569
47,101	Martin Marietta Materials Inc.	6,569,444	8,896,863
87,128	MasterCard, Inc., Class A	4,870,688	11,740,657
82,008	Mindray Medical International Limited ADR	2,541,901	3,072,450
49,356	Monsanto Company	6,106,551	6,724,872
92,930	Moody's Corporation	7,519,392	12,895,842
182,427	Myriad Genetics, Inc.	7,501,124	10,875,179
185,103	NOW Inc.	6,157,163	4,046,016
130,676	PayPal Holdings Inc.	3,745,230	6,542,204
35,280	Praxair, Inc.	3,655,256	4,995,321
132,985	Qiagen N.V.	2,730,074	5,085,310
76,889	QUALCOMM, Inc.	5,650,641	5,315,248
136,965	Ritchie Bros. Auctioneers Incorporated	3,482,995	4,562,217

For equities, all common shares unless otherwise noted.

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

Scotia Global Growth Fund (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

Number of Shares	Issuer	Average Cost ($)	Carrying Value ($)
EQUITIES (cont'd)			
United States (cont'd)			
245,714	Royal Caribbean Cruises Ltd.	14,028,628	34,393,232
122,783	Seattle Genetics, Inc.	4,599,571	7,620,979
332,263	TD Ameritrade Holding Corporation	10,308,437	15,949,837
282,461	Teradyne, Inc.	5,471,711	8,074,556
22,994	Tesla Motors Inc.	3,054,418	7,632,442
55,679	TripAdvisor Inc.	3,828,275	6,564,558
33,076	Twitter, Inc.	1,201,066	1,058,513
261,335	Ultra Petroleum Corp.	6,089,925	903,561
118,374	Visa Inc.	6,165,325	12,695,733
57,981	Waters Corporation	5,505,791	10,794,809
125,493	Xilinx, Inc.	5,251,304	8,151,916
260,805	Yandex NV	4,194,691	5,670,066
56,530	Zillow Group Inc., Class C	267,377	1,835,679
24,293	Zillow Inc., Class A	3,441,456	874,027
		298,890,890	456,880,396
	TOTAL INVESTMENT PORTFOLIO	576,172,257	832,461,351
	OTHER ASSETS, LESS LIABILITIES – 1.8%		15,604,134
	NET ASSETS – 100.0%		848,065,485

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

Scotia Global Growth Fund

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

1. The Fund (note 1)

The Fund's investment objective is long-term capital growth. It invests primarily in a broad range of equity securities of companies around the world.

2. Risks associated with financial instruments (note 4)

i) Interest rate risk

The majority of the Fund's financial assets and liabilities were non-interest bearing as at December 31, 2015 and 2014. Accordingly, the Fund is not directly subject to significant risk due to fluctuations in the prevailing levels of market interest rates.

ii) Currency risk

The tables below indicate the currencies to which the Fund had significant exposure, net of the impact of currency forward contracts and currency spot contracts, if any, based on the monetary and non-monetary assets and liabilities of the Fund. The tables also illustrate the potential impact on the Fund if the functional currency of the Fund had strengthened or weakened by 10% in relation to each of the other currencies, with all other variables held constant.

	December 31, 2015			
Currency	Net currency exposure ($)	Percentage of net assets (%)	Impact on the Fund ($)	Percentage of net assets (%)
US Dollar	523,259,326	61.7	52,325,933	6.2
British Pound	78,364,027	9.2	7,836,403	0.9
Japanese Yen	57,843,233	6.8	5,784,323	0.7
European Euro	44,523,856	5.3	4,452,386	0.5
Swiss Franc	29,670,213	3.5	2,967,021	0.3
South African Rand	26,282,835	3.1	2,628,283	0.3
Swedish Krona	21,712,726	2.6	2,171,273	0.3
Hong Kong Dollar	19,754,462	2.3	1,975,446	0.2
Norwegian Krone	10,279,815	1.2	1,027,981	0.1
Australian Dollar	7,229,204	0.9	722,920	0.1
Danish Krone	6,934,709	0.8	693,471	0.1
Brazilian Real	2,925,548	0.3	292,555	0.0
South Korean Won	2,861,342	0.3	286,134	0.0
	831,641,295	98.0	83,164,129	9.7

	December 31, 2014			
Currency	Net currency exposure ($)	Percentage of net assets (%)	Impact on the Fund ($)	Percentage of net assets (%)
US Dollar	356,081,835	58.7	35,608,184	5.9
British Pound	59,714,075	9.8	5,971,408	1.0
Japanese Yen	41,262,924	6.8	4,126,292	0.7
Swiss Franc	34,079,553	5.6	3,407,955	0.6
European Euro	23,209,944	3.8	2,320,994	0.4
South African Rand	19,426,129	3.2	1,942,613	0.3
Swedish Krona	18,230,371	3.0	1,823,037	0.3
Hong Kong Dollar	17,729,181	2.9	1,772,918	0.3
Norwegian Krone	10,388,239	1.7	1,038,824	0.2
Danish Krone	7,723,952	1.3	772,395	0.1
Australian Dollar	5,538,425	0.9	553,843	0.1
South Korean Won	3,214,449	0.5	321,445	0.1
Brazilian Real	2,699,218	0.4	269,922	0.0
Indonesian Rupiah	1,231,063	0.2	123,106	0.0
	600,529,358	98.8	60,052,936	10.0

iii) Price risk

Price risk is the risk that the carrying 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 price risk is mainly in equities, derivatives and commodities, if applicable. As at December 31, 2015, approximately 98.2% (December 31, 2014 – 99.0%) of the Fund's net assets were exposed to price risk. If prices of these investments had decreased or increased by 10%, with all other variables held constant, net assets of the Fund would have decreased or increased, respectively, by approximately $83,246,135 (December 31, 2014 – $60,045,710). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

iv) Credit risk

The Fund had no significant exposure to bonds and debentures, preferred shares or derivatives as at December 31, 2015 or December 31, 2014. In addition, all investment transactions are executed by brokers with an approved credit rating. As such the risk of default on transactions with counterparties and brokers related to purchase and sale of securities is considered minimal. In instances where the credit rating were to fall below the approved rating, the Manager would take appropriate action.

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

v) Liquidity risk

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

	December 31, 2015		December 31, 2014	
	On demand ($)	Less than 3 months ($)	On demand ($)	Less than 3 months ($)
Current liabilities	–	61,979	–	154,868
Liability for written options	–	–	–	–
Unrealized loss on derivatives	–	–	–	–
Redeemable units	848,065,485	–	606,661,593	–
	848,065,485	61,979	606,661,593	154,868

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, geographical location, asset type or industry sector, as applicable. The table below is a summary of the Fund's concentration risk:

	Percentage of net assets (%)	
	December 31, 2015	December 31, 2014
Australia	0.9	0.9
Brazil	0.3	0.5
Canada	0.1	1.6
Denmark	0.8	1.3
Germany	2.8	1.5
Hong Kong	2.3	2.9
India	1.2	1.1
Indonesia	–	0.2
Ireland	3.1	3.6
Italy	0.7	0.6
Japan	6.8	6.8
Norway	1.2	1.7
Singapore	0.6	0.8
South Africa	3.1	3.2
South Korea	1.6	2.1
Spain	0.8	0.7
Sweden	2.6	3.0
Switzerland	3.5	5.6
Taiwan	2.3	2.2
United Kingdom	9.6	9.7
United States	53.9	49.0

vii) Fair value classification (note 2)

The tables below illustrate the classification of the Fund's financial instruments within the fair value hierarchy.

December 31, 2015	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Equities	505,291,217	327,170,134	–	832,461,351
	505,291,217	327,170,134	–	832,461,351

December 31, 2014	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Equities	340,348,691	260,108,410	–	600,457,101
	340,348,691	260,108,410	–	600,457,101

Transfers between levels

During the periods ended December 31, 2015 and 2014, there were no significant transfers between Level 1 and Level 2.

3. Offsetting of financial assets and liabilities (note 2)

As at December 31, 2015 or December 31, 2014, the Fund did not enter into any agreement whereby the financial instruments were eligible for offset.

4. Interest in Underlying Funds (note 2)

The Fund did not hold any interest in Underlying Funds as at December 31, 2015 or December 31, 2014.

5. Comparison of net asset value per unit and net assets per unit (note 2)

The table below provides a comparison of the net asset value per unit and net assets per unit. The primary reason for the difference between the net asset value per unit and net assets per unit, if any, is described in note 2.

	December 31, 2015		December 31, 2014	
	Net asset value per unit ($)	Net assets per unit ($)	Net asset value per unit ($)	Net assets per unit ($)
Series A	56.89	56.88	47.89	47.90
Advisor Series	56.13	56.13	47.36	47.36
Series F	61.08	61.08	50.82	50.82
Series I	62.65	62.65	51.90	51.91

Scotia Global Small Cap Fund

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars except per unit amounts)	December 31, 2015	December 31, 2014
ASSETS		
Current assets		
Investments		
Non-derivative financial assets	91,201,947	44,486,336
Unrealized gain on currency forward contracts	–	1,917
Unrealized gain on currency spot contracts	–	6
Cash	1,006,569	1,731,246
Subscriptions receivable	4,980	1,110
Accrued investment income and other	38,765	4,090
	92,252,261	46,224,705
LIABILITIES		
Current liabilities		
Redemptions payable	–	6,113
Unrealized loss on currency forward contracts	233,980	2,766
	233,980	8,879
Net assets attributable to holders of redeemable units	92,018,281	46,215,826
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series A	5,095,483	3,174,315
Series F	10,075	–
Series I	86,912,723	43,041,511
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series A	10.62	8.88
Series F	10.64	–
Series I	11.75	9.63

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except per unit amounts)	2015	2014
INCOME		
Net gain (loss) on investments (note 2)		
Dividends	899,863	836,982
Interest for distribution purposes	5,933	2,987
Net realized gain (loss) on non-derivative financial assets	10,899,486	8,581,557
Net realized gain (loss) on currency forward contracts	(2,403,082)	165,690
Change in unrealized gain (loss) on non-derivative financial assets	2,918,024	(1,858,891)
Change in unrealized gain (loss) on currency forward contracts	(233,131)	(58,730)
Change in unrealized gain (loss) on currency spots contracts	(6)	6
Net gain (loss) on investments	12,087,087	7,669,601
Securities lending	4,634	53,418
Net realized and unrealized gain(loss) on foreign exchange	(17,587)	83,360
Other income	481	1,777
Total income (loss)	12,074,615	7,808,156
EXPENSES		
Management fees (note 5)	108,393	75,137
Fixed administration fees (note 6)	54,363	17,349
Independent Review Committee fees	1,138	123
Interest expense and bank overdraft charges	8,017	14,352
Foreign withholding taxes/tax reclaims	79,431	93,636
Audit fees	–	1,295
Custodian fees	–	9,867
Filing fees	–	9,993
Legal fees	–	196
Unitholder administration costs	–	8,387
Unitholder reporting costs	–	7,012
Other fund costs	109	–
Harmonized Sales Tax/Goods and Services Tax	16,858	11,930
Transaction costs	133,767	94,879
Total expenses	402,076	344,156
Expenses absorbed by the Manager	–	(11,356)
Net expenses	402,076	332,800
Increase (decrease) in net assets attributable to holders of redeemable units from operations	11,672,539	7,475,356
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A	628,197	367,959
Series F	238	–
Series I	11,044,104	7,107,397
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT†		
Series A	1.40	0.94
Series F	0.36	–
Series I	2.40	1.19
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series A	448,948	391,532
Series F	666	–
Series I	4,597,312	5,992,167

† The increase (decrease) in net assets attributable to holders of redeemable units from operations 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 number of units per series.

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

Scotia Global Small Cap Fund (Continued)

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the periods ended December 31 (note 1),

(in dollars)	2015	2014
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series A	3,174,315	2,932,797
Series I	43,041,511	57,116,919
	46,215,826	60,049,716
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A	628,197	367,959
Series F	238	–
Series I	11,044,104	7,107,397
	11,672,539	7,475,356
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net investment income		
Series I	(585,753)	(694,766)
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A	3,018,157	1,222,353
Series F	9,837	–
Series I	38,827,108	29,748,814
Reinvested distributions		
Series I	585,753	694,766
Payments on redemption		
Series A	(1,725,186)	(1,348,794)
Series I	(6,000,000)	(50,931,619)
	34,715,669	(20,614,480)
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A	1,921,168	241,518
Series F	10,075	–
Series I	43,871,212	(14,075,408)
	45,802,455	(13,833,890)
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series A	5,095,483	3,174,315
Series F	10,075	–
Series I	86,912,723	43,041,511
	92,018,281	46,215,826

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	11,672,539	7,475,356
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(10,899,486)	(8,581,557)
Unrealized (gain) loss on foreign exchange of cash	(263,792)	(104,736)
Change in unrealized (gain) loss on non-derivative financial assets	(2,918,024)	1,858,891
Change in unrealized (gain) loss on currency forward contracts	233,131	58,730
Change in unrealized (gain) loss on currency spot contracts	6	(6)
Purchases of non-derivative financial assets	(86,905,307)	(39,396,205)
Proceeds from sale of non-derivative financial assets	53,873,439	61,301,843
Transaction costs	133,767	94,879
Accrued investment income and other	(34,675)	(4,078)
Net cash provided by (used in) operating activities	(35,108,402)	22,703,117
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	41,851,232	30,984,756
Amounts paid on redemption of redeemable units	(7,731,299)	(52,274,300)
Net cash provided by (used in) financing activities	34,119,933	(21,289,544)
Unrealized gain (loss) on foreign exchange of cash	263,792	104,736
Net increase (decrease) in cash	(988,469)	1,413,573
Cash (bank overdraft), beginning of period	1,731,246	212,937
CASH (BANK OVERDRAFT), END OF PERIOD	1,006,569	1,731,246
Interest paid[1]	8,017	–
Interest received[1]	5,846	2,734
Dividends received, net of withholding taxes[1]	785,845	739,521

[1] Classified as operating items.

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2015

Number of Shares	Issuer	Average Cost ($)	Carrying Value ($)
FOREIGN EQUITIES – 99.1%			
France – 2.4%			
16,500	Sodexo	1,918,764	2,221,482
Japan – 4.6%			
277,000	Daiwa Securities Group Inc.	2,619,848	2,342,229
62,700	Stanley Electric Co., Ltd.	1,605,918	1,910,013
		4,225,766	4,252,242
Norway – 1.6%			
137,900	Orkla ASA	1,340,058	1,506,293
Spain – 8.4%			
118,400	Almirall SA	2,346,545	3,309,395
47,400	Amadeus IT Holding SA, Class A	2,139,407	2,888,680
17,900	Viscofan, SA	1,081,042	1,494,670
		5,566,994	7,692,745
United Kingdom – 13.1%			
151,900	Diploma PLC	2,272,056	2,351,897
51,800	InterContinental Hotels Group	2,280,064	2,780,550
352,500	Kingfisher PLC	2,127,193	2,361,156
45,250	Spirax-Sarco Engineering PLC	2,586,312	3,015,440
195,300	Standard Life PLC	1,502,914	1,550,143
		10,768,539	12,059,186
United States – 69.0%			
8,200	Acuity Brands Inc.	2,155,618	2,651,020
28,800	C.H. Robinson Worldwide, Inc.	2,604,309	2,470,267
19,300	Carter's Inc.	1,895,737	2,375,432
66,900	E*Trade Financial Corporation	2,227,301	2,742,357
28,000	Fluor Corporation	1,815,325	1,828,537
26,700	Hill-Rom Holdings Inc.	1,820,827	1,774,658
159,400	Inovalon Holdings Inc., Class A	4,067,907	3,742,120
103,800	InterXion Holding NV	3,907,025	4,326,017
34,800	iShares MSCI Europe Financials Exchange-Traded Funds	877,420	977,963
36,500	Jarden Corporation	1,843,236	2,882,110
36,900	Lazard Ltd.	1,836,034	2,295,438
67,565	Level 3 Communications, Inc.	2,987,139	5,078,094
51,500	Liberty Interactive Corp QVC Group, Series A	1,914,094	1,945,842
21,700	LivaNova PLC	1,712,941	1,781,749
70,400	QLIK Technologies Inc.	2,387,981	3,082,501
12,900	Rockwell Automation, Inc.	1,766,036	1,830,624
39,200	Sensata Technologies Holding NV	2,439,848	2,497,064
25,800	Tableau Software Inc.	2,813,085	3,361,882
15,500	The Ultimate Software Group, Inc.	3,207,481	4,191,026
52,400	Vantiv, Inc.	3,380,862	3,436,470
58,700	Veeva Systems Inc., Class A	2,229,064	2,343,308
27,700	Workday Inc.	2,974,307	3,052,451
29,100	Zebra Technologies Corporation, Class A	2,793,904	2,803,069
		55,657,481	63,469,999
	TOTAL INVESTMENT PORTFOLIO	79,477,602	91,201,947
	Currency Forward Contracts – (0.3%)		(233,980)
	OTHER ASSETS, LESS LIABILITIES – 1.2%		1,050,314
	NET ASSETS – 100.0%		92,018,281

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

Scotia Global Small Cap Fund (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

CURRENCY FORWARD CONTRACTS

Settlement Date	Currency To Be Received	Contractual Amount	Currency To Be Delivered	Contractual Amount	Canadian Value as at December 31, 2015 ($)	Canadian ($) Appreciation/ (Depreciation)
Jan 28, 2016	Canadian Dollar	2,279,635	Japanese Yen	210,000,000	2,417,025	(137,390)
Jan 28, 2016	Canadian Dollar	1,744,953	Japanese Yen	160,000,000	1,841,543	(96,590)
						(233,980)

The currency forward contracts outstanding at December 31, 2015 are placed with a financial institution with a credit rating of AA by DBRS.

Scotia Global Small Cap Fund

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

1. The Fund (note 1)

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

2. Risks associated with financial instruments (note 4)

i) Interest rate risk

The majority of the Fund's financial assets and liabilities were non-interest bearing as at December 31, 2015 and 2014. Accordingly, the Fund is not directly subject to significant risk due to fluctuations in the prevailing levels of market interest rates.

ii) Currency risk

The tables below indicate the currencies to which the Fund had significant exposure, net of the impact of currency forward contracts and currency spot contracts, if any, based on the monetary and non-monetary assets and liabilities of the Fund. The tables also illustrate the potential impact on the Fund if the functional currency of the Fund had strengthened or weakened by 10% in relation to each of the other currencies, with all other variables held constant.

	December 31, 2015			
Currency	Net currency exposure ($)	Percentage of net assets (%)	Impact on the Fund ($)	Percentage of net assets (%)
US Dollar	63,618,198	69.1	6,361,820	6.9
British Pound	12,104,920	13.2	1,210,492	1.3
European Euro	9,926,840	10.8	992,684	1.1
Norwegian Krone	1,506,293	1.6	150,629	0.2
Japanese Yen	24,882	0.0	2,488	0.0
Mexican Peso	5,714	0.0	571	0.0
	87,186,847	94.7	8,718,684	9.5

	December 31, 2014			
Currency	Net currency exposure ($)	Percentage of net assets (%)	Impact on the Fund ($)	Percentage of net assets (%)
US Dollar	33,043,475	71.5	3,304,348	7.1
European Euro	5,068,743	11.0	506,874	1.1
British Pound	4,852,290	10.5	485,229	1.0
Norwegian Krone	620,849	1.3	62,085	0.1
Japanese Yen	79,474	0.2	7,947	0.0
	43,664,831	94.5	4,366,483	9.3

iii) Price risk

Price risk is the risk that the carrying 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 price risk is mainly in equities, derivatives and commodities, if applicable. As at December 31, 2015, approximately 99.1% (December 31, 2014 – 96.3%) of the Fund's net assets were exposed to price risk. If prices of these investments had decreased or increased by 10%, with all other variables held constant, net assets of the Fund would have decreased or increased, respectively, by approximately $9,120,195 (December 31, 2014 – $4,448,634). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

iv) Credit risk

The Fund had no significant exposure to bonds and debentures, preferred shares or derivatives as at December 31, 2015 or December 31, 2014. In addition, all investment transactions are executed by brokers with an approved credit rating. As such the risk of default on transactions with counterparties and brokers related to purchase and sale of securities is considered minimal. In instances where the credit rating were to fall below the approved rating, the Manager would take appropriate action.

v) Liquidity risk

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

	December 31, 2015		December 31, 2014	
	On demand ($)	Less than 3 months ($)	On demand ($)	Less than 3 months ($)
Current liabilities	–	–	–	6,113
Liability for written options	–	–	–	–
Unrealized loss on derivatives	–	233,980	–	2,766
Redeemable units	92,018,281	–	46,215,826	
–	92,018,281	233,980	46,215,826	8,879

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, geographical location,

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

asset type or industry sector, as applicable. The table below is a summary of the Fund's concentration risk:

	Percentage of net assets (%)	
	December 31, 2015	December 31, 2014
Australia	–	1.3
Canada	–	0.8
France	2.4	–
Japan	4.6	3.3
Netherlands	–	3.4
Norway	1.6	1.3
Spain	8.4	7.5
United Kingdom	13.1	10.5
United States	69.0	68.2

vii) Fair value classification (note 2)

The tables below illustrate the classification of the Fund's financial instruments within the fair value hierarchy.

December 31, 2015	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Equities	63,469,999	27,731,948	–	91,201,947
Currency forward contracts–assets	–	–	–	–
	63,469,999	27,731,948	–	91,201,947
Currency forward contracts–liabilities	–	(233,980)	–	(233,980)
	63,469,999	27,497,968	–	90,967,967

December 31, 2014	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Equities	32,419,533	12,066,803	–	44,486,336
Currency forward contracts–assets	–	1,917	–	1,917
Currency spot contracts–assets	6	–	–	6
	32,419,539	12,068,720	–	44,488,259
Currency forward contracts–liabilities	–	(2,766)	–	(2,766)
	32,419,539	12,065,954	–	44,485,493

Transfers between levels

During the periods ended December 31, 2015 and 2014, there were no significant transfers between Level 1 and Level 2.

3. Offsetting of financial assets and liabilities (note 2)

The following tables present offsetting of financial assets and liabilities and collateral amounts that would occur if future events, such as bankruptcy or termination of contracts were to arise. No amounts were offset in the financial statements.

	December 31, 2015			
Financial assets – by type	Gross amount of assets ($)	Master netting offset ($)	Collateral pledged ($)	Net Amount ($)
Currency forward contracts	–	–	–	–
Options contracts – OTC	–	–	–	–
Swap contracts	–	–	–	
–	–	–	–	–

Financial liabilities – by type	Gross amount of liabilities ($)	Master netting offset ($)	Collateral pledged ($)	Net Amount ($)
Currency forward contracts	233,980	–	–	233,980
Options contracts – OTC	–	–	–	–
Swap contracts	–	–	–	
–	233,980	–	–	233,980

	December 31, 2014			
Financial assets – by type	Gross amount of assets ($)	Master netting offset ($)	Collateral pledged ($)	Net Amount ($)
Currency forward contracts	1,917	(1,917)	–	–
Options contracts – OTC	–	–	–	–
Swap contracts	–	–	–	
–	1,917	(1,917)	–	–

Financial liabilities – by type	Gross amount of liabilities ($)	Master netting offset ($)	Collateral pledged ($)	Net Amount ($)
Currency forward contracts	2,766	(1,917)	–	849
Options contracts – OTC	–	–	–	–
Swap contracts	–	–	–	
–	2,766	(1,917)	–	849

4. Interest in Underlying Funds (note 2)

The following table provides information about the Fund's interest in Underlying Funds.

	December 31, 2015	
Underlying Fund	Carrying value of the Underlying Fund ($)	Ownership percentage in Underlying Fund (%)
iShares MSCI Europe Financials Exchange– Traded Funds	977,963	0.2
	977,963	

The Fund did not hold any interest in Underlying Funds as at December 31, 2014.

5. Comparison of net asset value per unit and net assets per unit (note 2)

The table below provides a comparison of the net asset value per unit and net assets per unit. The primary reason

Scotia Global Small Cap Fund (Continued)

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

for the difference between the net asset value per unit and net assets per unit, if any, is described in note 2.

	December 31, 2015		December 31, 2014	
	Net asset value per unit ($)	Net assets per unit ($)	Net asset value per unit ($)	Net assets per unit ($)
Series A	10.62	10.62	8.88	8.88
Series F	10.64	10.64	–	–
Series I	11.75	11.75	9.63	9.63

Scotia Global Opportunities Fund

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars except per unit amounts)	December 31, 2015	December 31, 2014
ASSETS		
Current assets		
Investments		
Non-derivative financial assets	164,567,810	111,182,018
Cash	27,630,399	4,043,464
Subscriptions receivable	92,203	15,257
Accrued investment income and other	179,267	93,189
	192,469,679	115,333,928
LIABILITIES		
Current liabilities		
Payable for securities purchased	351,133	–
Redemptions payable	5,800,403	12,059
Unrealized loss on currency spot contracts	2,460	–
	6,153,996	12,059
Net assets attributable to holders of redeemable units	186,315,683	115,321,869
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series A	13,985,651	9,309,524
Advisor Series	307,802	278,797
Series F	11,439	–
Series I	172,010,791	105,733,548
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series A	11.98	10.50
Advisor Series	11.64	10.20
Series F	12.18	–
Series I	12.87	11.24

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except per unit amounts)	2015	2014
INCOME		
Net gain (loss) on investments (note 2)		
Dividends	4,604,123	1,327,566
Interest for distribution purposes	26,006	14,872
Net realized gain (loss) on non-derivative financial assets	9,332,541	11,461,424
Net realized gain (loss) on currency forward contracts	458,364	–
Change in unrealized gain (loss) on non-derivative financial assets	12,856,802	(2,048,030)
Change in unrealized gain (loss) on currency spots contracts	(2,460)	–
Net gain (loss) on investments	27,275,376	10,755,832
Securities lending	10,175	5,321
Net realized and unrealized gain (loss) on foreign exchange	245,069	33,359
Other income	229	195
Total income (loss)	27,530,849	10,794,707
EXPENSES		
Management fees (note 5)	257,161	203,085
Fixed administration fees and operating expense (note 6)	131,259	32,653
Independent Review Committee fees	1,118	187
Interest expense and bank overdraft charges	1,008	475
Foreign withholding taxes/tax reclaims	391,900	220,742
Audit fees	–	1,911
Custodian fees	–	9,663
Filing fees	–	23,600
Legal fees	–	285
Unitholder administration costs	–	13,915
Unitholder reporting costs	–	8,008
Other fund costs	231	–
Harmonized Sales Tax/Goods and Services Tax	39,183	28,220
Transaction costs	228,694	437,896
Total expenses	1,050,554	980,640
Expenses absorbed by the Manager	(12,308)	(14,458)
Net expenses	1,038,246	966,182
Increase (decrease) in net assets attributable to holders of redeemable units from operations	26,492,603	9,828,525
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A	1,910,871	589,191
Advisor Series	52,162	18,376
Series F	474	121
Series I	24,529,096	9,220,837
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT†		
Series A	1.97	0.70
Advisor Series	1.97	0.73
Series F	1.32	0.54
Series I	2.48	1.23
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series A	971,578	844,855
Advisor Series	26,523	25,280
Series F	359	225
Series I	9,909,526	7,480,573

† The increase (decrease) in net assets attributable to holders of redeemable units from operations 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 number of units per series.

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

Scotia Global Opportunities Fund (Continued)

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the periods ended December 31 (note 1),

(in dollars)	2015	2014
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series A	9,309,524	8,234,942
Advisor Series	278,797	215,438
Series I	105,733,548	76,252,400
	115,321,869	84,702,780
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A	1,910,871	589,191
Advisor Series	52,162	18,376
Series F	474	121
Series I	24,529,096	9,220,837
	26,492,603	9,828,525
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net investment income		
Series I	(3,792,247)	(769,265)
From net realized gains on investments		
Series A	(562,709)	(556,264)
Advisor Series	(12,484)	(16,680)
Series F	(382)	–
Series I	(7,195,759)	(6,316,978)
	(11,563,581)	(7,659,187)
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A	4,539,756	2,818,660
Advisor Series	–	46,550
Series F	10,965	2,343
Series I	55,440,830	53,447,928
Reinvested distributions		
Series A	560,234	553,495
Advisor Series	12,484	16,680
Series F	382	–
Series I	10,988,006	7,086,244
Payments on redemption		
Series A	(1,772,025)	(2,330,500)
Advisor Series	(23,157)	(1,567)
Series F	–	(2,464)
Series I	(13,692,683)	(33,187,618)
	56,064,792	28,449,751
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A	4,676,127	1,074,582
Advisor Series	29,005	63,359
Series F	11,439	–
Series I	66,277,243	29,481,148
	70,993,814	30,619,089
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series A	13,985,651	9,309,524
Advisor Series	307,802	278,797
Series F	11,439	–
Series I	172,010,791	105,733,548
	186,315,683	115,321,869

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	26,492,603	9,828,525
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(9,332,541)	(11,461,424)
Unrealized (gain) loss on foreign exchange of cash	(342,179)	(177,791)
Change in unrealized (gain) loss on non-derivative financial assets	(12,856,802)	2,048,030
Change in unrealized (gain) loss on currency spot contracts	2,460	–
Purchases of non-derivative financial assets	(118,889,905)	(280,657,484)
Proceeds from sale of non-derivative financial assets	87,815,895	261,817,789
Transaction costs	228,694	437,896
Accrued investment income and other	(86,078)	(29,440)
Net cash provided by (used in) operating activities	(26,967,853)	(18,193,899)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	59,914,605	56,309,944
Amounts paid on redemption of redeemable units	(9,699,521)	(35,510,785)
Distributions to unitholders of redeemable units	(2,475)	(2,768)
Net cash provided by (used in) financing activities	50,212,609	20,796,391
Unrealized gain (loss) on foreign exchange of cash	342,179	177,791
Net increase (decrease) in cash	23,244,756	2,602,492
Cash (bank overdraft), beginning of period	4,043,464	1,263,181
CASH (BANK OVERDRAFT), END OF PERIOD	27,630,399	4,043,464
Interest paid[1]	1,008	–
Interest received[1]	17,838	14,784
Dividends received, net of withholding taxes[1]	4,131,784	1,077,472

[1] Classified as operating items.

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

Scotia Global Opportunities Fund (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2015

Number of Shares	Issuer	Average Cost ($)	Carrying Value ($)
EQUITIES – 88.3%			
Brazil – 0.2%			
138,700	Odontoprev SA	475,520	456,550
Finland – 4.5%			
59,500	Kone Oyj	3,373,215	3,462,386
101,692	Nokian Renkaat Oyj	3,072,578	4,999,221
		6,445,793	8,461,607
France – 3.6%			
20,400	LVMH Moet Hennessy Louis Vuitton SA	4,698,509	4,413,706
34,647	Technip SA	2,442,856	2,368,634
		7,141,365	6,782,340
Germany – 1.3%			
15,100	Hannover Rueckversicherung AG	2,357,687	2,395,379
Hong Kong – 5.0%			
316,800	CK Hutchison Holdings Ltd.	6,570,108	5,880,555
3,682,800	Li & Fung Limited	4,211,261	3,436,997
		10,781,369	9,317,552
Israel – 1.4%			
34,981	Frutarom	455,438	2,594,738
Japan – 8.3%			
143,800	Aeon Delight Co., Ltd.	4,465,663	6,378,887
76,500	FUJIFILM Holdings Corporation	2,901,077	4,406,621
317,890	Mitsubishi Electric Corporation	4,490,352	4,609,435
		11,857,092	15,394,943
Norway – 4.5%			
122,900	Gjensidige Forsikring ASA	2,306,878	2,708,746
157,740	Kongsberg Gruppen ASA	3,412,806	3,569,675
95,204	TGS Nopec Geophysical Co. ASA	2,649,182	2,084,377
		8,368,866	8,362,798
Russia – 1.1%			
248,200	Mobile TeleSystems ADR	2,935,636	2,121,338
Singapore – 6.5%			
1,621,000	ComfortDelGro Corporation Limited	3,884,638	4,796,093
150,900	DBS Group Holdings Limited	2,513,174	2,443,733
2,492,600	Mapletree Logistics Trust	2,377,000	2,400,215
128,700	United Overseas Bank Ltd.	2,399,031	2,450,802
		11,173,843	12,090,843
EQUITIES (cont'd)			
South Korea – 2.5%			
3,100	Samsung Electronics Co., Ltd.	4,238,894	4,569,307
Switzerland – 10.1%			
22,560	Lonza Group AG	2,976,068	5,071,841
61,270	Nestle SA	5,603,512	6,280,303
1,890	SGS SA	4,590,792	4,979,129
18,600	Swiss Re Ltd.	2,201,960	2,502,097
		15,372,332	18,833,370
United Kingdom – 11.1%			
71,600	Admiral Group PLC	2,370,664	2,409,151
291,800	Inchcape PLC	4,579,810	4,641,090
90,100	Intertek Group PLC	3,876,390	5,097,336
768,000	Mitie Group PLC	4,966,286	4,865,674
112,800	WPP Group PLC	3,421,765	3,591,698
		19,214,915	20,604,949
United States – 28.2%			
17,800	3M Co.	3,472,435	3,708,344
18,900	Apple Inc.	1,886,779	2,750,429
4,160	AutoZone, Inc.	2,978,852	4,268,391
22,800	Capital One Financial Corporation	2,334,838	2,275,522
32,300	Check Point Software Technologies Ltd.	3,086,656	3,635,297
17,400	Costco Wholesale Corporation	2,540,360	3,886,346
47,200	Deere & Company	4,867,586	4,978,694
4,700	Google Inc. Class A	2,833,816	5,057,113
70,700	Microsoft Corporation	3,877,499	5,422,253
29,000	Omnicom Group Inc.	2,812,864	3,033,074
56,600	Progressive Corporation, The	2,038,376	2,489,220
35,130	Teva Pharmaceutical Industries Ltd.	2,080,815	3,188,358
39,140	Visa Inc.	3,059,356	4,197,805
25,400	Walt Disney Company, The	2,059,169	3,691,250
		39,929,401	52,582,096
	TOTAL INVESTMENT PORTFOLIO	140,748,151	164,567,810
	Currency Spot Contracts – (0.0%)		(2,460)
	OTHER ASSETS, LESS LIABILITIES – 11.7%		21,750,333
	NET ASSETS – 100.0%		186,315,683

CURRENCY SPOT CONTRACTS

Settlement Date	Currency To Be Received	Contractual Amount	Currency To Be Delivered	Contractual Amount	Canadian Value as at December 31, 2015 ($)	Canadian ($) Appreciation/ (Depreciation)
Jan. 4, 2016	Norwegian Krone	2,245,598	Canadian Dollar	353,582	353,593	(2,460)

The currency spot contracts outstanding at December 31, 2015 are placed with a financial institution with a credit rating of AA by DBRS.

For equities, all common shares unless otherwise noted.

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

Scotia Global Opportunities Fund

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

1. The Fund (note 1)

The Fund's investment objective is to achieve long-term capital growth. It invests primarily in a more concentrated portfolio of equity securities of companies located around the world.

2. Risks associated with financial instruments (note 4)

i) Interest rate risk

The majority of the Fund's financial assets and liabilities were non-interest bearing as at December 31, 2015 and 2014. Accordingly, the Fund is not directly subject to significant risk due to fluctuations in the prevailing levels of market interest rates.

ii) Currency risk

The tables below indicate the currencies to which the Fund had significant exposure, net of the impact of currency forward contracts and currency spot contracts, if any, based on the monetary and non-monetary assets and liabilities of the Fund. The tables also illustrate the potential impact on the Fund if the functional currency of the Fund had strengthened or weakened by 10% in relation to each of the other currencies, with all other variables held constant.

	December 31, 2015			
Currency	Net currency exposure ($)	Percentage of net assets (%)	Impact on the Fund ($)	Percentage of net assets (%)
US Dollar	54,858,168	29.4	5,485,817	2.9
British Pound	20,715,207	11.1	2,071,521	1.1
European Euro	17,886,068	9.6	1,788,607	1.0
Swiss Franc	19,075,782	10.2	1,907,578	1.0
Japanese Yen	15,602,905	8.4	1,560,291	0.8
Singapore Dollar	12,198,423	6.5	1,219,842	0.7
Hong Kong Dollar	9,709,965	5.2	970,997	0.5
Norwegian Krone	8,971,514	4.8	897,151	0.5
South Korean Won	4,569,307	2.5	456,931	0.3
Israel Shekel	2,601,832	1.4	260,183	0.1
Brazilian Real	456,550	0.2	45,655	0.0
South African Rand	26,523	0.0	2,652	0.0
	166,672,244	89.3	16,667,225	8.9

	December 31, 2014			
Currency	Net currency exposure ($)	Percentage of net assets (%)	Impact on the Fund ($)	Percentage of net assets (%)
US Dollar	64,150,166	55.6	6,415,017	5.6
Swiss Franc	11,234,023	9.7	1,123,402	1.0
Japanese Yen	10,624,619	9.2	1,062,462	0.9
Hong Kong Dollar	8,606,245	7.5	860,625	0.7
Israel Shekel	3,590,118	3.1	359,012	0.3
British Pound	3,032,936	2.6	303,294	0.3
South Korean Won	2,943,978	2.6	294,398	0.3
Swedish Krona	2,453,404	2.1	245,340	0.2
Norwegian Krone	2,311,464	2.0	231,146	0.2
European Euro	2,225,004	1.9	222,500	0.2
South African Rand	1,830,154	1.6	183,015	0.2
	113,002,111	97.9	11,300,211	9.9

iii) Price risk

Price risk is the risk that the carrying 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 price risk is mainly in equities, derivatives and commodities, if applicable. As at December 31, 2015, approximately 88.3% (December 31, 2014 – 96.4%) of the Fund's net assets were exposed to price risk. If prices of these investments had decreased or increased by 10%, with all other variables held constant, net assets of the Fund would have decreased or increased, respectively, by approximately $16,456,781 (December 31, 2014 – $11,118,202). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

iv) Credit risk

The Fund had no significant exposure to bonds and debentures, preferred shares or derivatives as at December 31, 2015 or December 31, 2014. In addition, all investment transactions are executed by brokers with an approved credit rating. As such the risk of default on transactions with counterparties and brokers related to purchase and sale of securities is considered minimal. In instances where the credit rating were to fall below the approved rating, the Manager would take appropriate action.

v) Liquidity risk

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

	December 31, 2015		December 31, 2014	
	On demand ($)	Less than 3 months ($)	On demand ($)	Less than 3 months ($)
Current liabilities	–	6,151,536	–	12,059
Liability for written options	–	–	–	–
Unrealized loss on derivatives	–	2,460	–	–
Redeemable units	186,315,683	–	115,321,869	–
	186,315,683	6,153,996	115,321,869	12,059

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.

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

vi) Concentration risk

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

	Percentage of net assets (%)	
	December 31, 2015	December 31, 2014
Brazil	0.2	–
Canada	–	1.9
Finland	4.5	1.9
France	3.6	–
Germany	1.3	–
Hong Kong	5.0	7.5
Israel	1.4	3.1
Japan	8.3	9.2
Norway	4.5	2.0
Russia	1.1	–
Singapore	6.5	–
South Africa	–	1.6
South Korea	2.5	2.6
Sweden	–	2.1
Switzerland	10.1	9.7
United Kingdom	11.1	2.6
United States	28.2	52.2

December 31, 2015	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Equities	54,703,434	109,864,376	–	164,567,810
Currency spot contracts– liabilities	(2,460)	–	–	(2,460)
	54,700,974	109,864,376	–	164,565,350

December 31, 2014	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Equities	62,379,997	48,802,021	–	111,182,018
	62,379,997	48,802,021	–	111,182,018

Transfers between levels

During the periods ended December 31, 2015 and 2014, there were no significant transfers between Level 1 and Level 2.

3. Offsetting of financial assets and liabilities (note 2)

As at December 31, 2015 or December 31, 2014, the Fund did not enter into any agreement whereby the financial instruments were eligible for offset.

4. Interest in Underlying Funds (note 2)

The Fund did not hold any interest in Underlying Funds as at December 31, 2015 or December 31, 2014.

5. Comparison of net asset value per unit and net assets per unit (note 2)

The table below provides a comparison of the net asset value per unit and net assets per unit. The primary reason for the difference between the net asset value per unit and net assets per unit, if any, is described in note 2.

	December 31, 2015		December 31, 2014	
	Net asset value per unit ($)	Net assets per unit ($)	Net asset value per unit ($)	Net assets per unit ($)
Series A	11.98	11.98	10.50	10.50
Advisor Series	11.64	11.64	10.20	10.20
Series F	12.18	12.18	–	–
Series I	12.87	12.87	11.24	11.24

Scotia Private Options Income Pool

STATEMENT OF FINANCIAL POSITION

As at

(in dollars except per unit amounts)	December 31, 2015*
ASSETS	
Current assets	
Investments	
Non-derivative financial assets	210,843,372
Purchased Options	20,226,531
Cash*	571,496,383
Receivable for securities sold	2,139,449
Subscriptions receivable	1,829,693
Accrued investment income and other	195,094
	806,730,522
LIABILITIES	
Current liabilities	
Payable for securities purchased	10,907,658
Redemptions payable	108,120
Liability for written options	14,448,572
Unrealized loss on currency forward contracts	3,568,911
	29,033,261
Net assets attributable to holders of redeemable units	777,697,261
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES	
Series I	593,720,376
Series M	183,976,885
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT	
Series I	9.83
Series M	9.72

* $258,348,041 held by brokers as collateral for options

STATEMENT OF COMPREHENSIVE INCOME

For the period ended December 31 (note 1),

(in dollars except per unit amounts)	2015*
INCOME	
Net gain (loss) on investments (note 2)	
Dividends	433,902
Interest for distribution purposes	716,394
Net realized gain (loss) on non-derivative financial assets	(6,401,542)
Net realized gain (loss) on options contracts	17,629,894
Net realized gain (loss) on currency forward contracts	(13,787,052)
Net realized gain (loss) on futures contracts	(9,819,391)
Net realized gain (loss) on swap contracts	(5,379,408)
Change in unrealized gain (loss) on non-derivative financial assets	(9,880,434)
Change in unrealized gain (loss) on options contracts	(2,364,191)
Change in unrealized gain (loss) on currency forward contracts	(3,568,911)
Net gain (loss) on investments	(32,420,739)
Net realized and unrealized gain(loss) on foreign exchange	22,380,915
Total income (loss)	(10,039,824)
EXPENSES	
Management fees (note 5)	80,374
Fixed administration fees (note 6)	271,035
Independent Review Committee fees	214
Interest expense and bank overdraft charges	4,661
Foreign withholding taxes/tax reclaims	55,500
Other fund costs	976
Harmonized Sales Tax/Goods and Services Tax	44,877
Transaction costs	2,919,467
Total expenses	3,377,104
Increase (decrease) in net assets attributable to holders of redeemable units from operations	(13,416,928)
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES	
Series I	(9,247,170)
Series M	(4,169,758)
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT†	
Series I	(0.20)
Series M	(0.24)
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES	
Series I	46,888,970
Series M	17,533,487

† The increase (decrease) in net assets attributable to holders of redeemable units from operations 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 number of units per series.

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

For the period ended December 31 (note 1),

(in dollars)	2015*
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS	
Series I	(9,247,170)
Series M	(4,169,758)
	(13,416,928)
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS	
From net realized gains on investments	
Series I	(3,523,847)
Series M	(888,703)
	(4,412,550)
REDEEMABLE UNIT TRANSACTIONS	
Proceeds from issue	
Series I	604,555,467
Series M	199,810,688
Reinvested distributions	
Series I	3,523,847
Series M	888,180
Payments on redemption	
Series I	(1,587,921)
Series M	(11,663,522)
	795,526,739
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS	
Series I	593,720,376
Series M	183,976,885
	777,697,261
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD	
Series I	593,720,376
Series M	183,976,885
	777,697,261

STATEMENT OF CASH FLOWS

For the period ended December 31 (note 1),

(in dollars)	2015*
CASH FLOWS FROM OPERATING ACTIVITIES	
Increase (decrease) in net assets attributable to holders of redeemable units	(13,416,928)
Adjustments for:	
Net realized (gain) loss on non-derivative financial assets	6,401,542
Net realized (gain) loss on options contracts	(17,629,894)
Unrealized (gain) loss on foreign exchange of cash	(23,543,803)
Change in unrealized (gain) loss on non-derivative financial assets	9,880,434
Change in unrealized (gain) loss on options contracts	2,364,191
Change in unrealized (gain) loss on currency forward contracts	3,568,911
Purchases of portfolio investments	(519,806,476)
Proceeds from sale of portfolio investments	308,068,458
Transaction costs	2,868,624
Accrued investment income and other	(195,094)
Net cash provided by (used in) operating activities	(241,440,035)
CASH FLOWS FROM FINANCING ACTIVITIES	
Proceeds from issue of redeemable units	802,536,462
Amounts paid on redemption of redeemable units	(13,143,324)
Distributions to unitholders of redeemable units	(523)
Net cash provided by (used in) financing activities	789,392,615
Unrealized gain (loss) on foreign exchange of cash	23,543,803
Net increase (decrease) in cash	547,952,580
CASH (BANK OVERDRAFT), END OF PERIOD	571,496,383
Interest paid[1]	4,661
Interest received[1]	571,980
Dividends received, net of withholding taxes[1]	327,722

[1] Classified as operating items.

* No comparative figures are shown as the Fund's inception date was June 1, 2015.

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

Scotia Private Options Income Pool (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2015

Number of Shares/ Contracts	Issuer	Average Cost ($)	Carrying Value ($)
LONG POSITIONS – 29.7%			
Energy – 1.3%			
3,440	Energy Select, Call Options $74.00 Mar. 18, 2016	858,393	33,302
120,000	Royal Dutch Shell PLC, Class A – ADR	7,845,958	7,605,073
2,000	SPDR S&P Oil and Gas, Call Options $34.00 Feb. 19, 2016	207,906	165,959
1,500	SPDR S&P Oil and Gas, Call Options $35.00 Jan. 15, 2016	156,081	16,596
4,000	SPDR S&P Oil and Gas, Call Options $36.00 Mar. 18, 2016	393,635	307,024
4,000	SPDR S&P Oil and Gas, Call Options $37.00 Jun. 17, 2016	668,071	561,495
5,750	TransCanada Corporation, Call Options $46.00 Apr. 15, 2016	672,750	1,049,375
5,750	TransCanada Corporation, Call Options $54.00 Apr. 15, 2016	103,500	106,375
7,500	TransCanada Corporation, Put Options $40.00 Jan. 15, 2016	600,000	75,000
		11,506,294	9,920,199
Consumer Discretionary – 10.7%			
369,000	BURLINGTON STORES INC.	22,858,902	21,885,249
9,500	Chipotle Mexican Grill, Inc.	7,861,885	6,304,473
95,000	Comcast Corporation, Class A	7,479,251	7,414,012
3,900	Consumer Discretionary Select Sector SPDR Fund, Put Options $76.00 Mar. 18, 2016	1,256,908	989,738
100,000	Macy's, Inc.	8,690,042	4,837,706
100,000	Nordstrom, Inc.	7,878,321	6,888,683
165,000	Starwood Hotels & Resorts Worldwide, Inc.	15,893,441	15,804,694
80,000	Time Warner Inc.	7,254,288	7,155,047
117,500	Yum! Brands, Inc.	11,119,254	11,868,301
		90,292,292	83,147,903
Consumer Staples – 3.1%			
62,600	CVS Caremark Corporation	8,558,593	8,462,302
626	CVS Health Corporation, Call Options $101.00 Jan. 15, 2016	98,587	28,570
120,000	Loblaw Companies Limited	7,784,400	7,840,800
725,000	Rite Aid Corporation	7,598,878	7,860,926
		24,040,458	24,192,598
Health Care – 5.9%			
30,000	Allergan, Inc.	12,301,663	12,965,549
64,800	HCA Holdings, Inc.	6,657,831	6,060,857
57,000	Novartis AG	6,779,070	6,781,397
290,000	Pfizer Inc.	13,478,302	12,946,464
115,000	Team Health Holdings Inc.	7,932,634	6,980,444
		47,149,500	45,734,711
Financials – 4.4%			
4,500	Blackstone Group LP, Call Options $31.00 Mar. 18, 2016	488,317	516,548
180,000	Citigroup Inc.	13,354,239	12,882,570
7,800	Financial Select Sector SPDR Fund, Put Options $22.00 Mar. 18, 2016	599,992	334,407
13,700	Financial Select Sector SPDR Fund, Put Options $22.00, Jun. 17, 2016	1,375,931	1,231,554
40,200	Goldman Sachs Group, Inc., The	10,019,774	10,011,778
335,000	KKR & Co. L.P.	7,385,046	7,222,883
57,600	Morgan Stanley	2,558,372	2,533,995
		35,781,671	34,733,735
Information Technology – 2.4%			
50,800	Amphenol Corporation	3,788,426	3,669,470
53,000	Apple Inc.	8,145,853	7,712,842
4,000	Cisco Systems, Inc., Call Options $28.00 Jan. 15, 2016	234,317	44,256
365,000	Micron Technology, Inc.	7,486,397	7,147,856
		19,654,993	18,574,424
Exchange-Traded Funds – 1.9%			
17,000	iShares 20+ Year Treasury Bond ETF, Call Options $125.00 Mar. 18, 2016	2,918,738	2,891,836
17,000	iShares 20+ Year Treasury Bond ETF, Call Options $135.00 Mar. 18, 2016	588,455	493,728
2,850	iShares iBoxx $ High Yield Corporate Bond Fund ETF, Call Options $82.00 Mar. 18, 2016	524,653	329,118
2,850	iShares iBoxx $ High Yield Corporate Bond Fund ETF, Call Options $83.00 Mar. 18, 2016	336,717	199,047
18,100	iShares S&P/TSX 60 Index Fund, Call Options $21.00 Sep. 16, 2016	995,500	841,650
1,940	SPDR S&P 500 ETF, Call Options $207.00 Feb. 19, 2016	848,980	839,780
1,940	SPDR S&P 500 ETF, Call Options $207.00 Mar. 18, 2016	1,113,948	1,161,741
5,800	SPDR S&P 500 ETF, Call Options $215.00 Feb. 19, 2016	1,183,062	372,993
1,940	SPDR S&P 500 ETF, Call Options $222.00 Jun. 17, 2016	402,860	352,815
1,940	SPDR S&P 500 ETF, Call Options $222.00 Mar. 31, 2016	102,743	61,709
5,000	SPDR S&P 500 ETF, Put Options $180.00 March 31, 2016	2,376,094	1,230,863
4,000	SPDR S&P 500 ETF, Put Options $180.00 Sept. 16, 2016	3,692,787	3,183,648
2,925	SPDR S&P 500 ETF, Put Options $195.00 Jun. 17, 2016	2,766,280	2,807,405
		17,850,817	14,766,333
	TOTAL LONG POSITIONS	246,276,025	231,069,903
SHORT POSITIONS – (1.8%)			
Energy – (0.2%)			
(1,400)	Anadarko Petroleum Corporation, Written Put Options $40.00 Jan. 15, 2016	(70,241)	(24,202)
(2,200)	Canadian Natural Resources Limited, Written Put Options $25.00 Jan. 15, 2016	(66,000)	(22,000)
(2,300)	Canadian Natural Resources Ltd., Written Put Options $25.00 Feb. 19, 2016	(154,100)	(78,200)
(3,440)	Energy Select, Written Call Options $82.00 Mar. 18, 2016	(175,271)	(28,545)
(860)	EOG Resources Inc., Written Put Options $65.00 Jan. 29, 2016	(127,541)	(126,668)
(600)	Pioneer Natural Resources Co., Written Put Options $95.00 Jan. 29, 2016	(79,003)	(35,266)
(1,500)	SPDR S&P Oil and Gas, Written Call Options $39.00 Jan. 15, 2016	(42,567)	(4,149)
(1,500)	SPDR S&P Oil and Gas, Written Put Options $27.00 Jan. 15, 2016	(103,376)	(38,378)
(2,600)	SPDR S&P Oil and Gas, Written Put Options $29.00 Mar. 18, 2016	(667,678)	(684,998)
(1,630)	Suncor Energy Inc., Written Put Options $34.00 Jan. 15, 2016	(101,060)	(35,860)
(11,500)	TransCanada Corporation, Written Call Options $50.00 Apr. 15, 2016	(471,500)	(644,000)
(7,500)	TransCanada Corporation, Written Put Options $36.00 Jan. 15, 2016	(90,000)	(48,750)
		(2,148,337)	(1,771,016)
Materials – (0.0%)			
(720)	Monsanto Company, Written Call Options $89.00 Jan. 22, 2016	(84,429)	(33,358)
Industrials – (0.0%)			
(400)	FedEx Corporation, Written Put Options $150.00 Jan. 15, 2016	(101,611)	(172,874)
(1,250)	Nielsen Holdings PLC, Written Put Options $44.00 Jan. 15, 2016	(82,769)	(34,575)
		(184,380)	(207,449)
Consumer Discretionary – (0.2%)			
(1,150)	Comcast Corporation, Class A, Written Put Options $56.50 Jan. 8, 2016	(92,292)	(135,983)
(770)	Comcast Corporation, Written Call Options $55.00 Jan. 22, 2016	(61,317)	(77,206)
(3,900)	Consumer Discretionary Select Sector SPDR Fund, Written Put Options $68.00 Mar. 18, 2016	(415,499)	(261,593)
(1,050)	Foot Locker, Inc., Written Put Options $60.00 Jan. 15, 2016	(105,573)	(43,564)
(1,430)	Las Vegas Sands Corporation, Written Put Options $38.00 Jan. 22, 2016	(145,485)	(43,509)
(1,400)	Lennar Corporation, Class A, Written Call Options $43.00 Jan. 15, 2016	(78,854)	(17,426)
(1,300)	Lennar Corporation, Class A, Written Call Options $46.00 Jan. 15, 2016	(103,523)	(45,846)
(1,630)	Macy's, Inc., Written Put Options $36.00 Jan. 15, 2016	(167,814)	(369,701)
(1,000)	Magna International Inc., Written Put Options $54.00 Jan.15, 2016	(49,000)	(47,500)
(1,000)	NIKE, Inc., Written Put Options $58.50 Jan. 29, 2016	(76,066)	(68,458)
(940)	NIKE, Inc., Written Put Options $62.00 Jan. 29, 2016	(96,411)	(177,452)
(1,000)	Starbucks Corporation, Written Call Options $56.00 Feb. 05, 2016	(92,773)	(101,650)
(1,000)	Starbucks Corporation, Written Call Options $57.00 Jan. 15, 2016	(80,832)	(36,649)
(950)	VF Corporation, Written Call Options $57.50 Jan. 15, 2016	(62,227)	(19,708)
(1,175)	Yum! Brands, Inc., Written Call Options $79.00 Jan. 22, 2016	(160,889)	(51,188)
		(1,788,555)	(1,497,433)

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

Scotia Private Options Income Pool (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2015

Number of Shares/ Contracts	Issuer	Average Cost ($)	Carrying Value ($)
SHORT POSITIONS (cont'd)			
Consumer Staples – (0.1%)			
(470)	Costco Wholesale Corporation, Written Put Options $152.50 Jan. 22, 2016	(130,764)	(33,150)
(1,252)	CVS Health Corporation, Written Call Options $103.00 Jan.29, 2016	(100,330)	(46,751)
(850)	CVS Health Corporation, Written Call Options $95.00 Feb. 19, 2016	(210,678)	(246,864)
(670)	CVS Health Corporation, Written Put Options $89.00 Jan. 22, 2016	(98,669)	(19,922)
(1,200)	Loblaw Companies Limited, Written Call Options $64.00 Feb. 19, 2016	(102,000)	(135,000)
(1,200)	Loblaw Companies Limited, Written Call Options $70.00 Feb. 19, 2016	(60,000)	(39,000)
(770)	Walgreens Boots Alliance Inc., Written Put Options $80.00 Jan. 15, 2016	(151,135)	(78,270)
		(853,576)	(598,957)
Health Care – (0.0%)			
(1,200)	AbbVie Inc., Written Put Options $52.50 Jan. 15, 2016	(125,071)	(20,745)
(1,000)	AbbVie Inc., Written Put Options $53.00 Jan. 08, 2016	(93,904)	(6,915)
(550)	AbbVie Inc., Written Put Options $55.00 Feb. 19, 2016	(79,965)	(81,769)
(160)	Allergan, Inc., Written Put Options $300.00 Jan. 15, 2016	(96,273)	(39,277)
(570)	Celgene Corporation, Written Put Options $100.00 Jan. 15, 2016	(129,572)	(14,978)
(700)	Gilead Sciences, Inc., Written Put Options $92.50 Jan. 15, 2016	(90,394)	(28,559)
(648)	HCA Holdings, Inc., Written Call Options $68.50 Jan. 08, 2016	(102,723)	(67,213)
(1,720)	Pfizer Inc., Written Put Options $31.00 Feb. 19, 2016	(104,792)	(117,748)
		(822,694)	(377,204)
Financials – (0.2%)			
(850)	American Express Company, Written Put Options $66.50 Jan. 29, 2016	(81,114)	(89,341)
(1,500)	Bank of Nova Scotia, The, Written Call Options $52.00 Jan. 15, 2016	(78,000)	(28,500)
(4,500)	Blackstone Group LP, Written Put Options $23.00 Mar. 18, 2016	(494,490)	(192,927)
(820)	Canadian Imperial Bank of Commerce, Written Put Options $92.00 Jan. 15, 2016	(82,820)	(128,330)
(1,200)	Citigroup Inc., Written Put Options $49.00 Jan. 29, 2016	(96,467)	(90,448)
(1,150)	Citigroup Inc., Written Put Options $49.50 Jan. 29, 2016	(106,792)	(102,583)
(600)	CME Group Inc., Written Put Options $86.00 Jan. 29, 2016	(83,161)	(60,160)
(1,000)	Discover Financial Services, Written Put Options $53.50 Jan. 08, 2016	(63,512)	(72,607)
(7,800)	Financial Select Sector SPDR Fund, Written Put Options $19.00 Mar. 18, 2016	(171,423)	(97,086)
(13,700)	Financial Select Sector SPDR Fund, Written Put Options $19.00 Jun. 17, 2016	(446,240)	(397,887)
(950)	JPMorgan Chase & Co., Written Put Options $62.00 Jan. 08, 2016	(77,460)	(9,854)
(950)	JPMorgan Chase & Co., Written Put Options $63.00 Jan. 29, 2016	(109,300)	(89,998)
(800)	Royal Bank of Canada, Written Put Options $70.00 Jan. 15, 2016	(65,600)	(20,400)
(1,150)	Wells Fargo & Company, Written Put Options $51.50 Jan. 08, 2016	(78,365)	(8,747)
		(2,034,744)	(1,388,868)
Information Technology – (0.1%)			
(508)	Amphenol Corporation, Written Call Options $55.00 Jan. 15, 2016	(28,164)	(8,782)
(475)	Apple Inc., Written Put Options $102.14 Jan. 15, 2016	(72,821)	(65,692)
(600)	Apple Inc., Written Put Options $95.00 Feb. 19, 2016	(111,255)	(125,299)
(2,000)	Cisco Systems, Inc., Written Put Options $25.00 Jan. 15, 2016	(157,144)	(15,213)
(770)	Electronic Arts Inc., Written Put Options $60.00 Jan. 15, 2016	(93,446)	(18,636)
(1,050)	Electronic Arts Inc., Written Put Options $65.00 Jan. 15, 2016	(150,587)	(82,772)
(600)	Mastercard Inc., Written Put Options $95.50 Jan. 22, 2016	(59,969)	(92,522)
(1,600)	Oracle Corporation, Written Call Options $35.00 Jan. 22, 2016	(73,668)	(58,639)
(1,350)	QUALCOMM,Inc., Written Put Options $44.00 Jan. 15, 2016	(95,274)	(14,003)
(1,250)	QUALCOMM,Inc., Written Put Options $46.00 Jan. 15, 2016	(125,682)	(26,795)
(800)	Red Hat, Inc., Written Put Options $72.50 Jan. 15, 2016	(92,288)	(8,298)
		(1,060,298)	(516,651)
Exchange-Traded Funds – (1.0%)			
(34,000)	iShares 20+ Year Treasury Bond ETF, Written Call Options $130.00 Mar. 18, 2016	(2,162,960)	(2,257,043)
(18,100)	iShares S&P/TSX 60 Index Fund, Written Call Options $23.00 Sep. 16, 2016	(325,800)	(162,900)
(1,940)	SPDR S&P 500 ETF, Written Call Options $207.00 Jun. 17, 2016	(1,876,373)	(1,937,129)
(1,940)	SPDR S&P 500 ETF, Written Call Options $207.00 Mar. 31, 2016	(1,249,113)	(1,252,963)
(4,000)	SPDR S&P 500 ETF, Written Put Options $150.00 Sept. 16, 2016	(1,391,911)	(1,134,053)
(5,000)	SPDR S&P 500 ETF, Written Put Options $155.00 Mar. 31, 2016	(774,799)	(304,258)
(2,925)	SPDR S&P 500 ETF, Written Put Options $170.00 Jun. 17, 2016	(1,084,643)	(1,009,290)
		(8,865,599)	(8,057,636)
	TOTAL SHORT POSITIONS	(17,842,612)	(14,448,572)
	TOTAL INVESTMENT PORTFOLIO	228,433,413	216,621,331
	Currency Forward Contracts – (0.5%)		(3,568,911)
	OTHER ASSETS, LESS LIABILITIES – 72.6%		564,644,841
	NET ASSETS – 100.0%		777,697,261

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

Scotia Private Options Income Pool (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

CURRENCY FORWARD CONTRACTS

Settlement Date	Currency To Be Received	Contractual Amount	Currency To Be Delivered	Contractual Amount	Canadian Value as at December 31, 2015 ($)	Canadian ($) Appreciation/ (Depreciation)
Jan. 20, 2016	Canadian Dollar	108,022,619	U.S. Dollar	78,740,000	108,871,191	(848,572)
Jan. 20, 2016	Canadian Dollar	9,392,278	U.S. Dollar	6,840,000	9,457,442	(65,164)
Jan. 28, 2016	Canadian Dollar	6,744,945	Swiss Franc	5,134,252	7,091,606	(346,661)
Feb. 18, 2016	Canadian Dollar	127,479,936	U.S. Dollar	93,000,000	128,566,689	(1,086,753)
Feb. 18, 2016	Canadian Dollar	46,266,486	U.S. Dollar	34,000,000	47,002,875	(736,389)
Feb. 18, 2016	Canadian Dollar	44,430,999	U.S. Dollar	32,280,000	44,625,083	(194,084)
Feb. 18, 2016	Canadian Dollar	40,684,160	U.S. Dollar	29,640,000	40,975,448	(291,288)
						(3,568,911)

The currency forward contracts outstanding at December 31, 2015 are placed with a financial institution with a credit rating of A by DBRS.

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

Scotia Private Options Income Pool

FUND SPECIFIC NOTES
For the period indicated in Note 1.

1. The Fund (note 1)

The Fund's investment objective is to seek high income and long-term capital appreciation primarily by writing put options on equity securities to collect premiums, investing directly in equity securities and/or writing call options on these securities.

2. Risks associated with financial instruments (note 4)

i) Interest rate risk

The majority of the Fund's financial assets and liabilities were non-interest bearing as at December 31, 2015. Accordingly, the Fund is not directly subject to significant risk due to fluctuations in the prevailing levels of market interest rates.

ii) Currency risk

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

	December 31, 2015			
Currency	Net currency exposure ($)	Percentage of net assets (%)	Impact on the Fund ($)	Percentage of net assets (%)
US Dollar	13,227,707	1.7	1,322,771	0.2
European Euro	61,737	0.0	6,174	0.0
Swiss Franc	(7,091,606)	(0.9)	(709,161)	(0.1)
	6,197,838	0.8	619,784	0.1

iii) Price risk

Price risk is the risk that the carrying 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 price risk is mainly in equities, derivatives and commodities, if applicable. As at December 31, 2015, approximately 27.9% of the Fund's net assets were exposed to price risk. If prices of these investments had decreased or increased by 10%, with all other variables held constant, net assets of the Fund would have decreased or increased, respectively, by approximately $21,662,133. In practice, actual results may differ from this sensitivity analysis and the difference could be material.

iv) Credit risk

The Fund had no significant exposure to bonds and debentures, preferred shares or derivatives as at December 31, 2015. In addition, all investment transactions are executed by brokers with an approved credit rating. As such the risk of default on transactions with counterparties and brokers related to purchase and sale of securities is considered minimal. In instances where the credit rating were to fall below the approved rating, the Manager would take appropriate action.

v) Liquidity risk

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

	December 31, 2015	
	On demand ($)	Less than 3 months ($)
Current liabilities	–	11,015,778
Liability for written options	–	14,448,572
Unrealized loss on derivatives	–	3,568,911
Redeemable units	777,697,261	–
	777,697,261	29,033,261

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, geographical location, asset type or industry sector, as applicable. The table below is a summary of the Fund's concentration risk:

	Percentage of net assets (%)
	December 31, 2015
Options – Long	
Energy	1.3
Consumer Discretionary	10.7
Consumer Staples	3.1
Health Care	5.9
Financials	4.4
Information Technology	2.4
Index Based ETFs	1.9
Options – Short	
Energy	(0.2)
Materials	(0.0)
Industrials	(0.0)
Consumer Discretionary	(0.2)
Consumer Staples	(0.1)
Health Care	(0.0)
Financials	(0.2)
Information Technology	(0.1)
Index Based ETFs	(1.0)

Scotia Private Options Income Pool (Continued)

FUND SPECIFIC NOTES
For the period indicated in Note 1.

vii) Fair value classification (note 2)

The table below illustrates the classification of the Fund's financial instruments within the fair value hierarchy.

December 31, 2015	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Equities	210,843,372	–	–	210,843,372
Warrants, rights and options	20,226,531	–	–	20,226,531
	231,069,903	–	–	231,069,903
Liability for written options	(14,448,572)	–	–	(14,448,572)
Currency forward contracts–liabilities	–	(3,568,911)	–	(3,568,911)
	216,621,331	(3,568,911)	–	213,052,420

Transfers between levels

During the period ended December 31, 2015, there were no significant transfers between Level 1 and Level 2.

3. Offsetting of financial assets and liabilities (note 2)

The following table presents offsetting of financial assets and liabilities and collateral amounts that would occur if future events, such as bankruptcy or termination of contracts were to arise. No amounts were offset in the financial statements.

	December 31, 2015			
Financial assets – by type	Gross amount of assets ($)	Master netting offset ($)	Collateral pledged ($)	Net Amount ($)
Currency forward contracts	–	–	–	–
Options contracts – OTC	–	–	–	–
Swap contracts	–	–	–	–
	–	–	–	–

Financial liabilities – by type	Gross amount of liabilities ($)	Master netting offset ($)	Collateral pledged ($)	Net Amount ($)
Currency forward contracts	3,568,911	–	–	3,568,911
Options contracts – OTC	–	–	–	–
Swap contracts	–	–	–	–
	3,568,911	–	–	3,568,911

4. Interest in Underlying Funds (note 2)

The Fund did not hold any interest in Underlying Funds as at December 31, 2015.

5. Comparison of net asset value per unit and net assets per unit (note 2)

The table below provides a comparison of the net asset value per unit and net assets per unit. The primary reason for the difference between the net asset value per unit and net assets per unit, if any, is described in note 2.

	December 31, 2015	
	Net asset value per unit ($)	Net assets per unit ($)
Series I	9.83	9.83
Series M	9.72	9.72

Scotia Canadian Bond Index Fund

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars except per unit amounts)	December 31, 2015	December 31, 2014
ASSETS		
Current assets		
Investments		
Non-derivative financial assets	308,877,221	336,287,297
Cash	217,783	20,738
Receivable for securities sold	142,908	210,966
Subscriptions receivable	132,651	382,385
Accrued investment income and other	1,712,367	1,939,016
	311,082,930	338,840,402
LIABILITIES		
Current liabilities		
Payable for securities purchased	–	125,885
Redemptions payable	81,581	216,842
Distributions payable	28	54
	81,609	342,781
Net assets attributable to holders of redeemable units	311,001,321	338,497,621
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series A	310,957,439	338,493,175
Series D	32,618	–
Series F	11,264	4,446
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series A	11.68	11.67
Series D	9.68	–
Series F	11.68	11.72

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except per unit amounts)	2015	2014
INCOME		
Net gain (loss) on investments (note 2)		
Interest for distribution purposes	10,964,171	13,065,880
Net realized gain (loss) on non-derivative financial assets	2,309,891	1,243,720
Change in unrealized gain (loss) on non-derivative financial assets	(1,708,194)	17,217,057
Net gain (loss) on investments	11,565,868	31,526,657
Securities lending	48,924	58,545
Other income	5,901	6,591
Total income (loss)	11,620,693	31,591,793
EXPENSES		
Management fees (note 5)	2,305,118	2,544,047
Fixed administration fees (note 6)	197,585	73,966
Independent Review Committee fees	1,149	773
Interest expense and bank overdraft charges	25	71
Foreign withholding taxes/tax reclaims	277	–
Audit fees	–	7,940
Custodian fees	–	8,135
Filing fees	–	16,471
Legal fees	–	1,238
Unitholder administration costs	–	126,345
Unitholder reporting costs	–	23,461
Other fund costs	393	–
Harmonized Sales Tax/Goods and Services Tax	293,723	325,352
Total expenses	2,798,270	3,127,799
Expenses absorbed by the Manager	–	(2,054)
Net expenses	2,798,270	3,125,745
Increase (decrease) in net assets attributable to holders of redeemable units from operations	8,822,423	28,466,048
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A	8,821,704	28,464,963
Series D	469	–
Series F	250	1,085
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT†		
Series A	0.32	0.90
Series D	0.26	–
Series F	0.54	1.44
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series A	27,896,646	31,788,403
Series D	1,798	–
Series F	466	753

† The increase (decrease) in net assets attributable to holders of redeemable units from operations 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 number of units per series.

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

Scotia Canadian Bond Index Fund (Continued)

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the periods ended December 31 (note 1),

(in dollars)	2015	2014
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series A	338,493,175	424,866,929
Series F	4,446	28,993
	338,497,621	424,895,922
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A	8,821,704	28,464,963
Series D	469	–
Series F	250	1,085
	8,822,423	28,466,048
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net investment income		
Series A	(8,274,900)	(10,146,896)
Series D	(350)	–
Series F	(151)	(306)
	(8,275,401)	(10,147,202)
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A	35,664,643	26,740,144
Series D	32,149	–
Series F	11,108	–
Reinvested distributions		
Series A	8,036,752	9,857,974
Series D	350	–
Series F	151	306
Payments on redemption		
Series A	(71,783,935)	(141,289,939)
Series F	(4,540)	(25,632)
	(28,043,322)	(104,717,147)
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A	(27,535,736)	(86,373,754)
Series D	32,618	–
Series F	6,818	(24,547)
	(27,496,300)	(86,398,301)
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series A	310,957,439	338,493,175
Series D	32,618	–
Series F	11,264	4,446
	311,001,321	338,497,621

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	8,822,423	28,466,048
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(2,309,891)	(1,243,720)
Change in unrealized (gain) loss on non-derivative financial assets	1,708,194	(17,217,057)
Purchases of non-derivative financial assets	(90,973,870)	(167,017,690)
Proceeds from sale of non-derivative financial assets	118,927,817	271,574,027
Transaction costs	–	(2,534)
Accrued investment income and other	226,649	613,343
Net cash provided by (used in) operating activities	36,401,322	115,172,417
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	35,957,634	26,549,222
Amounts paid on redemption of redeemable units	(71,923,736)	(141,436,758)
Distributions to unitholders of redeemable units	(238,175)	(288,938)
Net cash provided by (used in) financing activities	(36,204,277)	(115,176,474)
Net increase (decrease) in cash	197,045	(4,057)
Cash (bank overdraft), beginning of period	20,738	24,795
CASH (BANK OVERDRAFT), END OF PERIOD	217,783	20,738
Interest paid[1]	25	–
Interest received[1]	11,191,097	13,679,223

[1] Classified as operating items.

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

Scotia Canadian Bond Index Fund (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2015

Face Value ($)	Issuer	Average Cost ($)	Carrying Value ($)
BONDS AND DEBENTURES – 99.3%			
Federal Bonds – 33.1%			
	Business Development Bank of Canada		
87,000	4.75% due Jul. 26, 2021	105,024	102,638
53,000	4.35% due Feb. 28, 2022	55,707	62,113
	Canada Housing Trust No. 1		
2,295,000	2.05% due Jun. 15, 2017	2,313,010	2,342,234
2,058,000	1.70% due Dec. 15, 2017	2,055,964	2,097,627
1,072,000	1.75% due Jun. 15, 2018	1,071,527	1,096,905
1,150,000	2.05% due Jun. 15, 2018	1,148,596	1,185,034
2,322,000	2.35% due Dec. 15, 2018	2,333,414	2,420,943
1,250,000	4.10% due Dec. 15, 2018	1,326,582	1,366,670
1,638,000	1.95% due Jun. 15, 2019	1,636,558	1,691,827
2,377,000	2.00% due Dec. 15, 2019	2,391,507	2,461,237
1,112,000	3.75% due Mar. 15, 2020	1,104,920	1,231,629
1,172,000	1.20% due Jun. 15, 2020	1,170,171	1,173,825
1,168,000	1.45% due Jun. 15, 2020	1,167,380	1,182,263
1,083,000	1.25% due Dec. 15, 2020	1,081,483	1,082,067
1,171,000	1.25% due Dec. 15, 2020	1,168,575	1,173,447
1,030,000	3.35% due Dec. 15, 2020	1,025,504	1,132,401
1,610,000	3.80% due Jun. 15, 2021	1,722,418	1,815,077
1,491,000	2.65% due Mar. 15, 2022	1,505,552	1,593,546
1,372,000	2.40% due Dec. 15, 2022	1,356,441	1,442,232
870,000	2.35% due Sep. 15, 2023	866,137	908,502
443,000	3.15% due Sep. 15, 2023	446,234	488,088
1,372,000	2.90% due Jun. 15, 2024	1,386,682	1,484,997
1,256,000	2.55% due Mar. 15, 2025	1,288,712	1,319,040
450,000	1.95% due Dec. 15, 2025	448,002	446,017
433,000	2.25% due Dec. 15, 2025	431,688	440,733
	Canada Mortgage and Housing Corporation		
35,000	4.25% due Feb. 1, 2016	34,106	35,092
	Canada Post Corporation		
125,000	4.08% due Jul. 16, 2025	132,500	148,213
356,000	4.36% due Jul. 16, 2040	414,123	461,173
	Canadian Government Bond		
450,000	0.25% due Nov. 1, 2017	448,065	448,130
	Export Development Canada		
50,000	4.30% due Jun. 1, 2016	49,842	50,760
	Farm Credit Canada		
231,000	4.55% due Apr. 12, 2021	266,130	268,078
303,000	4.60% due Jun. 1, 2021	361,094	352,944
	Government of Canada		
750,000	1.50% due Feb. 1, 2017	761,535	758,256
59,000	1.50% due Mar. 1, 2017	59,474	59,696
800,000	0.25% due May 1, 2017	793,668	797,646
6,926,000	4.00% due Jun. 1, 2017	7,752,617	7,267,409
300,000	1.25% due Aug. 1, 2017	303,948	303,626
3,221,000	1.50% due Sep. 1, 2017	3,240,489	3,275,096
625,000	1.25% due Feb. 1, 2018	635,204	634,964
2,221,000	1.25% due Mar. 1, 2018	2,240,688	2,257,886
1,907,000	4.25% due Jun. 1, 2018	2,134,343	2,078,106
1,883,000	1.25% due Sep. 1, 2018	1,878,484	1,920,465
1,939,000	1.75% due Mar. 1, 2019	1,957,939	2,012,605
3,721,000	3.75% due Jun. 1, 2019	4,217,442	4,121,193
1,783,000	1.75% due Sep. 1, 2019	1,817,474	1,857,101
1,707,000	1.50% due Mar. 1, 2020	1,751,207	1,767,355
2,648,000	3.50% due Jun. 1, 2020	2,984,132	2,973,498
2,446,000	0.75% due Sep. 1, 2020	2,437,129	2,448,455
950,000	0.75% due Mar. 1, 2021	937,045	945,683
1,000	10.50% due Mar. 15, 2021	1,680	1,491
2,191,000	3.25% due Jun. 1, 2021	2,457,988	2,467,369
203,000	9.75% due Jun. 1, 2021	305,701	298,405
1,441,000	2.75% due Jun. 1, 2022	1,522,966	1,594,368
111,000	9.25% due Jun. 1, 2022	185,696	167,672
2,197,000	1.50% due Jun. 1, 2023	2,030,044	2,248,179
390,000	8.00% due Jun. 1, 2023	544,818	579,607
1,843,000	2.50% due Jun. 1, 2024	1,965,165	2,021,535
2,019,000	2.25% due Jun. 1, 2025	2,150,330	2,170,670
527,000	9.00% due Jun. 1, 2025	769,680	881,484
625,000	1.50% due Jun. 1, 2026	614,875	623,440
965,800	8.00% due Jun. 1, 2027	1,386,879	1,607,341
2,113,000	5.75% due Jun. 1, 2029	3,025,345	3,107,956
2,300,000	5.75% due Jun. 1, 2033	3,362,954	3,556,657
2,292,000	5.00% due Jun. 1, 2037	3,322,864	3,419,342
3,000,000	4.00% due Jun. 1, 2041	3,736,829	4,075,380
2,352,000	3.50% due Dec. 1, 2045	2,996,948	3,050,458
964,000	2.75% due Dec. 1, 2048	1,028,896	1,093,384
960,000	2.75% due Dec. 1, 2064	969,776	1,141,729
		100,595,900	103,090,989
Provincial Bonds – 31.3%			
	Alberta Capital Finance Authority		
51,000	4.35% due Jun. 15, 2016	50,648	51,852
73,000	4.65% due Jun. 15, 2017	72,768	77,104
15,000	4.45% due Dec. 15, 2025	14,953	17,576
	Financement-Quebec		
509,000	3.50% due Dec. 1, 2017	530,303	534,874
374,000	2.40% due Dec. 1, 2018	371,725	388,718
369,000	2.45% due Dec. 1, 2019	368,667	385,644
405,000	5.25% due Jun. 1, 2034	422,091	520,818
	First Nations Finance Authority		
26,000	3.40% due Jun. 26, 2024	27,428	27,456
	Ontario School Boards Financing Corporation		
25,000	5.70% due Oct. 11, 2017	24,935	27,055
22,941	5.90% due Oct. 11, 2027	22,819	27,775
35,818	5.48% due Nov. 26, 2029	35,819	43,286
14,653	4.79% due Aug. 8, 2030	14,653	16,118
19,654	5.07% due Apr. 18, 2031	19,654	22,975
30,969	5.38% due Jun. 25, 2032	30,969	37,022
	OPB Finance Trust		
152,000	2.90% due May 24, 2023	151,895	158,566
101,000	3.89% due Jul. 4, 2042	100,929	105,733
	Province of Alberta		
303,000	1.75% due Jun. 15, 2017	303,171	307,538
399,000	1.70% due Dec. 15, 2017	396,567	405,972
285,000	1.60% due Jun. 15, 2018	279,408	289,918
128,000	2.00% due Jun. 1, 2019	127,945	131,785
300,000	4.00% due Dec. 1, 2019	324,421	331,666
422,000	1.25% due Jun. 1, 2020	418,750	420,282
464,000	2.55% due Dec. 15, 2022	459,852	482,777
195,000	3.40% due Dec. 1, 2023	194,358	213,184
163,000	3.10% due Jun. 1, 2024	162,751	174,173
438,000	2.35% due Jun. 1, 2025	439,747	437,102
431,000	2.90% due Sep. 20, 2029	408,261	432,574
308,000	3.50% due Jun. 1, 2031	309,300	326,260
223,000	3.90% due Dec. 1, 2033	222,204	246,225
150,000	4.50% due Dec. 1, 2040	148,673	181,294
576,000	3.45% due Dec. 1, 2043	571,813	594,190
69,000	3.30% due Dec. 1, 2046	68,984	69,492
	Province of British Columbia		
90,000	4.70% due Dec. 1, 2017	89,674	96,706
100,000	5.60% due Jun. 1, 2018	108,177	111,192
330,000	4.65% due Dec. 18, 2018	344,542	365,435
242,000	2.25% due Mar. 1, 2019	242,202	251,337
30,000	5.30% due Jun. 17, 2019	30,065	34,259
377,000	4.10% due Dec. 18, 2019	386,784	419,237
276,000	3.70% due Dec. 18, 2020	275,060	306,858
100,000	9.95% due May 15, 2021	152,708	143,169
60,000	4.80% due Jun. 15, 2021	67,179	70,162
479,000	3.25% due Dec. 18, 2021	482,324	524,282

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

Scotia Canadian Bond Index Fund (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

Face Value ($)	Issuer	Average Cost ($)	Carrying Value ($)
BONDS AND DEBENTURES (cont'd)			
Provincial Bonds (cont'd)			
	Province of British Columbia (cont'd)		
68,000	9.50% due Jun. 9, 2022	107,740	99,529
360,000	2.70% due Dec. 18, 2022	360,537	381,311
236,000	3.30% due Dec. 18, 2023	233,518	258,843
489,000	2.85% due Jun. 18, 2025	502,462	515,928
190,000	6.15% due Nov. 19, 2027	179,196	260,033
51,000	4.95% due Dec. 1, 2027	55,970	61,816
570,000	5.70% due Jun. 18, 2029	712,368	763,641
370,000	6.35% due Jun. 18, 2031	476,145	532,452
84,000	5.40% due Jun. 18, 2035	108,120	113,349
273,000	4.70% due Jun. 18, 2037	319,332	342,738
391,000	4.95% due Jun. 18, 2040	429,881	513,734
630,000	4.30% due Jun. 18, 2042	694,551	765,229
849,000	3.20% due Jun. 18, 2044	778,554	866,119
364,000	2.80% due Jun. 18, 2048	344,438	342,310
	Province of Manitoba		
3,000	2.05% due Dec. 1, 2016	3,007	3,039
152,000	1.85% due Jun. 1, 2017	151,743	154,459
150,000	4.70% due Sep. 22, 2017	161,832	160,014
45,000	4.25% due Mar. 5, 2018	44,811	48,287
145,000	1.85% due Sep. 5, 2018	144,797	148,425
140,000	4.75% due Feb. 11, 2020	156,090	159,196
129,000	4.15% due Jun. 3, 2020	130,967	144,289
87,000	1.60% due Sep. 5, 2020	86,797	87,685
169,000	3.85% due Dec. 1, 2021	183,189	189,035
251,000	2.55% due Jun. 2, 2023	240,202	259,208
148,000	3.30% due Jun. 2, 2024	149,845	159,709
278,000	2.45% due Jun. 2, 2025	277,113	278,279
155,000	4.40% due Sep. 5, 2025	154,430	180,039
150,000	7.75% due Dec. 22, 2025	175,083	217,700
16,000	3.25% due Sep. 5, 2029	15,253	16,571
71,000	10.50% due Mar. 5, 2031	139,014	134,415
75,000	5.70% due Mar. 5, 2037	84,647	102,054
268,000	4.60% due Mar. 5, 2038	281,967	320,597
280,000	4.65% due Mar. 5, 2040	291,451	339,258
77,000	4.10% due Mar. 5, 2041	80,867	86,475
130,000	4.40% due Mar. 5, 2042	129,659	153,028
205,000	3.35% due Mar. 5, 2043	201,101	203,945
364,000	4.05% due Sep. 5, 2045	381,160	410,364
187,000	2.85% due Sep. 5, 2046	179,119	168,663
100,000	4.70% due Mar. 5, 2050	101,146	126,410
18,000	3.15% due Sep. 5, 2052	15,503	17,158
	Province of New Brunswick		
175,000	6.00% due Dec. 27, 2017	197,531	192,643
400,000	4.45% due Mar. 26, 2018	427,288	431,030
255,000	4.40% due Jun. 3, 2019	264,571	282,226
319,000	4.50% due Jun. 2, 2020	319,117	360,681
125,000	1.55% due May 4, 2022	121,416	122,309
263,000	2.85% due Jun. 2, 2023	261,735	275,585
226,000	3.65% due Jun. 3, 2024	228,408	248,560
50,000	5.65% due Dec. 27, 2028	45,795	64,428
140,000	5.50% due Jan. 27, 2034	171,137	181,833
139,000	4.65% due Sep. 26, 2035	147,457	164,323
217,000	4.55% due Mar. 26, 2037	240,412	253,600
185,000	4.80% due Sep. 26, 2039	194,616	224,965
180,000	4.80% due Jun. 3, 2041	183,759	220,107
229,000	3.55% due Jun. 3, 2043	210,363	232,224
261,000	3.80% due Aug. 14, 2045	273,507	277,184
80,000	3.55% due Jun. 3, 2055	81,398	81,558
	Province of Newfoundland and Labrador		
65,000	10.95% due Apr. 15, 2021	96,801	95,295
98,000	2.30% due Jun. 2, 2025	97,565	95,849
35,000	6.15% due Apr. 17, 2028	33,447	46,606
150,000	6.55% due Oct. 17, 2030	184,123	209,783
51,000	5.70% due Oct. 17, 2035	69,651	67,749
55,000	4.50% due Apr. 17, 2037	57,308	63,664
177,000	4.65% due Oct. 17, 2040	205,538	210,697
53,000	3.30% due Oct. 17, 2046	52,681	51,048
	Province of Nova Scotia		
120,000	4.15% due Nov. 25, 2019	119,035	132,983
81,000	4.10% due Jun. 1, 2021	85,110	91,180
217,000	4.45% due Oct. 24, 2021	233,836	249,161
130,000	9.60% due Jan. 30, 2022	179,967	187,111
70,000	2.15% due Jun. 1, 2025	69,936	68,252
80,000	6.60% due Jun. 1, 2027	97,257	110,342
100,000	5.80% due Jun. 1, 2033	113,981	134,520
55,000	4.90% due Jun. 1, 2035	55,465	67,768
185,000	4.50% due Jun. 1, 2037	201,936	217,815
117,000	4.70% due Jun. 1, 2041	128,542	143,269
207,000	4.40% due Jun. 1, 2042	225,554	243,697
82,000	3.45% due Jun. 1, 2045	85,017	83,237
305,000	3.50% due Jun. 2, 2062	303,258	315,313
	Province of Ontario		
1,384,000	4.30% due Mar. 8, 2017	1,439,730	1,442,867
1,624,000	1.90% due Sep. 8, 2017	1,623,072	1,654,812
748,000	4.20% due Mar. 8, 2018	810,061	802,048
1,740,000	2.10% due Sep. 8, 2018	1,742,885	1,793,176
85,000	1.75% due Oct. 9, 2018	84,850	86,852
1,335,000	4.40% due Jun. 2, 2019	1,427,997	1,480,963
684,000	2.10% due Sep. 8, 2019	692,020	706,596
2,283,000	4.20% due Jun. 2, 2020	2,387,202	2,562,273
1,875,000	4.00% due Jun. 2, 2021	1,963,873	2,110,713
2,553,000	3.15% due Jun. 2, 2022	2,610,227	2,761,618
269,000	9.50% due Jul. 13, 2022	401,378	394,854
2,616,000	2.85% due Jun. 2, 2023	2,590,361	2,769,555
534,000	8.10% due Sep. 8, 2023	722,321	762,492
51,000	7.50% due Feb. 7, 2024	73,933	71,213
2,496,000	3.50% due Jun. 2, 2024	2,578,105	2,749,156
2,868,000	2.60% due Jun. 2, 2025	2,911,511	2,931,879
599,000	7.60% due Jun. 2, 2027	834,443	894,728
110,000	6.25% due Aug. 25, 2028	110,879	149,755
1,100,000	6.50% due Mar. 8, 2029	1,414,212	1,550,339
265,000	6.20% due Jun. 2, 2031	337,373	371,800
914,000	5.85% due Mar. 8, 2033	1,102,326	1,256,265
1,162,000	5.60% due Jun. 2, 2035	1,433,299	1,579,727
1,185,000	4.70% due Jun. 2, 2037	1,314,450	1,463,788
1,105,000	4.60% due Jun. 2, 2039	1,164,282	1,356,788
1,587,000	4.65% due Jun. 2, 2041	1,819,542	1,980,057
2,062,000	3.50% due Jun. 2, 2043	2,085,826	2,165,821
2,777,000	3.45% due Jun. 2, 2045	2,619,717	2,905,174
2,365,000	2.90% due Dec. 2, 2046	2,267,546	2,223,932
	Province of Prince Edward Island		
31,000	3.70% due Sep. 2, 2020	30,836	34,064
26,000	2.35% due Aug. 25, 2025	25,959	25,549
50,000	6.80% due Feb. 21, 2030	49,690	71,179
20,000	5.70% due Jun. 15, 2035	19,982	26,679
36,000	5.30% due May 19, 2036	39,761	45,963
20,000	4.65% due Nov. 19, 2037	22,018	23,745
80,000	4.60% due May 19, 2041	83,564	94,481
51,000	3.65% due Jun. 27, 2042	50,861	52,496
25,000	3.60% due Jan. 17, 2053	23,077	25,590
27,000	3.85% due Jul. 17, 2054	26,858	29,070
	Province of Quebec		
1,150,000	4.50% due Dec. 1, 2017	1,262,396	1,230,872
899,000	4.50% due Dec. 1, 2018	971,527	989,294
1,169,000	4.50% due Dec. 1, 2019	1,257,608	1,314,292
1,375,000	4.50% due Dec. 1, 2020	1,505,624	1,573,159

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

Scotia Canadian Bond Index Fund (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

Face Value ($)	Issuer	Average Cost ($)	Carrying Value ($)
BONDS AND DEBENTURES (cont'd)			
Provincial Bonds (cont'd)			
	Province of Quebec (cont'd)		
1,585,000	4.25% due Dec. 1, 2021	1,747,776	1,813,534
1,483,000	3.50% due Dec. 1, 2022	1,539,501	1,636,576
300,000	9.38% due Jan. 16, 2023	427,350	445,176
1,461,000	3.00% due Sep. 1, 2023	1,448,799	1,560,306
1,352,000	3.75% due Sep. 1, 2024	1,414,042	1,515,364
180,000	5.35% due Jun. 1, 2025	214,686	224,055
1,219,000	2.75% due Sep. 1, 2025	1,253,055	1,259,352
300,000	8.50% due Apr. 1, 2026	412,725	461,606
600,000	6.00% due Oct. 1, 2029	748,009	814,763
877,000	6.25% due Jun. 1, 2032	1,071,299	1,243,463
762,000	5.75% due Dec. 1, 2036	944,374	1,056,499
917,000	5.00% due Dec. 1, 2038	1,031,471	1,176,682
1,710,000	5.00% due Dec. 1, 2041	1,997,553	2,229,520
1,357,000	4.25% due Dec. 1, 2043	1,467,584	1,603,444
2,112,000	3.50% due Dec. 1, 2045	2,100,698	2,216,514
	Province of Quebec Canada		
273,000	3.50% due Dec. 1, 2048	277,325	287,248
	Province of Saskatchewan		
117,000	1.95% due Mar. 1, 2019	117,259	120,292
286,000	9.60% due Feb. 1, 2022	452,197	414,451
80,000	3.20% due Jun. 3, 2024	86,238	86,168
81,000	5.75% due Mar. 5, 2029	105,684	106,947
103,000	6.40% due Sep. 5, 2031	130,355	146,500
333,000	5.60% due Sep. 5, 2035	373,538	450,097
210,000	4.75% due Jun. 1, 2040	219,826	261,864
155,000	3.40% due Feb. 3, 2042	156,100	158,229
341,000	3.90% due Jun. 2, 2045	351,522	381,262
189,000	2.75% due Dec. 2, 2046	176,922	170,069
	South Coast British Columbia Transportation Authority		
100,000	3.80% due Nov. 2, 2020	99,926	109,983
	TransLink		
65,000	4.65% due Jun. 20, 2041	64,938	76,563
54,000	4.45% due Jun. 9, 2044	53,875	62,272
159,000	3.85% due Feb. 9, 2052	158,141	168,453
	Yukon Development Corporation		
31,000	5.00% due Jun. 29, 2040	30,790	38,542
		91,210,039	97,205,038
Municipal Bonds – 2.0%			
	City of Edmonton		
58,000	8.50% due Sep. 14, 2018	78,153	69,135
	City of Montreal		
185,000	4.50% due Dec. 1, 2021	195,539	209,624
99,000	3.50% due Sep. 1, 2024	103,526	105,532
55,000	3.00% due Sep. 1, 2025	55,344	55,872
20,000	4.25% due Dec. 1, 2032	20,232	22,035
130,000	4.10% due Dec. 1, 2034	133,761	139,611
122,000	6.00% due Jun. 1, 2043	148,820	171,714
	City of Ottawa		
31,000	5.05% due Aug. 13, 2030	35,946	37,289
41,000	4.40% due Oct. 22, 2033	40,941	46,520
140,000	4.60% due Jul. 14, 2042	149,528	164,442
24,000	3.05% due Apr. 23, 2046	23,767	21,832
76,000	4.20% due Jul. 30, 2053	75,810	85,525
	City of Toronto		
118,000	5.05% due Jul. 18, 2017	131,744	125,525
100,000	4.50% due Dec. 2, 2019	99,691	111,618
67,000	6.80% due Jul. 26, 2021	87,322	84,677
136,000	3.50% due Dec. 6, 2021	137,557	148,258
126,000	3.90% due Sep. 29, 2023	125,638	140,015
77,000	2.45% due Feb. 6, 2025	76,578	76,075
12,951	5.34% due Jul. 18, 2027	12,951	15,277
70,000	2.95% due Apr. 28, 2035	67,517	64,742
107,000	5.20% due Jun. 1, 2040	122,937	135,210

Face Value ($)	Issuer	Average Cost ($)	Carrying Value ($)
BONDS AND DEBENTURES (cont'd)			
Municipal Bonds (cont'd)			
	City of Toronto (cont'd)		
151,000	4.70% due Jun. 10, 2041	153,992	179,491
62,000	3.80% due Dec. 13, 2042	61,790	64,353
	City of Vancouver		
25,000	4.70% due Dec. 1, 2017	24,852	26,771
54,000	3.45% due Dec. 2, 2021	53,923	58,712
46,000	3.75% due Oct. 24, 2023	45,947	50,643
24,000	3.05% due Oct. 16, 2024	23,973	25,132
16,000	2.90% due Nov. 20, 2025	15,946	16,311
40,000	3.70% due Oct. 18, 2052	39,727	41,079
	City of Winnipeg		
40,000	6.25% due Nov. 17, 2017	47,860	43,860
30,000	5.90% due Feb. 2, 2029	37,712	39,002
81,000	5.20% due Jul. 17, 2036	95,352	100,654
20,000	4.10% due Jun. 1, 2045	20,957	21,568
	Municipal Finance Authority of British Columbia		
410,000	4.80% due Dec. 1, 2017	433,725	440,133
213,000	4.60% due Apr. 23, 2018	239,606	230,508
99,000	4.88% due Jun. 3, 2019	112,977	110,917
173,000	4.45% due Jun. 1, 2020	179,378	194,782
28,000	1.75% due Oct. 15, 2020	27,961	28,203
155,000	4.15% due Jun. 1, 2021	162,635	174,115
60,000	3.35% due Jun. 1, 2022	59,930	64,971
170,000	3.75% due Sep. 26, 2023	172,280	188,010
62,000	2.95% due Oct. 14, 2024	63,502	64,526
29,000	2.65% due Oct. 2, 2025	28,901	29,122
	Peel Region Municipal of Ontario		
125,000	3.50% due Dec. 1, 2021	128,015	136,328
131,000	4.25% due Dec. 2, 2033	130,479	146,677
159,000	3.85% due Oct. 30, 2042	158,103	166,823
	Regional Municipality of Halton Canada		
38,000	4.05% due Oct. 11, 2041	37,817	41,156
49,000	3.15% due Apr. 6, 2045	48,830	45,726
	Regional Municipality of York		
144,000	5.00% due Apr. 29, 2019	163,678	161,175
99,000	4.50% due Jun. 30, 2020	102,609	111,603
175,000	4.00% due Jun. 30, 2021	178,550	195,004
70,000	2.60% due Dec. 15, 2025	69,546	69,497
142,000	4.00% due May 31, 2032	143,639	154,776
83,000	3.65% due May 13, 2033	73,645	86,240
116,000	4.05% due May 1, 2034	119,735	126,258
	Ville de Montreal		
25,000	4.60% due Jun. 1, 2017	24,950	26,244
108,000	5.00% due Dec. 1, 2017	108,530	115,981
50,000	5.00% due Dec. 1, 2018	49,574	55,185
143,000	5.45% due Dec. 1, 2019	164,472	163,700
140,000	3.50% due Sep. 1, 2023	139,161	150,056
		5,867,561	6,175,820
Corporate Bonds – 32.7%			
	Caterpillar Financial Services Ltd.		
28,000	1.75% due Jun. 3, 2019	27,995	27,994
	407 East Development Group		
61,000	4.47% due Jun. 23, 2045	61,000	63,838
	407 International Inc.		
110,000	3.87% due Nov. 24, 2017	109,967	114,889
140,000	4.99% due Jun. 16, 2020	155,818	160,553
121,000	4.30% due May 26, 2021	124,634	135,928
125,000	6.47% due Jul. 27, 2029	159,194	168,231
80,000	5.96% due Dec. 3, 2035	85,414	104,739
79,000	5.75% due Feb. 14, 2036	78,899	97,971
	407 International Inc.		
80,000	3.98% due Sep. 11, 2052	79,611	79,863

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

Scotia Canadian Bond Index Fund (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

Face Value ($)	Issuer	Average Cost ($)	Carrying Value ($)
BONDS AND DEBENTURES (cont'd)			
Corporate Bonds (cont'd)			
	407 International Inc. (callable)		
134,000	4.45% due Nov. 15, 2041-(Aug. 15, 2041)	139,635	146,445
53,000	4.19% due Apr. 25, 2042 -(Jan. 25, 2042)	52,928	55,740
39,000	3.30% due Mar. 27, 2045-(Sep. 27, 2044)	38,934	35,040
33,000	4.68% due Oct. 7, 2053-(Apr. 7, 2053)	32,994	37,436
45,000	3.83% due May 11, 2046-(Nov. 11, 2045)	44,927	44,386
	55 Ontario School Board Trust		
135,000	5.90% due Jun. 2, 2033	134,906	179,429
	Access Prairies Partnership		
34,000	4.23% due Mar. 1, 2048	34,000	33,969
	Aeroports de Montreal		
111,340	6.95% due Apr. 16, 2032	126,416	147,516
125,000	5.17% due Sep. 17, 2035	135,594	150,566
75,000	5.67% due Oct. 16, 2037	87,660	96,807
60,000	3.92% due Sep. 26, 2042	60,000	61,427
	Aeroports De Montreal (callable)		
50,000	3.92% due Dec. 12, 2044 (Jun/12/2045)	50,000	51,287
	AGT Limited		
99,000	8.80% due Sep. 22, 2025	143,272	141,469
	Aimia Inc		
140,000	4.35% due Jan. 22, 2018	139,693	142,796
	Aimia Inc.		
103,000	5.60% due May 17, 2019	102,924	109,224
	Algonquin Power & Utilities Corporation		
50,000	4.82% due Feb. 15, 2021	49,970	53,560
70,000	4.65% due Feb. 15, 2022	69,905	73,853
	Alimentation Couche-Tard		
275,000	2.86% due Nov. 1, 2017	275,000	280,544
165,000	3.32% due Nov. 1, 2019	165,000	172,054
	Alimentation Couche-Tard Inc. (callable)		
188,000	3.60% due Jun. 2,2025-(Mar.2,2025)	188,000	189,400
	Alliance Pipeline LP		
31,024	7.18% due Jun. 30, 2023	32,573	36,474
18,626	5.55% due Dec. 31, 2023	18,631	20,366
59,520	6.77% due Dec. 31, 2025	59,520	68,637
44,642	7.22% due Dec. 31, 2025	47,209	52,659
	Allied Properties Real Estate Investment Trust		
43,000	3.75% due May 13, 2020	43,000	43,319
	AltaGas Income Trust		
81,000	5.49% due Mar. 27, 2017	88,319	84,567
100,000	4.60% due Jan. 15, 2018	99,931	104,868
46,000	4.55% due Jan. 17, 2019	47,037	48,876
	AltaGas Ltd.		
28,000	4.07% due Jun. 1, 2020	28,510	29,556
55,000	3.72% due Sep. 28, 2021	54,984	56,942
	AltaGas Ltd. (callable)		
106,000	3.57% due Jun. 12, 2023-(Mar. 12, 2023)	105,921	106,387
12,000	4.40% due Mar. 15, 2024-(Dec. 15, 2023)	11,993	12,608
85,000	3.84% due Jan. 15, 2025-(Oct. 15, 2024)	84,975	84,453
6,000	5.16% due Jan. 13, 2044-(Jul. 13, 2043)	5,993	5,814
	AltaLink Investments LP (callable)		
107,000	3.27% due Jun. 5, 2020-(Mar. 5, 2020)	106,995	111,246
135,000	2.24% due Mar. 7, 2022-(Dec. 7, 2021)	135,000	132,386
	AltaLink LP		
25,000	5.24% due May 29, 2018	25,644	27,234
68,000	3.62% due Sep. 17, 2020	68,000	73,716
45,000	2.98% due Nov. 28, 2022	45,000	47,025
152,000	3.67% due Nov. 6, 2023	152,000	164,681
50,000	5.25% due Sep. 22, 2036	59,640	59,173
62,000	5.38% due Mar. 26, 2040	62,000	75,191
65,000	4.87% due Nov. 15, 2040	65,000	73,877
95,000	4.46% due Nov. 8, 2041	95,000	101,959
90,000	4.92% due Sep. 17, 2043	90,000	103,527

Face Value ($)	Issuer	Average Cost ($)	Carrying Value ($)
BONDS AND DEBENTURES (cont'd)			
Corporate Bonds (cont'd)			
	AltaLink LP (callable)		
89,000	3.40% due Jun. 6, 2024-(Mar. 6, 2024)	89,000	94,061
42,000	4.05% due Nov. 21, 2044-(May 21, 2044)	42,000	42,320
91,000	4.09% due Jun. 30, 2045-(Dec. 30, 2044)	91,000	91,674
23,000	4.27% due Jun. 6, 2064-(Dec. 6, 2063)	23,000	23,645
	American Express Canada		
145,000	2.31% due Mar. 29, 2018	144,959	147,537
	Aon Corporation		
207,000	4.76% due Mar. 8, 2018	206,903	219,252
	Arrow Lakes Power Corporation		
100,000	5.52% due Apr. 5, 2041	100,000	116,131
	Artis Real Estate Investment Trust		
33,000	3.75% due Mar. 27, 2019	33,410	33,188
	Asian Development Bank		
55,000	4.75% due Jun. 15, 2017	54,909	58,089
101,000	4.65% due Feb. 16, 2027	101,062	120,525
	Bank of Montreal		
520,000	2.39% due Jul. 12, 2017	520,000	529,112
168,000	5.45% due Jul. 17, 2017	177,374	178,684
95,000	4.55% due Aug. 1, 2017	94,991	99,871
489,000	2.24% due Dec. 11, 2017	493,233	497,530
400,000	6.02% due May 2, 2018	472,820	441,735
250,000	3.21% due Sep. 13, 2018	262,950	261,233
456,000	2.84% due Jun. 4, 2020	455,886	474,447
299,000	2.10% due Oct. 6, 2020	298,943	300,853
241,000	2.12% due Mar. 16, 2022	240,906	238,616
249,000	4.61% due Sep. 10, 2025	266,947	288,358
	Bank of Montreal (callable)		
215,000	6.17% dueMar. 28, 2020-(2018)	243,829	235,507
	Bankers Hall LP		
71,489	4.38% due Nov. 20, 2023	71,489	76,665
	BC Ferry Services Inc. (callable)		
24,000	4.70% due Oct. 23, 2043-(Apr. 23, 2043)	24,000	27,300
	BCE Inc. (callable)		
225,000	3.15% due Sep. 29, 2021-(Aug. 29, 2021)	224,105	231,728
128,000	4.75% due Sep. 29, 2044-(Mar. 29, 2044)	126,847	126,174
	bcIMC Realty Corporation (callable)		
190,000	2.84% due Jun. 3, 2025-(Mar. 3, 2025)	189,901	191,203
	bcIMC Realty Corporation		
225,000	2.65% due Jun. 29, 2017	224,957	229,467
70,000	2.79% due Aug. 2, 2018	69,984	72,203
227,000	2.96% due Mar. 7, 2019	226,914	236,377
166,000	2.10% due Jun. 3, 2021	165,935	166,465
75,000	3.51% due Jun. 29, 2022	74,981	80,484
	Bell Aliant Regional Communications, Limited Partnership		
100,000	4.88% due Apr. 26, 2018	104,160	106,923
	Bell Canada		
275,000	5.00% due Feb. 15, 2017	298,800	285,393
220,000	4.40% due Mar. 16, 2018	219,815	232,541
97,000	3.50% due Sep. 10, 2018	96,943	101,190
215,000	3.35% due Jun. 18, 2019	214,654	224,376
60,000	3.54% due Jun. 12, 2020	60,000	63,177
271,000	3.25% due Jun. 17, 2020	270,797	282,739
160,000	4.95% due May 19, 2021	159,414	179,443
215,000	3.35% due Mar. 22, 2023	214,637	220,051
145,000	4.70% due Sep. 11, 2023	144,851	160,222
87,000	6.55% due May 1, 2029	87,635	107,058
80,000	7.85% due Apr. 2, 2031	93,650	107,452
59,000	7.65% due Dec. 30, 2031	75,240	74,950
85,000	7.30% due Feb. 23, 2032	114,410	108,655
37,000	6.10% due Mar. 16, 2035	34,302	43,327
38,000	6.17% due Feb. 26, 2037	37,965	44,786
	Bell Canada (callable)		
113,000	3.00% due Oct. 3, 2022-(Sep. 3, 2022)	112,547	114,140
96,000	4.35% due Dec. 18, 2045-(Jun. 18, 2045)	95,538	88,389

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

Scotia Canadian Bond Index Fund (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

Face Value ($)	Issuer	Average Cost ($)	Carrying Value ($)
BONDS AND DEBENTURES (cont'd)			
Corporate Bonds (cont'd)			
	Blackbird Infrastructure 407 General Partnership		
39,000	3.76% due Jun. 30, 2047	39,000	36,631
	Blackbird Infrastructure 407 General Partnership (callable)		
57,000	1.71% due Oct. 8, 2021-(Jan. 8, 2020)	56,556	56,935
	BMO Subordinated Notes Trust		
250,000	5.75% due Sep. 26, 2022	249,963	266,920
	BMW Canada Auto Trust		
41,000	2.88% due Aug. 9, 2016	40,998	41,390
	BMW Canada Inc.		
125,000	2.39% due Nov. 27, 2017	124,994	127,037
80,000	2.33% due May 23, 2018	79,985	81,279
49,000	2.27% due Nov. 26, 2018	48,987	49,752
	Borealis Infrastructure Trust		
21,064	6.35% due Dec. 1, 2020	23,763	23,479
	British Columbia Ferry Services Inc.		
40,000	6.25% due Oct. 13, 2034	39,952	53,362
100,000	5.02% due Mar. 20, 2037	114,274	117,614
35,000	5.58% due Jan. 11, 2038	35,000	43,707
	British Columbia Ferry Services Inc. (callable)		
43,000	4.29% due Apr. 28, 2044-(Oct. 28, 2043)	43,000	46,087
	Brookfield Asset Management Inc.		
127,000	3.95% due Apr. 9, 2019	126,992	133,020
74,000	5.30% due Mar. 1, 2021	75,832	82,467
120,000	4.54% due Mar. 31, 2023	120,924	128,194
195,000	5.04% due Mar. 8, 2024	194,922	213,123
184,000	4.82% due Jan. 28, 2026	190,386	195,759
72,000	5.95% due Jun. 14, 2035	67,954	78,865
	Brookfield Infrastructure Finance ULC		
102,000	3.54% due Oct. 30, 2020	102,000	102,738
	Brookfield Infrastructure Partners LP		
114,000	3.45% due Mar. 11, 2022	114,000	112,482
	Brookfield Power Corporation		
62,000	5.84% due Nov. 5, 2036	56,687	66,298
	Brookfield Renewable Energy Partners (callable)		
65,000	3.75% due Jun. 2, 2025-(Mar. 2, 2025)	64,997	64,526
	BRP Finance ULC		
88,000	4.79% due Feb. 7, 2022	87,993	96,127
	Cadillac Fairview Finance Trust		
185,000	3.64% due May 9, 2018	184,978	195,314
255,000	4.31% due Jan. 25, 2021	254,939	287,411
	Caisse Centrale Desjardins		
205,000	3.50% due Oct. 5, 2017	205,000	212,560
267,000	2.44% due Jul. 17, 2019	267,000	273,319
	Calloway Real Estate Investment Trust		
28,000	3.39% due Dec. 1, 2017	28,001	28,735
78,000	4.05% due Jul. 27, 2020	78,127	82,808
34,000	3.73% due Jul. 22, 2022	34,098	35,106
55,000	3.56% due Feb. 6, 2025	55,226	54,248
	Cameco Corporation		
115,000	5.67% due Sep. 2, 2019	115,488	127,577
130,000	3.75% due Nov. 14, 2022	129,990	133,504
	Cameco Corporation (callable)		
138,000	4.19% due Jun. 24, 2024-(Mar. 24, 2024)	137,945	142,677
	Canadian Imperial Bank of Commerce		
395,000	3.95% due Jul. 14, 2017	400,026	411,173
685,000	2.35% due Oct. 18, 2017	685,809	697,545
465,000	2.22% due Mar. 7, 2018	463,031	473,241
396,000	1.70% due Oct. 9, 2018	396,261	397,964
261,000	2.35% due Jun. 24, 2019	260,768	267,190
170,000	1.85% due Jul. 14, 2020	169,686	169,795
	Canadian Imperial Bank of Commerce (callable)		
188,000	6.00% due Jun. 6, 2023-(2018)	205,835	206,351
	Canadian National Railway Company (callable)		
80,000	2.75% due Feb. 18, 2021-(Jan. 18, 2021)	79,475	83,574
	Canadian National Railway Company (callable) (cont'd)		
54,000	2.80% due Sep. 22, 2025-(Jun. 22, 2025)	53,827	54,630
49,000	3.95% due Sep. 22, 2045-(Mar. 22, 2045)	48,838	50,003
	Canadian Natural Resources Limited		
55,000	3.05% due Jun. 19, 2019	54,965	55,898
171,000	2.60% due Dec. 3, 2019	170,696	170,714
163,000	2.89% due Aug. 14, 2020	165,185	164,081
	Canadian Natural Resources Limited (callable)		
231,000	3.55% due Jun. 3, 2024-(Mar. 3, 2024)	230,152	227,602
	Canadian Pacific Railway Company		
170,000	6.25% due Jun. 1, 2018	191,140	187,740
60,000	5.10% due Jan. 14, 2022	60,079	68,205
100,000	6.45% due Nov. 17, 2039	105,663	120,799
	Canadian Real Estate Investment Trust		
46,000	3.68% due Jul. 24, 2018	46,000	47,544
29,000	4.32% due Jan. 15, 2021	29,000	30,905
	Canadian Tire Corporation, Limited		
45,000	6.32% due Feb. 24, 2034	47,241	55,045
55,000	5.61% due Sep. 4, 2035	57,054	61,997
	Canadian Utilities Limited		
100,000	6.15% due Nov. 22, 2017	117,890	108,958
60,000	6.80% due Aug. 13, 2019	75,912	70,787
35,000	9.92% due Apr. 1, 2022	54,540	49,951
100,000	3.12% due Nov. 9, 2022	100,000	105,518
	Canadian Western Bank		
67,000	3.05% due Jan. 18, 2017	67,000	67,790
108,000	2.10% due Jun. 26, 2017	108,000	108,149
19,000	3.08% due Jan. 14, 2019	19,000	19,380
44,000	2.75% due Jun. 29, 2020	44,000	44,138
	Capital City Link General Partnership		
148,000	4.39% due Mar. 31, 2046	148,006	151,655
	Capital Desjardins Inc.		
160,000	5.19% due May 5, 2020	175,264	178,819
85,000	4.95% due Dec. 15, 2021	85,000	95,623
	Capital Power L.P.		
117,000	4.85% due Feb. 21, 2019	116,863	118,489
130,000	5.28% due Nov. 16, 2020	130,000	133,267
	CARDS II Trust		
212,000	2.16% due Oct. 15, 2020	212,000	213,590
	Caterpillar Financial Services Limited		
100,000	2.63% due Jun. 1, 2017	99,977	101,758
110,000	2.29% due Jun. 1, 2018	109,979	111,930
	CBC Monetization Trust		
74,501	4.69% due May 15, 2027	74,501	87,919
	CDP Financial Inc.		
220,000	4.60% due Jul. 15, 2020	219,547	249,860
	Central 1 Credit Union (callable)		
110,000	2.89% due Apr. 25, 2024-(2019)	109,985	112,444
	Centre hospitalier de l'UniversitÅ de MontrÅal		
38,000	4.45% due Oct. 1, 2049	38,002	42,163
	Choice Properties LP		
10,000	3.00% due Apr. 20, 2017	10,222	10,140
33,000	3.00% due Sep. 20, 2019	32,938	33,989
53,000	3.60% due Apr. 20, 2020	54,150	55,861
25,000	3.60% due Sep. 20, 2021	25,049	26,169
	Choice Properties LP (callable)		
60,000	3.60% due Sep. 20, 2022-(Jun. 20, 2022)	58,973	62,202
	Choice Properties Real Estate Investment Trust		
120,000	3.55% due Jul. 5, 2018	120,000	124,846
23,000	2.30% due Sep. 14, 2020	23,000	22,937
55,000	3.50% due Feb. 8, 2021	55,000	57,586
	Choice Properties Real Estate Investment Trust (callable)		
35,000	4.90% due Jul. 5, 2023-(Apr. 5, 2023)	35,000	39,014
135,000	4.29% due Feb. 8, 2024-(Nov. 8, 2023)	135,000	143,995

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

Scotia Canadian Bond Index Fund (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

Face Value ($)	Issuer	Average Cost ($)	Carrying Value ($)
BONDS AND DEBENTURES (cont'd)			
Corporate Bonds (cont'd)			
	Choice Properties Real Estate Investment Trust (callable) (cont'd)		
18,000	4.06% due Nov. 24, 2025-(Aug.24, 2025)	18,000	18,511
	CI Financial Corporation		
162,000	2.65% due Dec. 7, 2020	162,000	163,854
	CIBC Capital Trust (callable)		
300,000	9.98% due Jun. 30, 2108-(2019)	354,920	370,531
60,000	10.25% due Jun. 30, 2108-(2039)	88,876	82,700
	Cogeco Cable Inc.		
30,000	5.15% due Nov. 16, 2020	29,942	33,265
91,000	4.93% due Feb. 14, 2022	91,035	99,841
	Cogeco Cable Inc. (callable)		
75,000	4.18% due May 26, 2023-(Feb. 27, 2023)	75,055	78,655
	Comber Wind Financial Corporation		
199,136	5.13% due Nov. 15, 2030	199,120	216,191
	Cominar Real Estate Investment Trust		
107,000	3.62% due Jun. 21, 2019	106,986	108,009
65,000	4.23% due Dec. 4, 2019	64,472	66,725
72,000	4.94% due Jul. 27, 2020	72,710	75,818
59,000	4.25% due Dec. 8, 2021	59,000	59,649
71,000	4.16% due Jun. 1, 2022	71,000	70,653
	Concordia University		
30,000	6.55% due Sep. 2, 2042	29,996	42,477
	CPPIB Capital Inc.		
324,000	1.40% due Jun. 4, 2020	323,394	324,779
	Crombie Real Estate Investment Trust		
72,000	3.99% due Oct. 31, 2018	72,000	74,561
36,000	2.78% due Feb. 10, 2020	35,916	35,647
39,000	3.96% due Jun. 1, 2021	39,153	40,061
	Crosslinx Transit Solutions GP		
100,000	4.65% due Sep. 30, 2046	99,748	98,721
33,000	4.56% due Jun. 30, 2051	32,429	30,722
	CT Real Estate Investment Trust (callable)		
33,000	2.85% due Jun. 9, 2022-(May 9, 2022)	33,000	32,944
56,000	3.53% due Jun. 9, 2025-(Mar. 9, 2025)	56,000	55,508
	CU Inc		
33,000	3.96% due Jul. 27, 2045	33,000	32,660
20,000	5.43% due Jan. 23, 2019	20,000	22,360
54,000	4.80% due Nov. 22, 2021	59,387	62,290
40,000	5.56% due May 26, 2028	43,095	48,275
31,000	5.18% due Nov. 21, 2035	31,000	36,164
28,000	5.03% due Nov. 20, 2036	28,000	32,166
113,000	5.56% due Oct. 30, 2037	114,575	138,778
100,000	5.58% due May 26, 2038	121,153	123,094
179,000	4.54% due Oct. 24, 2041	187,095	193,994
131,000	3.81% due Sep. 10, 2042	128,780	126,902
198,000	4.72% due Mar. 9, 2043	198,000	220,722
80,000	4.95% due Nov. 18, 2050	80,000	92,278
45,000	4.59% due Oct. 24, 2061	45,000	49,241
105,000	3.83% due Sep. 11, 2062	105,000	98,840
	CU Inc. (callable)		
39,000	4.56% due Nov. 7, 2053-(May 7, 2053)	39,000	42,150
24,000	4.21% due Oct. 29, 2055-(Apr. 29, 2055)	24,000	24,485
	Daimler Canada Finance Inc.		
115,000	2.27% due Mar. 26, 2018	114,991	116,245
85,000	1.78% due Aug. 19, 2019	84,970	84,300
	Dollarama Inc.		
74,000	3.10% due Nov. 5, 2018	74,000	76,096
	Dream Office Real Estate Investment Trust		
70,000	4.07% due Jan. 21, 2020	70,015	71,812
	Duke Energy Corporation		
100,000	8.75% due Aug. 3, 2018	133,700	117,293
	Durham District School Board		
44,000	6.75% due Nov. 19, 2019	51,401	52,431

Face Value ($)	Issuer	Average Cost ($)	Carrying Value ($)
BONDS AND DEBENTURES (cont'd)			
Corporate Bonds (cont'd)			
	Eagle Credit Card Trust		
86,000	2.85% due Oct. 17, 2018	86,000	88,952
26,000	2.15% due Sep. 17, 2020	26,000	26,114
	Emera Inc.		
45,000	4.83% due Dec. 2, 2019	48,452	49,425
	Empire Life Insurance Company, The (callable)		
76,000	2.87% due May 31, 2023-(2018)	76,000	77,648
	Enbridge Gas Distribution Inc.		
70,000	5.16% due Dec. 4, 2017	80,111	74,741
153,000	4.04% due Nov. 23, 2020	161,199	167,066
32,000	4.77% due Dec. 17, 2021	36,104	36,237
17,000	3.15% due Aug. 22, 2024	16,952	17,392
93,000	3.31% due Sep. 11, 2025	92,968	95,182
70,000	7.60% due Oct. 29, 2026	91,571	96,752
50,000	6.90% due Nov. 15, 2032	62,313	66,796
50,000	5.21% due Feb. 25, 2036	49,932	57,169
63,000	4.50% due Nov. 23, 2043	62,958	66,121
17,000	4.00% due Aug. 22, 2044	16,248	16,555
	Enbridge Inc.		
50,000	4.77% due Sep. 2, 2019	49,977	53,123
95,000	4.53% due Mar. 9, 2020	94,985	100,277
65,000	4.26% due Feb. 1, 2021	64,971	67,668
50,000	3.19% due Dec. 5, 2022	49,966	48,131
63,000	7.22% due Jul. 24, 2030	77,413	74,462
84,000	7.20% due Jun. 18, 2032	113,870	100,327
39,000	5.57% due Nov. 14, 2035	41,991	38,886
83,000	5.75% due Sep. 2, 2039	83,743	84,727
35,000	5.12% due Sep. 28, 2040	38,190	32,834
128,000	4.24% due Aug. 27, 2042	125,720	105,430
55,000	4.57% due Mar. 11, 2044	54,937	47,441
116,000	4.95% due Nov. 22, 2050	119,929	129,034
	Enbridge Inc. (callable)		
88,000	3.94% due Jun. 30, 2023-(Mar. 30, 2023)	88,000	87,657
48,000	4.56% due Mar. 28, 2064-(Sep. 28, 2063)	47,963	39,474
	Enbridge Income Fund		
150,000	4.85% due Feb. 22, 2022	149,813	160,791
145,000	3.95% due Nov. 19, 2024	145,000	142,486
	Enbridge Income Fund (callable)		
73,000	4.87% due Nov. 21, 2044-(May 21, 2044)	72,931	65,596
	Enbridge Income Fund Holdings Inc.		
89,000	4.10% due Feb. 22, 2019	88,829	92,459
	Enbridge Pipelines Inc.		
130,000	6.62% due Nov. 19, 2018	161,509	146,856
60,000	3.79% due Aug. 17, 2023	59,980	62,968
72,000	6.35% due Nov. 17, 2023	82,178	87,445
100,000	8.20% due Feb. 15, 2024	144,593	131,212
96,000	6.10% due Jul. 14, 2028	82,368	106,192
26,000	5.08% due Dec. 19, 2036	25,980	27,252
125,000	5.33% due Apr. 6, 2040	145,875	137,649
58,000	4.55% due Aug. 17, 2043	57,962	57,376
	Enbridge Pipelines Inc. (callable)		
55,000	3.45% due Sep. 29, 2025-(Jun. 29, 2025)	54,917	54,590
18,000	4.55% due Sep. 29, 2045-(Mar.29, 2045)	17,889	17,639
	EnerCare Solutions Inc.		
72,000	4.30% due Nov. 30, 2017	71,941	74,677
120,000	4.60% due Feb. 3, 2020	119,928	127,520
	Enersource Corporation		
35,000	4.52% due Apr. 29, 2021	35,000	39,520
60,000	5.30% due Apr. 29, 2041	60,000	71,821
	ENMAX Corporation (callable)		
87,000	3.81% due Dec. 5, 2024-(Sep. 5, 2024)	87,000	89,923
	EPCOR Utilities Inc.		
90,000	5.80% due Jan. 31, 2018	101,546	98,235
33,000	5.65% due Nov. 16, 2035	32,830	40,285

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

Scotia Canadian Bond Index Fund (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

Face Value ($)	Issuer	Average Cost ($)	Carrying Value ($)
BONDS AND DEBENTURES (cont'd)			
Corporate Bonds (cont'd)			
	EPCOR Utilities Inc. (cont'd)		
25,000	6.65% due Apr. 15, 2038	27,700	34,576
85,000	5.75% due Nov. 24, 2039	89,719	106,797
95,000	4.55% due Feb. 28, 2042	94,953	104,234
	Equitable Bank		
25,000	2.60% due Apr. 7, 2017	25,000	25,093
	Fairfax Financial Holdings Limited		
266,000	5.84% due Oct. 14, 2022	269,276	295,064
57,000	4.95% due Mar. 3, 2025	56,495	59,538
	Fifth Avenue LP		
68,029	4.71% due Aug. 5, 2021	74,767	75,181
	Finning International Inc.		
75,000	5.08% due Jun. 13, 2042	75,000	79,518
	First Capital Realty Inc.		
45,000	5.48% due Jul. 30, 2019	45,042	50,031
88,000	4.50% due Mar. 1, 2021	88,341	95,686
78,000	4.43% due Jan. 31, 2022	78,464	84,682
29,000	4.79% due Aug. 30, 2024	29,133	31,735
69,000	4.32% due Jul. 31, 2025	71,635	72,082
	First National Financial Corporation		
48,000	4.01% due Apr. 9, 2020	47,981	48,315
	Ford Credit Canada Limited		
325,000	3.32% due Dec. 19, 2017	324,867	332,257
276,000	3.70% due Aug. 2, 2018	276,000	285,630
440,000	2.94% due Feb. 19, 2019	440,000	446,448
	Ford Credit Canada Ltd.		
93,000	2.45% due May 7, 2020	93,000	91,882
42,000	2.92% due Sep. 16, 2020	42,000	42,151
	Fortis Inc.		
70,000	6.51% due Jul. 4, 2039	69,954	91,611
141,000	4.25% due Dec. 9, 2041	145,565	145,785
	FortisAlberta Inc.		
30,000	6.22% due Oct. 31, 2034	29,991	38,679
18,000	5.40% due Apr. 21, 2036	17,987	21,424
45,000	7.06% due Feb. 14, 2039	58,037	64,968
25,000	5.37% due Oct. 30, 2039	24,989	30,069
42,000	4.80% due Oct. 27, 2050	41,970	46,311
80,000	3.98% due Oct. 23, 2052	79,952	77,583
	FortisAlberta Inc. (callable)		
22,000	3.30% due Sep. 30, 2024-(Jun. 30, 2024)	21,998	23,169
65,000	4.85% due Sep. 11, 2043-(Mar. 11, 2043)	64,929	72,911
14,000	4.11% due Sep. 29, 2044-(Mar. 29, 2044)	13,998	14,126
13,000	4.27% due Sep. 22, 2045-(Mar. 22, 2045)	12,985	13,429
	FortisBC Energy Inc. (callable)		
61,000	3.38% due Apr. 13, 2045-(Oct. 13, 2044)	61,000	54,377
	FortisBC Inc.		
16,000	5.60% due Nov. 9, 2035	19,261	19,420
31,000	4.00% due Oct. 28, 2044	30,979	30,723
15,000	5.00% due Nov. 24, 2050	14,974	17,183
	Gaz Metro Inc.		
38,000	4.93% due Jun. 18, 2019	42,668	42,318
66,000	5.45% due Jul. 12, 2021	76,816	78,171
30,000	6.30% due Oct. 31, 2033	29,824	39,442
29,000	5.70% due Jul. 10, 2036	28,954	36,445
	Gaz Metro Inc. (callable)		
8,000	3.30% due Mar. 31, 2045-(Sep. 30, 2044)	7,992	7,212
	GE Capital Canada Funding Company		
146,000	4.55% due Jan. 17, 2017	134,991	151,131
225,000	5.53% due Aug. 17, 2017	224,047	240,332
270,000	4.40% due Feb. 8, 2018	281,950	286,771
115,000	5.68% due Sep. 10, 2019	120,401	131,314
225,000	5.73% due Oct. 22, 2037	298,148	285,920
	General Electric Capital Corporation		
205,000	2.42% due May 31, 2018	204,990	209,738

Face Value ($)	Issuer	Average Cost ($)	Carrying Value ($)
BONDS AND DEBENTURES (cont'd)			
Corporate Bonds (cont'd)			
	General Electric Capital Corporation (cont'd)		
160,000	3.55% due Jun. 11, 2019	159,637	170,102
247,000	4.60% due Jan. 26, 2022	246,941	279,716
	General Motors Financial of Canada Ltd.		
117,000	3.08% due May 22, 2020	116,952	117,231
	Genesis Trust II		
234,000	2.30% due Feb. 15, 2017	234,000	236,870
125,000	1.68% due Sep. 17, 2018	125,000	125,385
210,000	2.43% due May 15, 2019	210,000	215,194
172,000	1.70% due Apr. 15, 2020	172,000	171,099
	Genworth MI Canada Inc.		
120,000	4.24% due Apr. 1, 2024	120,000	119,409
	George Weston Limited		
58,000	4.12% due Jun. 17, 2024	58,000	61,250
25,000	7.10% due Feb. 5, 2032	28,165	31,440
	Glacier Credit Card Trust		
164,000	2.81% due May 20, 2017	164,000	167,160
85,000	2.39% due Oct. 20, 2017	85,000	86,406
144,000	2.76% due Nov. 20, 2018	144,000	148,298
151,000	2.57% due Sep. 20, 2019	151,000	154,746
133,000	2.24% due Sep. 20, 2020	133,000	133,895
	GrandLinq GP		
24,000	4.77% due Mar. 31, 2047	24,000	25,712
	Granite Real Estate Investment Trust		
74,000	4.61% due Oct. 2, 2018	74,000	78,060
	Granite Real Estate Investment Trust (callable)		
58,000	3.79% due Jul. 5, 2021-(Jun. 5, 2021)	58,000	59,503
	Great-West Lifeco Finance (Delaware) LP		
200,000	5.69% due Jun. 21, 2017	198,780	210,467
	Great-West Lifeco Inc.		
85,000	6.14% due Mar. 21, 2018	96,934	93,523
180,000	7.13% due Jun. 26, 2018	202,021	201,917
168,000	4.65% due Aug. 13, 2020	175,948	188,453
100,000	6.74% due Nov. 24, 2031	99,885	132,184
190,000	6.67% due Mar. 21, 2033	212,812	250,518
50,000	5.00% due Nov. 16, 2039	53,393	63,459
	Greater Toronto Airports Authority		
175,000	4.85% due Jun. 1, 2017	195,778	183,808
100,000	5.26% due Apr. 17, 2018	114,356	108,900
50,000	5.96% due Nov. 20, 2019	49,989	58,543
55,000	3.04% due Sep. 21, 2022	54,995	58,718
49,000	6.45% due Dec. 3, 2027	51,685	66,436
108,000	7.05% due Jun. 12, 2030	132,143	151,365
99,000	7.10% due Jun. 4, 2031	116,897	140,658
130,000	6.98% due Oct. 15, 2032	184,015	184,531
100,000	6.47% due Feb. 2, 2034	99,316	137,143
125,000	5.63% due Jun. 7, 2040	124,874	162,625
175,000	5.30% due Feb. 25, 2041	199,512	219,294
99,000	4.53% due Dec. 2, 2041	100,093	111,966
	H&R Real Estate Investment Trust		
80,000	3.34% due Jun. 20, 2018	80,073	81,760
90,000	4.45% due Mar. 2, 2020	90,063	95,704
	Halifax International Airport Authority		
83,000	5.50% due Jul. 19, 2041	96,851	108,583
48,000	4.89% due Nov. 15, 2050	47,999	58,995
	HCN Canadian Holdings-1 LP		
38,000	3.35% due Nov. 25, 2020	37,901	38,503
	Health Montreal Collective Limited Partnership		
550,000	6.72% due Sep. 30, 2049	658,900	715,789
	Hollis Receivables Term Trust		
273,000	2.43% due Jun. 26, 2019	273,000	279,386
	Home Trust Company		
141,000	2.35% due May 24, 2017	140,968	140,239
24,000	2.28% due Mar. 6, 2018	23,997	23,671
41,000	3.40% due Dec. 10, 2018	40,985	41,376

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

Scotia Canadian Bond Index Fund (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

Face Value ($)	Issuer	Average Cost ($)	Carrying Value ($)
BONDS AND DEBENTURES (cont'd)			
Corporate Bonds (cont'd)			
	Honda Canada Finance Inc.		
222,000	2.28% due Dec. 11, 2017	222,000	225,378
138,000	2.35% due Jun. 4, 2018	138,000	140,518
58,000	1.63% due Aug. 12, 2019	58,000	57,788
	Hospital for Sick Children		
150,000	5.22% due Dec. 16, 2049	150,000	188,029
	Hospital Infrastructure Partners (NOH) Partnership		
195,000	5.44% due Jan. 31, 2045	201,560	228,723
	HSBC Bank of Canada		
250,000	2.90% due Jan. 13, 2017	255,800	254,045
405,000	3.56% due Oct. 4, 2017	411,563	419,091
105,000	2.08% due Nov. 26, 2018	105,000	105,640
320,000	2.49% due May 13, 2019	320,000	325,692
400,000	2.94% due Jan. 14, 2020	400,000	413,133
322,000	1.82% due Jul. 7, 2020	321,987	316,499
226,000	2.45% due Jan. 29, 2021	226,002	227,050
273,000	2.91% due Sep. 29, 2021	273,000	278,954
	Husky Energy Inc.		
105,000	5.00% due Mar. 12, 2020	105,798	114,925
	Husky Energy Inc. (callable)		
76,000	3.55% due Mar. 12, 2025-(Dec. 12, 2024)	75,765	73,501
	Hydro One Inc.		
135,000	5.18% due Oct. 18, 2017	145,099	144,299
179,000	2.78% due Oct. 9, 2018	178,991	185,814
66,000	1.62% due Apr. 30, 2020	65,993	66,119
110,000	4.40% due Jun. 1, 2020	113,740	122,950
119,000	3.20% due Jan. 13, 2022	119,795	127,064
135,000	7.35% due Jun. 3, 2030	156,842	190,689
115,000	6.93% due Jun. 1, 2032	138,865	159,341
20,000	6.35% due Jan. 31, 2034	20,151	26,533
99,000	5.36% due May 20, 2036	113,144	119,062
50,000	4.89% due Mar. 13, 2037	55,732	56,880
51,000	5.49% due Jul. 16, 2040	52,799	63,046
35,000	5.00% due Oct. 19, 2046	34,126	41,077
63,000	4.00% due Dec. 22, 2051	63,011	62,502
123,000	3.79% due Jul. 31, 2062	122,642	116,748
	Hydro One Inc. (callable)		
48,000	4.59% due Oct. 9, 2043-(Apr. 9, 2043)	47,992	53,080
71,000	4.17% due Jun. 6, 2044-(Dec. 6, 2043)	70,928	73,634
	Hydro Ottawa Holding Inc. (callable)		
65,000	3.99% due May 14, 2043-(Nov. 14, 2042)	65,000	65,524
55,000	2.61% due Feb. 3, 2025-(Nov. 3, 2024)	55,000	54,907
44,000	3.64% due Feb. 2, 2045-(Aug. 2, 2044)	44,000	41,420
	Hydro-Quebec		
350,000	11.00% due Aug. 15, 2020	557,550	499,491
259,000	10.50% due Oct. 15, 2021	410,689	384,378
153,000	9.63% due Jul. 15, 2022	227,024	225,727
40,000	6.00% due Aug. 15, 2031	37,938	55,069
403,000	6.50% due Feb. 15, 2035	539,422	594,093
236,000	6.00% due Feb. 15, 2040	275,012	343,784
285,000	5.00% due Feb. 15, 2045	304,799	379,072
405,000	5.00% due Feb. 15, 2050	483,487	551,931
106,000	4.00% due Feb. 15, 2055	114,523	124,125
	IGM Financial Inc.		
50,000	6.58% due Mar. 7, 2018	57,669	55,128
250,000	7.35% due Apr. 8, 2019	289,091	292,499
	Industrial Alliance Insurance & Financial Services Inc.(callable)		
138,000	2.64% due Feb. 23, 2027-(2022)	137,966	137,971
	InPower BC General Partnership		
119,000	4.47% due Mar. 31, 2033	118,284	128,502
	Intact Financial Corporation		
75,000	5.41% due Sep. 3, 2019	80,292	83,903
40,000	4.70% due Aug. 18, 2021	41,116	44,662
59,000	6.40% due Nov. 23, 2039	61,785	75,050
102,000	5.16% due Jun. 16, 2042	101,907	113,432

Face Value ($)	Issuer	Average Cost ($)	Carrying Value ($)
BONDS AND DEBENTURES (cont'd)			
Corporate Bonds (cont'd)			
	Integrated Team Solutions SJHC Partnership		
66,000	2.24% due May 31, 2018	66,000	66,512
49,307	5.95% due Nov. 30, 2042	49,307	60,621
30,000	4.88% due May 31, 2046	30,000	33,026
	Inter Pipeline Fund		
70,000	3.84% due Jul. 30, 2018	70,000	73,317
103,000	3.45% due Jul. 20, 2020	103,000	107,921
125,000	4.97% due Feb. 2, 2021	125,000	139,454
188,000	3.78% due May 30, 2022	188,000	197,354
	Inter Pipeline Ltd.		
45,000	3.17% due Mar. 24, 2025	45,000	43,588
	Inter Pipeline Ltd. (callable)		
60,000	4.64% due May 30, 2044-(Nov. 30, 2043)	60,000	58,762
	Inter-American Development Bank		
65,000	1.88% due Mar. 20, 2020	64,795	66,974
464,000	4.40% due Jan. 26, 2026	509,623	541,574
	Investors Group Inc.		
60,000	7.45% due May 9, 2031	63,120	82,629
50,000	7.11% due Mar. 7, 2033	50,229	67,164
	John Deere Canada Funding Inc.		
94,000	1.95% due Apr. 12, 2017	93,935	94,763
54,000	2.65% due Jul. 16, 2018	53,993	55,479
131,000	2.35% due Jun. 24, 2019	130,859	133,798
36,000	2.05% due Sep. 17, 2020	35,976	36,122
106,000	2.05% due May 13, 2022	105,915	104,388
	Kraft Canada Inc. (callable)		
130,000	2.70% due Jul. 6, 2020-(Jun. 6, 2020)	130,091	131,151
	Labrador-Island Link Funding Trust		
78,000	3.76% due Jun. 1, 2033	79,441	90,172
86,000	3.86% due Dec. 1, 2045	87,932	104,248
418,000	3.85% due Dec. 1, 2053	424,968	514,602
	Laurentian Bank of Canada		
69,000	2.50% due Jan. 23, 2020	69,366	68,832
	Laurentian Bank of Canada (callable)		
110,000	3.13% due Oct. 19, 2022-(2017)	110,000	111,873
	Leisureworld Senior Care LP Series B Restricted		
199,000	3.47% due Feb. 3, 2021	199,000	211,226
	Loblaw Companies Limited		
200,000	3.75% due Mar. 12, 2019	200,000	211,615
125,000	6.65% due Nov. 8, 2027	122,668	157,224
45,000	6.50% due Jan. 22, 2029	55,341	55,218
50,000	6.85% due Mar. 1, 2032	53,885	62,620
44,000	6.54% due Feb. 17, 2033	51,097	53,961
40,000	6.15% due Jan. 29, 2035	41,844	47,507
60,000	5.90% due Jan. 18, 2036	59,915	69,659
45,000	6.45% due Mar. 1, 2039	48,983	56,441
	Loblaw Companies Limited (callable)		
122,000	4.86% due Sep. 12, 2023-(Jun. 12, 2023)	122,000	137,160
	Lower Mattagami Energy Limited Partnership		
125,000	2.23% due Oct. 23, 2017	125,000	127,077
72,000	4.33% due May 18, 2021	76,375	80,631
42,000	3.42% due Jun. 20, 2024	42,000	44,493
81,000	5.14% due May 18, 2041	81,000	95,834
64,000	4.18% due Apr. 23, 2052	64,000	64,696
	Magna International Inc. (callable)		
35,000	3.10% due Dec. 15, 2022-(Nov. 15, 2022)	34,995	35,489
	Manitoba Telecom Services Inc.		
115,000	4.59% due Oct. 1, 2018	121,594	122,306
100,000	5.63% due Dec. 16, 2019	108,628	111,866
	Manufacturers Life Insurance Co., The (callable)		
141,000	2.64% due Jan. 15, 2025-(2020)	140,996	143,572
182,000	2.10% due Jun. 1, 2025-(2020)	181,993	180,559
128,000	2.39% due Jan. 5, 2026-(2021)	127,997	127,678
47,000	2.82% due Feb. 26, 2023-(2018)	47,000	47,986

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

Scotia Canadian Bond Index Fund (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

Face Value ($)	Issuer	Average Cost ($)	Carrying Value ($)
BONDS AND DEBENTURES (cont'd)			
Corporate Bonds (cont'd)			
	Manufacturers Life Insurance Co., The (callable) (cont'd)		
28,000	2.93% due Nov. 29, 2023-(2018)	28,000	28,749
238,000	3.18% due Nov. 22, 2027-(2022)	238,000	241,664
	Manulife Bank of Canada		
106,000	1.41% due Feb. 27, 2018	106,000	105,687
	Manulife Bank of Canada (callable)		
90,000	2.81% due Feb. 21, 2024-(2019)	90,000	92,096
	Manulife Financial (Delaware) LP (callable)		
155,000	5.06% due Dec. 15, 2041-(2036)	141,520	162,346
	Manulife Financial Capital Trust II (callable)		
250,000	7.41% due Dec. 31, 2108-(2019)	267,432	295,531
	Manulife Financial Corporation (callable)		
155,000	4.17% due Jun. 1, 2022-(2017)	155,000	160,383
	Manulife Financial Corporation		
100,000	5.51% due Jun. 26, 2018	105,889	109,061
190,000	7.77% due Apr. 8, 2019	209,891	224,525
	Maritime Link Financing Trust		
406,000	3.50% due Dec. 1, 2052	404,624	452,640
	Master Credit Card Trust		
305,000	2.63% due Jan. 21, 2017	306,605	309,697
148,000	2.72% due Nov. 21, 2018	148,000	152,917
	MCAP Commercial LP		
60,000	3.96% due Mar. 11, 2019	60,000	59,994
	McGill University		
93,000	5.36% due Dec. 31, 2043	92,959	116,943
	McMaster University		
20,000	6.15% due Oct. 7, 2052	19,981	28,882
	McMaster University (callable)		
18,000	4.11% due Nov. 26, 2065-(May 26, 2065)	18,000	18,579
	Melancthon Wolfe Wind LP		
94,000	3.83% due Dec. 31, 2028	94,011	94,788
	METRO Inc.		
140,000	5.97% due Oct. 15, 2035	144,460	160,710
	METRO Inc. (callable)		
61,000	3.20% due Dec. 1, 2021-(Nov. 1, 2021)	60,993	63,128
42,000	5.03% due Dec. 1, 2044-(Jun. 1, 2044)	41,981	43,002
	Milit-Air Inc.		
20,409	5.75% due Jun. 30, 2019	19,339	22,172
	Muskrat Falls / Labrador Transmission Assets Funding		
43,000	3.63% due Jun. 1, 2029	43,731	48,966
86,000	3.83% due Jun. 1, 2037	87,758	100,218
339,000	3.86% due Dec. 1, 2048	346,302	415,239
	National Bank of Canada (callable)		
453,000	3.26% due Apr. 11, 2022-(2017)	453,000	461,580
	National Bank of Canada		
293,000	2.69% due Aug. 21, 2017	293,000	299,576
211,000	1.95% due Dec. 11, 2017	211,000	213,308
289,000	2.79% due Aug. 9, 2018	289,000	298,327
325,000	2.40% due Oct. 28, 2019	325,900	332,122
96,000	1.74% due Mar. 3, 2020	96,000	95,414
217,000	2.11% due Mar. 18, 2022	217,000	213,960
	NAV Canada		
175,000	1.95% due Apr. 19, 2018	175,000	178,033
50,000	5.30% due Apr. 17, 2019	57,461	56,322
20,000	4.40% due Feb. 18, 2021	20,000	22,700
149,400	7.56% due Mar. 1, 2027	185,403	193,874
30,000	7.40% due Jun. 1, 2027	33,804	42,988
	NBC Asset Trust (callable)		
500,000	7.45% due Jun. 30, 2049-(2020)	529,850	594,654
	Newfoundland and Labrador Hydro		
54,000	3.60% due Dec. 1, 2045	53,587	55,050
60,000	10.25% due Jul. 14, 2017	83,494	68,563
175,000	6.65% due Aug. 27, 2031	174,729	248,727

Face Value ($)	Issuer	Average Cost ($)	Carrying Value ($)
BONDS AND DEBENTURES (cont'd)			
Corporate Bonds (cont'd)			
	North Battleford Power		
226,665	4.96% due Dec. 31, 2032	226,681	258,162
	North West Redwater Partnership (callable)		
202,000	2.10% due Feb. 23, 2022-(Jan. 23, 2022)	201,594	199,073
172,000	3.20% due Jul. 22, 2024-(Apr. 23, 2024)	171,737	176,900
59,000	3.70% due Feb. 23, 2043-(Aug. 23, 2042)	58,786	54,327
93,000	4.05% due Jul. 22, 2044-(Jan. 24, 2044)	92,351	90,741
82,000	3.20% due Apr. 24, 2026-(Jan. 24, 2026)	81,825	82,395
	Northland Power Inc.		
41,957	4.40% due Jun. 30, 2032	41,963	44,455
	NOVA Gas Transmission Ltd.		
50,000	12.20% due Feb. 28, 2016	68,490	50,778
15,000	9.90% due Dec. 16, 2024	19,238	22,734
	Nova Scotia Power Inc.		
40,000	6.95% due Aug. 25, 2033	42,157	54,598
43,000	5.67% due Nov. 14, 2035	47,032	51,939
26,000	5.95% due Jul. 27, 2039	30,970	32,909
110,000	5.61% due Jun. 15, 2040	132,862	134,109
45,000	4.15% due Mar. 6, 2042	44,962	45,019
68,000	4.50% due Jul. 20, 2043	67,590	71,577
	Nova Scotia Power Inc. (callable)		
71,000	3.61% due May 1, 2045-(Nov. 1, 2044)	71,000	64,309
	Omers Realty Corporation		
110,000	2.50% due Jun. 5, 2018	110,000	112,615
53,000	2.47% due Nov. 12, 2019	53,000	54,548
150,000	3.36% due Jun. 5, 2023	150,000	159,047
59,000	3.33% due Nov. 12, 2024	59,000	62,064
	Ontario Electricity Financial Corporation		
100,000	10.00% due Feb. 6, 2020	137,618	134,287
11,000	10.75% due Aug. 6, 2021	18,216	16,313
113,000	10.13% due Oct. 15, 2021	181,665	165,535
236,000	8.90% due Aug. 18, 2022	326,413	337,986
155,000	8.50% due May 26, 2025	194,424	233,715
505,000	8.25% due Jun. 22, 2026	736,799	766,563
	Omge Issuer Trust		
126,670	5.73% due Jun. 11, 2034	135,262	151,972
	Ottawa MacDonald-Cartier International Airport Authority (callable)		
124,000	3.93% due Jun. 9, 2045-(Dec. 9, 2044)	124,000	125,242
	Pembina Pipeline Corp.		
145,000	4.81% due Mar. 25, 2044	144,865	135,504
	Pembina Pipeline Corp. (callable)		
96,000	4.75% due Apr. 30, 2043-(Oct. 30, 2042)	94,751	86,608
	Pembina Pipeline Corporation		
114,000	4.89% due Mar. 29, 2021	121,883	125,274
150,000	3.77% due Oct. 24, 2022	149,975	154,127
	Pembina Pipeline Corporation (callable)		
93,000	4.24% due Mar. 15, 2027 (Jun/15/2027)	92,992	92,648
46,000	3.54% due Feb. 3, 2025-(Nov. 3, 2024)	45,981	44,624
	Penske Truck Leasing Canada Inc.		
75,000	3.65% due Feb. 1, 2018	74,915	77,398
62,000	2.95% due Jun. 12, 2020	61,980	62,681
	Plenary Health Care Partnerships Humber LP		
129,913	4.90% due May 31, 2039	129,913	145,032
	Plenary Health Hamilton LP		
83,133	5.80% due May 31, 2043	83,133	100,885
74,000	4.82% due Nov. 30, 2044	74,596	84,459
	Plenary Properties LTAP LP		
416,266	6.29% due Jan. 31, 2044	481,568	539,334
	Power Corporation of Canada		
25,000	8.57% due Apr. 22, 2039	24,981	38,778
	Power Financial Corporation		
150,000	6.90% due Mar. 11, 2033	177,642	196,457
	Powerstream Inc.		
105,000	3.96% due Jul. 30, 2042	105,000	104,363

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

Scotia Canadian Bond Index Fund (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

Face Value ($)	Issuer	Average Cost ($)	Carrying Value ($)
BONDS AND DEBENTURES (cont'd)			
Corporate Bonds (cont'd)			
	Powerstream Inc. (callable)		
75,000	3.24% due Nov. 21, 2024-(Aug. 21, 2024)	75,000	78,524
	Province of New Brunswick		
31,789	6.47% due Nov. 30, 2027	40,217	40,119
	PSP Capital Inc.		
184,000	2.26% due Feb. 16, 2017	183,948	186,944
191,000	3.03% due Oct. 22, 2020	191,381	204,608
275,000	3.29% due Apr. 4, 2024	280,711	296,982
	PSS Generating Station LP		
32,000	4.80% due Oct. 24, 2067	32,000	33,048
	RBC Capital Trust (callable)		
100,000	6.82% due Jun. 30, 2049-(2018)	100,000	111,201
	Reliance LP		
100,000	4.57% due Mar. 15, 2017	100,000	102,224
30,000	4.08% due Aug. 2, 2021	30,000	30,223
	Reliance LP Restricted		
128,000	3.81% due Sep. 15, 2020	128,004	128,977
	RioCan Real Estate Investment Trust		
25,000	2.87% due Mar. 5, 2018	25,066	25,487
57,000	3.85% due Jun. 28, 2019	57,191	60,211
69,000	3.62% due Jun. 1, 2020	69,135	72,398
89,000	3.75% due May 30, 2022	89,310	92,672
110,000	3.73% due Apr. 18, 2023	110,201	113,269
57,000	3.29% due Feb. 12, 2024	57,009	56,483
	Rogers Communications Inc.		
249,000	3.00% due Jun. 6, 2017	248,803	253,713
150,000	2.80% due Mar. 13, 2019	149,958	153,755
245,000	4.70% due Sep. 29, 2020	249,916	269,844
275,000	5.34% due Mar. 22, 2021	287,535	311,545
199,000	4.00% due Jun. 6, 2022	198,204	211,785
105,000	6.68% due Nov. 4, 2039	109,068	129,009
119,000	6.11% due Aug. 25, 2040	119,873	137,030
70,000	6.56% due Mar. 22, 2041	77,605	85,189
	Rogers Communications Inc. (callable)		
167,000	4.00% due Mar. 13, 2024-(Dec. 13, 2023)	166,509	175,136
	Royal Bank of Canada		
680,000	2.58% due Apr. 13, 2017	679,905	691,865
615,000	2.36% due Sep. 21, 2017	615,000	626,024
900,000	2.26% due Mar. 12, 2018	902,931	916,200
380,000	3.77% due Mar. 30, 2018	379,954	401,064
406,000	2.82% due Jul. 12, 2018	405,907	419,326
665,000	2.77% due Dec. 11, 2018	664,721	687,593
413,000	2.98% due May 7, 2019	413,000	430,710
	Royal Bank of Canada (callable)		
655,000	2.99% due Dec. 6, 2024-(2019)	655,000	675,882
	Royal Bank of Canada		
347,000	2.35% due Dec. 9, 2019	346,743	354,343
142,000	1.59% due Mar. 23, 2020	141,980	142,093
424,000	1.92% due Jul. 17, 2020	424,000	423,899
495,000	1.97% due Mar. 2, 2022	495,000	484,892
150,000	4.93% due Jul. 16, 2025	162,873	177,397
	Royal Office Finance LP		
297,158	5.21% due Nov. 12, 2032	300,796	370,089
	Saputo Inc.		
154,000	2.65% due Nov. 26, 2019	154,000	157,834
	SEC LP and Arci Ltd.		
89,139	5.19% due Aug. 29, 2033	102,064	94,903
	SGTP Highway Bypass LP		
45,000	4.11% due Jan. 31, 2045	45,000	45,168
24,000	4.16% due Jul. 31, 2049	24,000	23,692
	Shaw Communications Inc.		
140,000	5.70% due Mar. 2, 2017	154,490	146,225
305,000	5.65% due Oct. 1, 2019	310,380	338,973
223,000	5.50% due Dec. 7, 2020	229,763	250,277
284,000	6.75% due Nov. 9, 2039	282,523	327,151
	Shoppers Drug Mart Corporation		
130,000	2.36% due May 24, 2018	129,951	132,056
	Simon Fraser University		
50,000	5.61% due Jun. 10, 2043	50,000	65,975
	SNC-Lavalin Group Inc.		
119,000	6.19% due Jul. 3, 2019	129,068	134,786
	Sobeys Inc.		
90,000	3.52% due Aug. 8, 2018	89,963	93,255
220,000	4.70% due Aug. 8, 2023	220,000	239,936
47,000	6.64% due Jun. 7, 2040	46,976	55,579
	Societe en Commandite ce Sebastopol (callable)		
34,000	4.14% due Jul. 31, 2047-(Jun. 30, 2047)	34,000	33,675
	South Coast British Columbia Transportation Authority		
37,000	3.05% due Jun. 4, 2025	36,839	38,293
	SSL Finance Inc.		
144,000	4.10% due Oct. 31, 2045	144,000	145,029
47,000	4.18% due Apr. 30, 2049	47,000	46,776
	Standard Life Canada (callable)		
65,000	3.94% due Sep. 21, 2022 -(2017)	65,000	67,309
	Sun Life Capital Trust II		
150,000	5.86% due Dec. 31, 2019	152,567	169,293
	Sun Life Financial Inc.		
209,000	4.38% due Mar. 2, 2017	208,954	215,180
120,000	5.70% due Jul. 2, 2019	119,918	135,690
100,000	5.59% due Jan. 30, 2023	108,557	107,324
	Sun Life Financial Inc. (callable)		
227,000	5.40% due May 29, 2042-(2037)	212,440	253,764
89,000	2.60% due Sep. 25, 2025-(Sep. 25, 2020)	88,942	89,049
	Suncor Energy, Inc.		
265,000	5.80% due May 22, 2018	293,281	289,489
95,000	5.39% due Mar. 26, 2037	100,320	101,984
	Suncor Energy, Inc. (callable)		
168,000	3.10% due Nov. 26, 2021-(Oct. 26, 2021)	167,434	172,667
	TD Capital Trust (callable)		
491,000	6.63% due Jun. 30, 2108-(2021)	540,519	576,454
300,000	7.24% due Dec. 31, 2049-(2018)	300,000	342,957
	TD Capital Trust IV (callable)		
274,000	9.52% due Jun. 30, 2108-(2019)	349,191	335,944
110,000	10.00% due Jun. 30, 2108-(2039)	140,544	150,414
	Telus Communication Inc.		
32,000	10.65% due Jun. 19, 2021	41,509	44,859
290,000	9.65% due Apr. 8, 2022	400,406	401,015
	TELUS Corporation		
250,000	4.95% due Mar. 15, 2017	235,000	259,988
29,000	1.50% due Mar. 27, 2018	28,989	28,856
69,000	5.05% due Dec. 4, 2019	68,599	76,492
175,000	5.05% due Jul. 23, 2020	190,264	195,492
215,000	3.20% due Apr. 5, 2021	214,439	222,228
265,000	4.85% due Apr. 5, 2044	262,352	259,012
45,000	4.75% due Jan. 17, 2045	44,681	43,359
	TELUS Corporation (callable)		
133,000	2.35% due Mar. 28, 2022-(Feb. 28, 2022)	132,642	129,802
90,000	3.35% due Mar. 15, 2023-(Dec. 15, 2022)	89,895	91,818
115,000	3.35% due Apr. 1, 2024-(Jan. 2, 2024)	114,350	115,523
90,000	3.75% due Jan. 17, 2025-(Oct. 17, 2024)	89,798	92,150
64,000	3.75% due Mar. 10, 2026-(Dec. 10, 2025)	63,497	64,494
205,000	4.40% due Apr. 1, 2043-(Oct. 1, 2042)	204,524	186,926
91,000	5.15% due Nov. 26, 2043-(May 26, 2043)	90,545	93,237
19,000	4.40% due Jan. 29, 2046-(Jul. 29, 2045)	18,995	17,151
	Teranet Holdings LP		
170,000	4.81% due Dec. 16, 2020	170,818	186,723
120,000	5.75% due Dec. 17, 2040	123,553	130,743
90,000	6.10% due Jun. 17, 2041	89,960	100,876

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

Scotia Canadian Bond Index Fund (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

Face Value ($)	Issuer	Average Cost ($)	Carrying Value ($)
BONDS AND DEBENTURES (cont'd)			
Corporate Bonds (cont'd)			
	Teranet Holdings LP (callable)		
18,000	3.65% due Nov. 18, 2022-(Oct. 18, 2022)	18,000	18,328
	Terasen Gas Inc.		
75,000	5.90% due Feb. 26, 2035	86,067	94,033
20,000	5.55% due Sep. 25, 2036	19,997	24,280
35,000	6.05% due Feb. 15, 2038	34,976	44,999
75,000	5.80% due May 13, 2038	78,971	94,463
60,000	5.20% due Dec. 6, 2040	59,828	71,141
	Thomson Reuters Corporation		
247,000	4.35% due Sep. 30, 2020	253,668	267,298
117,000	3.31% due Nov. 12, 2021	117,000	120,016
	THP Partnership		
41,000	4.39% due Oct. 31, 2046	41,000	43,114
	TMX Group Inc.		
137,000	3.25% due Oct. 3, 2018	137,000	142,854
	TMX Group Ltd. (callable)		
143,000	4.46% due Oct. 3, 2023-(Aug. 3, 2023)	143,000	158,062
	Toronto Community Housing Corporation Issuer Trust		
50,000	4.88% due May 11, 2037	50,000	59,782
	Toronto Hospital		
20,394	5.64% due Dec. 8, 2022	19,945	23,355
	Toronto Hydro Corporation		
100,000	5.15% due Nov. 14, 2017	114,432	107,162
100,000	4.49% due Nov. 12, 2019	110,473	110,997
108,000	3.54% due Nov. 18, 2021	107,946	117,685
40,000	5.54% due May 21, 2040	45,945	49,878
20,000	3.55% due Jul. 28, 2045	19,967	18,537
	Toronto Hydro Corporation (callable)		
93,000	2.91% due Apr. 10, 2023-(Jan. 10, 2023)	92,984	97,039
32,000	3.96% due Apr. 9, 2063-(Oct. 9, 2062)	31,965	31,171
	Toronto-Dominion Bank, The		
110,000	1.82% due Apr. 3, 2017	110,000	110,916
398,000	2.43% due Aug. 15, 2017	398,000	405,770
515,000	2.17% due Apr. 2, 2018	515,000	524,061
666,000	2.45% due Apr. 2, 2019	666,000	683,320
127,000	1.69% due Apr. 2, 2020	127,000	126,307
433,000	2.56% due Jun. 24, 2020	434,320	445,812
364,000	2.62% due Dec. 22, 2021	367,560	371,983
346,000	3.23% due Jul. 24, 2024	351,952	361,318
50,000	9.15% due May 26, 2025	62,200	75,351
	Toronto-Dominion Bank, The (callable)		
447,000	5.76% due Dec. 18, 2106-(2017)	468,598	479,068
200,000	5.83% due Jul. 9, 2023-(2018)	227,800	219,569
	Toyota Credit Canada Inc.		
222,000	2.45% due Feb. 27, 2017	221,980	224,970
130,000	2.20% due Oct. 19, 2017	129,871	131,743
194,000	2.75% due Jul. 18, 2018	193,973	199,718
40,000	2.48% due Nov. 19, 2019	39,994	41,044
150,000	1.80% due Feb. 19, 2020	149,970	149,931
124,000	2.05% due May 20, 2020	123,976	125,021
	TransAlta Corporation		
120,000	6.40% due Nov. 18, 2019	135,576	118,387
151,000	5.00% due Nov. 25, 2020	150,269	138,208
105,000	6.90% due Nov. 15, 2030	108,995	86,308
	TransCanada Corporation		
80,000	3.65% due Nov. 15, 2021	79,894	85,287
	TransCanada PipeLines Limited		
30,000	5.10% due Jan. 11, 2017	29,955	31,102
110,000	9.45% due Mar. 20, 2018	132,946	127,841
90,000	11.80% due Nov. 20, 2020	144,104	128,358
75,000	7.90% due Apr. 15, 2027	102,697	100,890
40,000	6.28% due May 26, 2028	35,490	48,375
65,000	7.34% due Jul. 18, 2028	67,506	85,164
50,000	6.50% due Dec. 9, 2030	57,417	61,100

Face Value ($)	Issuer	Average Cost ($)	Carrying Value ($)
BONDS AND DEBENTURES (cont'd)			
Corporate Bonds (cont'd)			
	TransCanada PipeLines Limited (cont'd)		
120,000	8.23% due Jan. 16, 2031	140,932	167,388
50,000	8.05% due Feb. 17, 2039	68,023	74,487
260,000	4.55% due Nov. 15, 2041	258,630	263,022
	TransCanada PipeLines Ltd (callable)		
190,000	3.30% due Jul. 17, 2025-(Apr. 17, 2025)	189,759	192,137
109,000	3.69% due Jul. 19, 2023-(Apr. 19, 2023)	108,991	115,309
	Trillium Windpower, LP		
58,165	5.80% due Feb. 15, 2033	58,165	64,710
	Union Gad Ltd. (callable)		
96,000	3.79% due Jul. 10, 2023-(Apr. 10, 2023)	95,967	103,590
	Union Gas Limited		
100,000	5.35% due Apr. 27, 2018	99,870	108,612
90,000	4.85% due Apr. 25, 2022	101,859	102,884
25,000	8.65% due Nov. 10, 2025	29,500	35,934
50,000	5.46% due Sep. 11, 2036	50,000	58,656
95,000	6.05% due Sep. 2, 2038	113,050	121,899
50,000	5.20% due Jul. 23, 2040	56,159	58,439
47,000	3.19% due Sep. 17, 2025	46,980	47,523
	Union Gas Ltd. (callable)		
50,000	4.88% due Jun. 21, 2041-(Dec. 21, 2040)	49,938	56,115
70,000	2.76% due Jun. 2, 2021-(May 2, 2021)	69,978	72,041
110,000	4.20% due Jun. 2, 2044-(Dec. 2, 2043)	108,940	111,202
	University of British Columbia		
20,000	4.82% due Jul. 26, 2035	20,000	23,486
	University of Guelph		
20,000	6.24% due Oct. 10, 2042	19,974	27,975
	University of Ontario Institute of Technology		
41,048	6.35% due Oct. 15, 2034	41,048	50,214
	University of Toronto		
75,000	4.25% due Dec. 7, 2051	73,301	81,882
	University of Western Ontario		
71,000	4.80% due May 24, 2047	71,955	83,775
	University of Windsor		
41,000	5.37% due Jun. 29, 2046	42,507	50,940
	Vancouver Airport Authority (callable)		
64,000	3.86% due Nov. 10, 2045-(May 10, 2045)	64,000	66,629
	Vancouver International Airport Authority		
95,000	4.42% due Dec. 7, 2018	102,931	103,608
	Ventas Canada Finance Ltd.		
173,000	3.00% due Sep. 1, 2019 (Sep/30/2019)	172,503	177,356
59,000	3.30% due Feb. 1, 2022-(Jan. 2, 2022)	58,995	60,006
44,000	4.13% due Sep. 30, 2024-(Jun. 30, 2024)	43,825	45,619
	Veresen Inc.		
23,000	3.95% due Mar. 14, 2017	22,987	23,394
71,000	4.00% due Nov. 22, 2018	70,799	73,360
80,000	3.06% due Jun. 13, 2019	79,967	79,725
	VW Credit Canada Inc.		
52,000	1.60% due Apr. 4, 2018	51,991	50,607
57,000	2.15% due Jun. 24, 2020	56,898	54,454
80,000	2.20% due Oct. 11, 2016	79,918	79,728
35,000	2.90% due Jun. 1, 2017	35,000	35,082
141,000	2.45% due Nov. 14, 2017	140,749	140,143
108,000	2.80% due Aug. 20, 2018	107,905	107,572
149,000	2.50% due Oct. 1, 2019	148,917	145,792
	Wells Fargo Financial Canada Corporation		
320,000	2.77% due Feb. 9, 2017	320,218	325,562
405,000	2.94% due Jul. 25, 2019	405,000	422,573
300,000	3.04% due Jan. 29, 2021	315,921	314,383
248,000	3.46% due Jan. 24, 2023	248,000	263,569
	West Edmonton Mall Property Inc.		
258,398	4.06% due Feb. 13, 2024	258,398	273,527
172,000	4.31% due Feb. 13, 2024	172,000	183,761

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

Scotia Canadian Bond Index Fund (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

Face Value ($)	Issuer	Average Cost ($)	Carrying Value ($)
BONDS AND DEBENTURES (cont'd)			
Corporate Bonds (cont'd)			
	Westcoast Energy Inc.		
81,000	4.57% due Jul. 2, 2020	86,749	88,404
81,000	3.43% due Sep. 12, 2024	80,966	81,141
50,000	7.15% due Mar. 20, 2031	50,325	63,595
50,000	4.79% due Oct. 28, 2041	55,109	50,203
	Westcoast Energy Inc. (callable)		
44,000	3.77% due Dec. 8, 2025-(Sept. 8, 2025)	43,982	44,578
	WestJet Airlines Ltd.		
43,000	3.29% due Jul. 23, 2019	43,000	43,422
	Wilfrid Laurier University		
20,000	5.43% due Feb. 1, 2045	20,000	25,321
	Windsor Canada Utilities Ltd.		
50,000	4.13% due Nov. 6, 2042	50,000	50,185
	Winnipeg Airports Authority Inc.		
200,000	4.57% due Nov. 20, 2019	222,180	222,516
18,279	5.21% due Sep. 28, 2040	18,279	20,963
	York Region District School Board		
42,667	6.45% due Jun. 4, 2024	52,697	51,479
	York University		
100,000	6.48% due Mar. 7, 2042	99,972	143,740
	York University (callable)		
30,000	4.46% due Feb. 26, 2054-(Aug. 26, 2053)	30,000	33,626
		97,322,387	101,803,048
Mortgage-backed Securities – 0.2%			
	Caisse Centrale Desjardins		
359,000	1.75% due Mar. 2, 2020	359,000	356,703
	Canadian Credit Card Trust II		
161,000	1.83% due Mar. 24, 2020	161,033	160,801
	Chip Mortgage Trust		
45,000	2.33% due Apr. 29, 2020	45,000	45,197
	OPB Finance Trust		
40,000	1.88% due Feb. 24, 2022	39,024	39,625
		604,057	602,326
	TOTAL INVESTMENT PORTFOLIO	295,599,944	308,877,221
	OTHER ASSETS, LESS LIABILITIES – 0.7%		2,124,100
	NET ASSETS – 100.0%		311,001,321

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

Scotia Canadian Bond Index Fund

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

1. The Fund (note 1)

The Fund's investment objective is to provide a high level of regular interest income and modest capital gains by tracking the performance of a generally recognized Canadian bond index, currently the FTSE TMX Canada Universe Bond Index. It invests primarily in bonds and treasury bills issued by Canadian federal, provincial and municipal governments and Canadian corporations as well as money market instruments issued by Canadian corporations, including commercial paper and bankers' acceptances.

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 (earlier of maturity date or interest reset date) of the Fund's portfolio, excluding cash, money market instruments, underlying funds, preferred shares and overdrafts, as applicable.

Interest rate exposure	December 31, 2015 ($)	December 31, 2014 ($)
Less than 1 year	312,639	2,952,542
1-3 years	69,741,042	75,906,820
3-5 years	62,803,973	64,042,062
5-10 years	77,174,518	87,297,324
> 10 years	98,845,049	106,088,549
	308,877,221	336,287,297

As at December 31, 2015, 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 $5,758,304 or approximately 1.9% (December 31, 2014 – $6,247,064 or approximately 1.8%). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

ii) Currency risk

The Fund did not have significant currency risk exposure as at December 31, 2015 or December 31, 2014.

iii) Price risk

The Fund did not have significant price risk exposure to equities, derivatives or commodities, if applicable, as at December 31, 2015 or December 31, 2014.

iv) Credit risk

The table below summarizes the credit ratings of the bonds and debentures, excluding cash and money market instruments but including preferred shares and derivatives, as applicable, held by the Fund.

	December 31, 2015		December 31, 2014	
	Percentage of total bonds and debentures (%)	Percentage of net assets (%)	Percentage of total bonds and debentures (%)	Percentage of net assets (%)
Credit ratings				
AAA	38.8	38.5	39.9	39.6
AA	26.5	26.3	26.5	26.3
A	26.9	26.7	27.1	26.9
BBB	7.8	7.8	6.4	6.4
B	–	–	0.1	0.1
	100.0	99.3	100.0	99.3

v) Liquidity risk

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

	December 31, 2015		December 31, 2014	
	On demand ($)	Less than 3 months ($)	On demand ($)	Less than 3 months ($)
Current liabilities	–	81,609	–	342,781
Liability for written options	–	–	–	–
Unrealized loss on derivatives	–	–	–	–
Redeemable units	311,001,321	–	338,497,621	–
	311,001,321	81,609	338,497,621	342,781

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, geographical location, asset type or industry sector, as applicable. The table below is a summary of the Fund's concentration risk:

	Percentage of net assets (%)	
	December 31, 2015	December 31, 2014
Corporate Bonds	32.7	31.2
Federal Bonds	33.1	34.8
Money Market Instruments	–	0.1
Mortgage-Backed Securities	0.2	–
Municipal Bonds	2.0	2.4
Provincial Bonds	31.3	30.8

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

vii) Fair value classification (note 2)

The tables below illustrate the classification of the Fund's financial instruments within the fair value hierarchy.

December 31, 2015	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Bonds and debentures	–	308,877,221	–	308,877,221
	–	308,877,221	–	308,877,221

December 31, 2014	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Bonds and debentures	–	336,287,297	–	336,287,297
	–	336,287,297	–	336,287,297

Transfers between levels

During the periods ended December 31, 2015 and 2014, there were no significant transfers between Level 1 and Level 2.

3. Offsetting of financial assets and liabilities (note 2)

As at December 31, 2015 or December 31, 2014, the Fund did not enter into any agreement whereby the financial instruments were eligible for offset.

4. Interest in Underlying Funds (note 2)

The Fund did not hold any interest in Underlying Funds as at December 31, 2015 or December 31, 2014.

5. Comparison of net asset value per unit and net assets per unit (note 2)

The table below provides a comparison of the net asset value per unit and net assets per unit. The primary reason for the difference between the net asset value per unit and net assets per unit, if any, is described in note 2.

	December 31, 2015		December 31, 2014	
	Net asset value per unit ($)	Net assets per unit ($)	Net asset value per unit ($)	Net assets per unit ($)
Series A	11.68	11.68	11.67	11.67
Series D	9.68	9.68	–	–
Series F	11.68	11.68	11.72	11.72

Scotia Canadian Index Fund

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars except per unit amounts)	December 31, 2015	December 31, 2014
ASSETS		
Current assets		
Investments		
Non-derivative financial assets	219,680,188	257,879,732
Cash	31,624	269,764
Subscriptions receivable	165,040	442,548
Accrued investment income and other	617,639	592,459
	220,494,491	259,184,503
LIABILITIES		
Current liabilities		
Redemptions payable	114,429	107,856
Distributions payable	1,407	1,402
	115,836	109,258
Net assets attributable to holders of redeemable units	220,378,655	259,075,245
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series A	219,434,415	258,832,417
Series D	65,964	1,218
Series F	878,276	241,610
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series A	22.69	25.44
Series D	9.02	10.15
Series F	22.48	25.31

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except per unit amounts)	2015	2014
INCOME		
Net gain (loss) on investments (note 2)		
Dividends	7,048,205	7,164,249
Interest for distribution purposes	183,187	181,712
Capital gains distributions received	48,543	45,622
Net realized gain (loss) on non-derivative financial assets	5,163,971	10,128,135
Change in unrealized gain (loss) on non-derivative financial assets	(32,393,939)	8,707,764
Net gain (loss) on investments	(19,950,033)	26,227,482
Securities lending	35,691	39,441
Net realized and unrealized gain (loss) on foreign exchange	(39,147)	–
Other income	4,118	6,367
Total income (loss)	(19,949,371)	26,273,290
EXPENSES		
Management fees (note 5)	1,976,219	2,102,062
Fixed administration fees (note 6)	247,667	94,909
Independent Review Committee fees	1,154	546
Interest expense and bank overdraft charges	2,117	1,475
Foreign withholding taxes/tax reclaims	40	208
Audit fees	–	5,739
Custodian fees	–	11,126
Filing fees	–	11,519
Legal fees	–	850
Unitholder administration costs	–	101,074
Unitholder reporting costs	–	21,445
Other fund costs	284	–
Harmonized Sales Tax/Goods and Services Tax	246,462	258,440
Transaction costs	16,507	8,999
Total expenses	2,490,450	2,618,392
Expenses absorbed by the Manager	–	(1,588)
Net expenses	2,490,450	2,616,804
Increase (decrease) in net assets attributable to holders of redeemable units from operations	(22,439,821)	23,656,486
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A	(22,379,714)	23,625,229
Series D	(8,645)	18
Series F	(51,462)	31,239
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT†		
Series A	(2.28)	2.30
Series D	(2.06)	0.15
Series F	(2.46)	2.74
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series A	9,802,329	10,271,733
Series D	4,196	120
Series F	20,962	11,386

† The increase (decrease) in net assets attributable to holders of redeemable units from operations 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 number of units per series.

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

Scotia Canadian Index Fund (Continued)

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the periods ended December 31 (note 1),

(in dollars)	2015	2014
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series A	258,832,417	253,295,698
Series D	1,218	–
Series F	241,610	209,194
	259,075,245	253,504,892
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A	(22,379,714)	23,625,229
Series D	(8,645)	18
Series F	(51,462)	31,239
	(22,439,821)	23,656,486
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net investment income		
Series A	(3,778,666)	(3,861,549)
Series D	(1,575)	–
Series F	(22,738)	(4,098)
	(3,802,979)	(3,865,647)
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A	21,669,464	29,496,967
Series D	73,391	1,200
Series F	736,728	165,093
Reinvested distributions		
Series A	3,727,758	3,811,814
Series D	1,575	–
Series F	5,252	4,014
Payments on redemption		
Series A	(38,636,844)	(47,535,742)
Series F	(31,114)	(163,832)
	(12,453,790)	(14,220,486)
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A	(39,398,002)	5,536,719
Series D	64,746	1,218
Series F	636,666	32,416
	(38,696,590)	5,570,353
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series A	219,434,415	258,832,417
Series D	65,964	1,218
Series F	878,276	241,610
	220,378,655	259,075,245

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	(22,439,821)	23,656,486
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(5,163,971)	(10,128,135)
Unrealized (gain) loss on foreign exchange of cash	(113)	–
Change in unrealized (gain) loss on non-derivative financial assets	32,393,939	(8,707,764)
Purchases of non-derivative financial assets	(12,204,761)	(16,353,338)
Proceeds from sale of non-derivative financial assets	23,157,832	29,904,860
Transaction costs	16,507	8,999
Accrued investment income and other	(25,180)	7,621
Net cash provided by (used in) operating activities	15,734,432	18,388,729
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	22,757,090	29,374,818
Amounts paid on redemption of redeemable units	(38,661,386)	(47,852,878)
Distributions to unitholders of redeemable units	(68,389)	(49,833)
Net cash provided by (used in) financing activities	(15,972,685)	(18,527,893)
Unrealized gain (loss) on foreign exchange of cash	113	–
Net increase (decrease) in cash	(238,253)	(139,164)
Cash (bank overdraft), beginning of period	269,764	408,928
CASH (BANK OVERDRAFT), END OF PERIOD	31,624	269,764
Interest paid[1]	2,117	–
Interest received[1]	183,419	181,557
Dividends received, net of withholding taxes[1]	7,022,754	7,171,817

[1] Classified as operating items.

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

Scotia Canadian Index Fund (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2015

Number of Shares	Issuer	Average Cost ($)	Carrying Value ($)
EQUITIES – 99.7%			
Energy – 18.4%			
22,743	Advantage Oil & Gas Ltd.	312,332	159,883
19,600	AltaGas Ltd.	572,560	605,640
46,515	ARC Resources Ltd.	1,104,185	776,801
48,559	Athabasca Oil Sands Corporation	680,100	74,781
28,622	Baytex Energy Corporation	793,508	128,227
13,500	Birchcliff Energy Ltd.	154,397	54,540
26,400	Bonavista Energy Corporation	718,220	48,048
3,600	Bonterra Energy Corp.	207,405	61,920
53,204	Cameco Corporation	792,516	908,192
23,500	Canadian Energy Services & Technology Corporation	145,154	91,180
146,625	Canadian Natural Resources Ltd.	2,584,536	4,431,008
65,919	Canadian Oil Sands Ltd.	1,871,082	545,150
111,281	Cenovus Energy Inc.	1,967,093	1,947,418
67,685	Crescent Point Energy Corp.	2,234,756	1,091,082
20,300	Crew Energy Inc.	242,885	82,215
116,084	Enbridge Inc.	1,981,207	5,339,864
10,204	Enbridge Income Fund Holdings Inc.	264,840	286,018
113,988	EnCana Corporation	2,004,986	801,336
10,965	Enerflex Ltd.	72,745	145,725
28,130	Enerplus Corp.	1,277,289	133,618
15,500	Ensign Resource Service, Inc.	106,075	114,390
10,400	Freehold Royalties Ltd.	196,906	112,944
16,900	Gibson Energy Inc.	366,750	233,558
34,100	Gran Tierra Energy, Inc.	240,507	102,641
40,365	Husky Energy Inc.	710,038	577,623
34,301	Imperial Oil Ltd.	914,998	1,546,289
45,500	Inter Pipeline Ltd.	496,055	1,010,555
18,000	Kelt Exploration Ltd.	198,869	76,320
23,040	Keyera Corp.	315,428	927,590
21,400	MEG Energy Corporation	992,064	171,628
12,700	Mullen Group Limited	282,416	177,927
21,800	NuVista Energy Ltd.	147,389	88,726
7,800	Paramount Resources Ltd.	273,747	47,736
18,400	Parex Resources Inc.	224,214	186,944
11,700	Parkland Fuel Corporation	171,066	272,493
9,400	Pason Systems Inc.	107,051	182,266
49,737	Pembina Pipeline Corporation	1,069,242	1,499,571
75,012	Pengrowth Energy Corp.	1,109,971	76,512
69,643	Penn West Petroleum Ltd.	2,225,028	81,482
21,200	Peyto Exploration & Development Corporation	454,731	527,244
20,700	PrairieSky Royalty Ltd.	656,309	453,744
40,300	Precision Drilling Corporation	582,365	220,441
23,600	Raging River Exploration Inc.	158,121	197,532
16,100	Secure Energy Services Inc.	182,762	134,596
20,200	Seven Generations Energy Ltd.	328,922	272,296
8,800	ShawCor Ltd.	162,688	247,016
193,796	Suncor Energy, Inc.	3,995,161	6,922,391
31,500	Surge Energy, Inc.	221,240	66,465
15,200	Total Cda Oil & Gas	183,061	78,280
25,200	Tourmaline Oil Corp.	807,992	563,220
95,232	TransCanada Corporation	2,806,609	4,303,534
30,300	Trinidad Drilling Ltd.	242,481	64,236
39,500	Veresen Inc.	532,379	349,970
14,800	Vermilion Energy, Inc.	550,934	556,628
39,632	Whitecap Resources, Inc.	451,724	359,462
		42,447,089	40,516,896
Materials – 9.5%			
29,528	Agnico-Eagle Mines Limited	1,037,988	1,073,933
18,563	Agrium Inc.	751,747	2,295,686
39,682	Alacer Gold Corporation	289,333	98,015
33,766	Alamos Gold Inc.	351,354	153,635
123,700	B2Gold Corporation	390,584	173,180
157,005	Barrick Gold Corporation	4,971,761	1,607,731
10,283	Canfor Corporation	100,803	207,614

Number of Shares	Issuer	Average Cost ($)	Carrying Value ($)
EQUITIES (cont'd)			
Materials (cont'd)			
3,600	CCL Industries Inc., Class B	74,429	807,732
22,313	Centerra Gold Inc.	237,459	147,043
9,300	Chemtrade Logistics Income Fund	199,333	166,098
22,939	Detour Gold Corporation	393,051	330,551
11,880	Dominion Diamond Corporation	159,853	167,983
94,928	Eldorado Gold Corporation	862,437	389,205
20,000	First Majestic Silver Corp.	255,211	90,200
91,949	First Quantum Minerals Ltd.	1,206,991	476,296
21,119	Franco-Nevada Corporation	725,565	1,336,833
111,944	Goldcorp, Inc.	2,675,738	1,789,985
32,200	HudBay Minerals, Inc.	372,865	170,982
51,532	IAMGOLD Corporation	445,351	101,518
8,500	Interfor Corporation	137,658	119,340
7,500	Intertape Polymer Group Inc.	111,323	140,175
157,906	Kinross Gold Corporation	1,677,877	396,344
8,500	Labrador Iron Ore Royalty Corp	111,057	81,515
85,006	Lundin Mining Corporation	581,827	323,023
12,000	Methanex Corporation	184,319	548,400
27,922	Nevsun Resources Ltd.	141,051	104,708
70,098	New Gold Inc.	408,613	225,716
5,000	Norbord Inc.	155,203	134,750
31,200	NovaGold Resources Inc.	231,899	181,272
79,435	OceanGold Corporation	250,452	209,708
13,214	Osisko Gold Royalties Ltd.	212,153	180,635
20,657	Pan American Silver Corporation	347,700	186,120
111,722	Potash Corporation of Saskatchewan Inc.	2,212,641	2,647,811
12,300	Pretium Resources Inc.	151,932	85,608
23,100	Primero Mining Corp	191,912	72,072
38,361	SEMAFO Inc.	172,815	134,647
11,700	Silver Standard Resources Inc.	267,246	83,772
54,037	Silver Wheaton Corporation	815,693	929,436
5,700	Stella-Jones Inc.	258,498	299,307
30,000	Tahoe Resources Inc.	490,307	359,100
63,687	Teck Resources Ltd., Class B	1,219,647	340,089
102,900	Torex Gold Resources Inc	202,565	129,654
134,574	Turquoise Hill Resources Ltd.	667,657	472,355
9,226	West Fraser Timber Co., Ltd.	208,409	484,642
55,300	Western Forest Products Inc.	133,234	124,978
128,622	Yamana Gold Inc.	1,263,989	330,559
		28,309,530	20,909,956
Industrials – 8.3%			
8,100	Aecon Group Inc.	154,603	124,659
38,800	Air Canada	127,768	396,148
10,100	ATS Automation Tooling Systems Inc.	138,501	114,938
4,900	Badger Daylighting Ltd.	140,397	119,658
257,654	Bombardier Inc., Class B	2,128,136	345,256
2,200	Boyd Group Income Fund	133,757	145,420
36,800	CAE, Inc.	253,758	564,880
106,548	Canadian National Railway Company	2,047,507	8,241,488
18,664	Canadian Pacific Railway Limited	796,436	3,298,489
23,100	Finning International Inc.	281,681	431,508
4,873	MacDonald, Dettwiler and Associates Ltd.	169,608	405,726
4,800	New Flyer Industries Inc.	130,330	135,936
14,757	Progressive Waste Solutions Ltd.	325,236	481,078
14,600	Ritchie Bros. Auctioneers Incorporated	309,270	486,764
8,300	Russel Metals Inc.	109,138	133,381
20,045	SNC-Lavalin Group Inc.	376,814	824,250
12,700	Stantec Inc.	165,574	435,864
9,965	Toromont Industries Ltd.	105,588	314,396
8,900	Transcontinental Inc., Class A	92,191	153,614
11,683	TransForce, Inc.	196,420	275,836
16,900	WestJet Airlines Ltd.	221,256	344,084
7,904	Westshore Terminals Investment Corp.	106,091	92,082
8,400	WSP Global Inc.	240,597	357,084
		8,750,657	18,222,539

For equities, all common shares unless otherwise noted.

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

Scotia Canadian Index Fund (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

Number of Shares	Issuer	Average Cost ($)	Carrying Value ($)
EQUITIES (cont'd)			
Consumer Discretionary – 6.9%			
22,137	Aimia Inc	363,036	208,309
14,400	Amaya Gaming Group, Inc.	476,767	250,992
2,800	AutoCanada Inc.	228,945	67,620
6,500	Bauer Performance Sports Ltd.	158,362	86,710
4,700	BRP Inc.	140,300	93,436
9,560	Canadian Tire Corporation, Limited, Class A	367,214	1,129,610
8,400	Cineplex, Inc.	137,024	399,420
3,090	Cogeco Cable Inc.	107,842	190,869
10,700	Corus Entertainment Inc., Class B	213,959	115,560
15,800	DHX Media Limited Common Voting Shares	154,794	133,826
15,400	Dollarama Inc.	270,737	1,231,076
3,200	Dorel Industries Inc., Class B	85,050	100,256
11,900	EnerCare Inc	170,238	189,924
31,096	Gildan Activewear Inc.	331,285	1,223,317
6,300	Great Canadian Gaming Corporation	127,915	97,461
15,100	Hudson's Bay Company	277,431	273,310
6,100	Linamar Corporation	112,369	455,853
51,632	Magna International Inc.	1,012,276	2,897,588
11,373	Martinrea International Inc.	102,837	119,530
11,200	Quebecor Inc., Class B	179,529	379,456
30,234	Restaurant Brands International Inc.	1,282,549	1,564,610
13,090	RONA inc.	182,657	161,662
53,226	Shaw Communications, Inc., Class B	908,614	1,266,779
9,600	The Intertain Group Limited	177,319	95,616
43,280	Thomson Reuters Corporation	1,682,386	2,268,305
2,700	Uni-Select Inc	150,604	184,977
		9,402,039	15,186,072
Consumer Staples – 4.5%			
56,300	Alimentation Couche-Tard Inc., Class B	279,678	3,429,233
15,338	Cott Corporation	150,996	233,751
21,500	Empire Company Limited, Class A	393,441	553,410
6,300	George Weston Limited	407,537	673,722
11,305	Jean Coutu Group (PJC) Inc., The, Class A	146,717	202,473
29,472	Loblaw Companies Limited	1,323,702	1,925,700
11,900	Maple Leaf Foods Inc.	156,539	282,744
32,274	Metro Inc., Class A	250,871	1,250,295
6,600	North West Company, Inc.	114,506	189,222
34,392	Saputo Inc.	355,914	1,138,375
		3,579,901	9,878,925
Health Care – 3.0%			
5,000	Concordia Healthcare Corporation	406,275	282,700
12,300	Extendicare Inc Cda Com	125,425	118,695
66,400	ProMetic Life Sciences Inc.	172,904	223,104
43,085	Valeant Pharmaceuticals International, Inc.	2,478,555	6,056,028
		3,183,159	6,680,527
Financials – 37.4%			
4,300	Alaris Royalty Corp.	147,800	101,050
10,499	Allied Properties Real Estate Investment Trust	240,996	331,453
18,906	Artis Real Estate Investment Trust	196,657	241,997
86,367	Bank of Montreal	3,803,798	6,743,535
161,709	Bank of Nova Scotia, The	6,086,414	9,050,853
5,300	Boardwalk Real Estate Investment Trust	84,516	251,485
116,019	Brookfield Asset Management Inc., Class A	1,485,073	5,064,229
28,800	Brookfield Property Partners LP	573,300	927,936
13,200	Canaccord Financial Inc.	161,659	67,452
17,100	Canadian Apartment Properties Real Estate Investment Trust	249,084	458,964
53,348	Canadian Imperial Bank of Commerce	2,884,905	4,864,804
9,800	Canadian Real Estate Investment Trust	223,224	412,188
11,100	Canadian Western Bank	156,778	259,518
23,500	Chartwell Seniors Housing Real Estate Investment Trust	183,637	298,450
31,600	CI Financial Corporation	715,371	966,960
4,463	Colliers International Group Inc.	96,237	275,501
21,000	Cominar Real Estate Investment Trust	354,009	308,910
10,600	Crombie Real Estate Investment Trust	134,863	135,680
14,200	Dream Global Real Estate Investment Trust	135,229	122,972
14,100	Dundee Real Estate Investment Trust	354,372	244,917
52,300	Element Financial Corp.	724,284	873,410
15,300	First Capital Realty, Inc.	243,517	280,755
3,963	FirstService Corporation	35,875	221,532
5,097	Genworth MI Canada Inc.	134,520	135,580
6,300	Granite Real Estate Investment Trust	217,727	239,148
38,572	Great-West Lifeco Inc.	765,770	1,331,891
37,199	H&R Real Estate Investment Trust	697,119	745,840
8,400	Home Capital Group Inc.	142,949	226,128
12,136	IGM Financial, Inc.	317,957	428,886
13,600	Industrial Alliance Insurance and Financial Services Inc.	325,360	600,168
17,492	Intact Financial Corporation	701,424	1,551,191
3,900	Laurentian Bank of Canada	102,697	188,370
264,938	Manulife Financial Corporation	5,585,460	5,494,814
45,234	National Bank of Canada	844,182	1,823,383
5,680	Northview Apartment Real Estate Investment Trust	161,005	99,741
10,800	Onex Corporation	199,587	916,056
49,253	Power Corporation of Canada	962,328	1,425,382
32,616	Power Financial Corporation	600,941	1,037,515
25,100	Pure Industrial Real Estate Trust	122,793	109,687
42,936	RioCan Real Estate Investment Trust	750,605	1,017,154
199,329	Royal Bank of Canada	7,361,420	14,780,243
14,849	Smart Real Estate Investment Trust	281,279	448,291
82,081	Sun Life Financial Inc.	2,468,670	3,541,795
3,200	TMX Group Inc.	116,818	114,528
248,814	Toronto-Dominion Bank, The	4,285,545	13,495,671
13,300	Tricon Capital Group Inc	147,685	120,498
		46,565,439	82,376,511
Information Technology – 3.2%			
5,200	Avigilon Corporation	164,628	71,240
17,099	Celestica Inc.	296,723	261,615
36,993	CGI Group Inc., Class A	581,680	2,049,412
10,500	Computer Modelling Group Ltd.	132,884	94,290
2,500	Constellation Software Inc.	411,778	1,442,200
14,300	Davis + Henderson Income Corporation	361,343	452,166
10,300	Descartes Systems Group Inc., The	146,267	286,752
2,400	Enghouse Systems Limited	124,186	178,416
2,600	Kinaxis Inc.	119,353	121,992
13,100	Mitel Networks Corp.	148,689	139,777
16,100	Open Text Corporation	231,139	1,068,074
62,868	Research In Motion Limited	2,220,068	807,225
4,500	Sierra Wireless Inc.	221,513	97,965
		5,160,251	7,071,124
Telecommunication Services – 5.4%			
116,158	BCE Inc.	4,051,695	6,209,805
10,700	Manitoba Telecom Services Inc.	327,689	318,539
48,113	Rogers Communications, Inc., Class B	1,146,916	2,295,952
80,622	TELUS Corporation	1,476,896	3,084,598
		7,003,196	11,908,894
Utilities – 3.1%			
26,776	Algonquin Power & Utilities Corp.	200,743	292,126
10,200	ATCO Ltd., Class I	134,801	364,140
13,900	Brookfield Renew Energy Partners LP	435,391	504,153
15,800	Canadian Utilities Limited, Class A	244,204	504,652
11,900	Capital Power Corporation	289,538	211,463
19,600	Emera Inc.	399,380	847,308
2,892	Fairfax Financial Holdings Limited	905,044	1,899,784
37,500	Fortis, Inc.	941,273	1,402,875
12,100	Innergex Renewable Energy Inc	126,205	137,093
11,995	Just Energy Group, Inc.	199,864	118,511
14,500	Northland Power Inc.	210,391	270,570

For equities, all common shares unless otherwise noted.

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

Scotia Canadian Index Fund (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

Number of Shares	Issuer	Average Cost ($)	Carrying Value ($)
EQUITIES (cont'd)			
Utilities (cont'd)			
17,600	Superior Plus Corporation	311,306	189,376
38,023	TransAlta Corporation	776,400	186,693
		5,174,540	6,928,744
	TOTAL INVESTMENT PORTFOLIO	159,575,801	219,680,188
	OTHER ASSETS, LESS LIABILITIES – 0.3%		698,467
	NET ASSETS – 100.0%		220,378,655

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

Scotia Canadian Index Fund

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

1. The Fund (note 1)

The Fund's investment objective is long-term capital growth by tracking the performance of a generally recognized Canadian equity index, currently the S&P/TSX Composite Index. It invests primarily in stocks that are included in the Index.

2. Risks associated with financial instruments (note 4)

i) Interest rate risk

The majority of the Fund's financial assets and liabilities were non-interest bearing as at December 31, 2015 and 2014. Accordingly, the Fund is not directly subject to significant risk due to fluctuations in the prevailing levels of market interest rates.

ii) Currency risk

The Fund did not have significant currency risk exposure as at December 31, 2015 or December 31, 2014.

iii) Price risk

Price risk is the risk that the carrying 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 price risk is mainly in equities, derivatives and commodities, if applicable. As at December 31, 2015, approximately 99.7% (December 31, 2014 – 99.5%) of the Fund's net assets were exposed to price risk. If prices of these investments had decreased or increased by 10%, with all other variables held constant, net assets of the Fund would have decreased or increased, respectively, by approximately $21,968,019 (December 31, 2014 – $25,787,973). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

iv) Credit risk

The Fund had no significant exposure to bonds and debentures, preferred shares or derivatives as at December 31, 2015 or December 31, 2014. In addition, all investment transactions are executed by brokers with an approved credit rating. As such the risk of default on transactions with counterparties and brokers related to purchase and sale of securities is considered minimal. In instances where the credit rating were to fall below the approved rating, the Manager would take appropriate action.

v) Liquidity risk

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

	December 31, 2015		December 31, 2014	
	On demand ($)	Less than 3 months ($)	On demand ($)	Less than 3 months ($)
Current liabilities	–	115,836	–	109,258
Liability for written options	–	–	–	–
Unrealized loss on derivatives	–	–	–	–
Redeemable units	220,378,655	–	259,075,245	–
	220,378,655	115,836	259,075,245	109,258

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, geographical location, asset type or industry sector, as applicable. The table below is a summary of the Fund's concentration risk:

	Percentage of net assets (%)	
	December 31, 2015	December 31, 2014
Consumer Discretionary	6.9	6.3
Consumer Staples	4.5	3.7
Energy	18.4	21.8
Financials	37.4	35.8
Health Care	3.0	3.5
Industrials	8.3	8.7
Information Technology	3.2	2.3
Materials	9.5	10.5
Telecommunication Services	5.4	4.8
Utilities	3.1	2.1

vii) Fair value classification (note 2)

The tables below illustrate the classification of the Fund's financial instruments within the fair value hierarchy.

December 31, 2015	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Equities	219,680,188	–	–	219,680,188
	219,680,188	–	–	219,680,188

December 31, 2014	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Equities	257,879,732	–	–	257,879,732
	257,879,732	–	–	257,879,732

Scotia Canadian Index Fund (Continued)

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

Transfers between levels

During the periods ended December 31, 2015 and 2014, there were no significant transfers between Level 1 and Level 2.

3. Offsetting of financial assets and liabilities (note 2)

As at December 31, 2015 or December 31, 2014, the Fund did not enter into any agreement whereby the financial instruments were eligible for offset.

4. Interest in Underlying Funds (note 2)

The Fund did not hold any interest in Underlying Funds as at December 31, 2015 or December 31, 2014.

5. Comparison of net asset value per unit and net assets per unit (note 2)

The table below provides a comparison of the net asset value per unit and net assets per unit. The primary reason for the difference between the net asset value per unit and net assets per unit, if any, is described in note 2.

	December 31, 2015		December 31, 2014	
	Net asset value per unit ($)	Net assets per unit ($)	Net asset value per unit ($)	Net assets per unit ($)
Series A	22.69	22.69	25.44	25.44
Series D	9.02	9.02	10.15	10.15
Series F	22.48	22.48	25.31	25.31

Scotia U.S. Index Fund

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars except per unit amounts)	December 31, 2015	December 31, 2014
ASSETS		
Current assets		
Investments		
Non-derivative financial assets	154,337,118	108,341,938
Cash	628,344	210,555
Receivable for securities sold	65,921	29,303
Subscriptions receivable	432,654	318,640
Accrued investment income and other	176,014	123,602
	155,640,051	109,024,038
LIABILITIES		
Current liabilities		
Payable for securities purchased	51,443	–
Redemptions payable	103,787	72,578
Distributions payable	379	297
Unrealized loss on currency spot contracts	–	123
	155,609	72,998
Net assets attributable to holders of redeemable units	155,484,442	108,951,040
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series A	155,392,483	108,929,809
Series D	18,299	–
Series F	73,660	21,231
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series A	25.48	21.59
Series D	10.78	–
Series F	25.44	21.50

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except per unit amounts)	2015	2014
INCOME		
Net gain (loss) on investments (note 2)		
Dividends	3,341,228	2,094,539
Interest for distribution purposes	2,569	2,454
Net realized gain (loss) on non-derivative financial assets	1,801,270	901,067
Change in unrealized gain (loss) on non-derivative financial assets	19,387,427	17,552,315
Change in unrealized gain (loss) on currency spots contracts	123	(123)
Net gain (loss) on investments	24,532,617	20,550,252
Securities lending	516	622
Net realized and unrealized gain(loss) on foreign exchange	4,375	14,398
Other income	12,336	6,034
Total income (loss)	24,549,844	20,571,306
EXPENSES		
Management fees (note 5)	1,071,673	748,333
Fixed administration fees (note 6)	227,864	61,874
Independent Review Committee fees	1,105	189
Interest expense and bank overdraft charges	629	191
Foreign withholding taxes/tax reclaims	429,641	279,431
Audit fees	–	1,967
Custodian fees	–	12,815
Filing fees	–	10,330
Legal fees	–	287
Unitholder administration costs	–	47,935
Unitholder reporting costs	–	12,858
Other fund costs	191	–
Harmonized Sales Tax/Goods and Services Tax	145,406	97,993
Transaction costs	4,647	2,268
Total expenses	1,881,156	1,276,471
Expenses absorbed by the Manager	–	(2,206)
Net expenses	1,881,156	1,274,265
Increase (decrease) in net assets attributable to holders of redeemable units from operations	22,668,688	19,297,041
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A	22,652,400	19,292,030
Series D	499	–
Series F	15,789	5,011
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT†		
Series A	4.04	3.99
Series D	1.04	–
Series F	4.23	4.62
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series A	5,607,906	4,830,010
Series D	480	–
Series F	3,730	1,084

† The increase (decrease) in net assets attributable to holders of redeemable units from operations 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 number of units per series.

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

Scotia U.S. Index Fund (Continued)

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the periods ended December 31 (note 1),

(in dollars)	2015	2014
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series A	108,929,809	81,370,376
Series F	21,231	20,680
	108,951,040	81,391,056
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A	22,652,400	19,292,030
Series D	499	–
Series F	15,789	5,011
	22,668,688	19,297,041
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net investment income		
Series A	(1,423,937)	(805,121)
Series D	(265)	–
Series F	(726)	(198)
	(1,424,928)	(805,319)
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A	45,940,332	24,530,319
Series D	17,800	–
Series F	156,801	17,108
Reinvested distributions		
Series A	1,393,935	789,427
Series D	265	–
Series F	362	198
Payments on redemption		
Series A	(22,100,056)	(16,247,222)
Series F	(119,797)	(21,568)
	25,289,642	9,068,262
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A	46,462,674	27,559,433
Series D	18,299	–
Series F	52,429	551
	46,533,402	27,559,984
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series A	155,392,483	108,929,809
Series D	18,299	–
Series F	73,660	21,231
	155,484,442	108,951,040

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	22,668,688	19,297,041
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(1,801,270)	(901,067)
Unrealized (gain) loss on foreign exchange of cash	(66,305)	(14,398)
Change in unrealized (gain) loss on non-derivative financial assets	(19,387,427)	(17,552,315)
Change in unrealized (gain) loss on currency spot contracts	(123)	123
Purchases of non-derivative financial assets	(29,506,159)	(12,410,876)
Proceeds from sale of non-derivative financial assets	4,709,854	3,408,283
Transaction costs	4,647	2,268
Accrued investment income and other	(52,412)	(30,468)
Net cash provided by (used in) operating activities	(23,430,507)	(8,201,409)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	46,000,919	24,412,779
Amounts paid on redemption of redeemable units	(22,188,644)	(16,236,453)
Distributions to unitholders of redeemable units	(30,284)	(15,638)
Net cash provided by (used in) financing activities	23,781,991	8,160,688
Unrealized gain (loss) on foreign exchange of cash	66,305	14,398
Net increase (decrease) in cash	351,484	(40,721)
Cash (bank overdraft), beginning of period	210,555	236,878
CASH (BANK OVERDRAFT), END OF PERIOD	628,344	210,555
Interest paid[1]	629	–
Interest received[1]	2,552	2,329
Dividends received, net of withholding taxes[1]	2,859,190	1,784,765

[1] Classified as operating items.

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

Scotia U.S. Index Fund (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2015

Number of Shares	Issuer	Average Cost ($)	Carrying Value ($)
EQUITIES – 99.4%			
Energy – 6.5%			
3,181	Anadarko Petroleum Corporation	204,818	213,718
2,375	Apache Corporation	157,248	146,066
2,693	Baker Hughes Incorporated	144,737	171,509
2,464	Cabot Oil & Gas Corporation	57,090	60,282
1,191	Cameron International Corporation	63,478	104,099
2,987	Chesapeake Energy Corporation	88,616	18,589
11,756	Chevron Corporation	1,086,527	1,462,204
564	Cimarex Energy Co.	84,716	69,717
2,443	Columbia Pipeline Group Inc.	79,940	67,624
7,696	ConocoPhillips	402,710	496,945
1,272	CONSOL Energy Inc.	62,351	13,897
2,460	Devon Energy Corporation	148,845	108,869
382	Diamond Offshore Drilling, Inc.	29,856	11,147
1,452	Ensco PLC	72,172	30,905
3,397	EOG Resources, Inc.	189,466	332,573
984	EQT Corporation	61,595	70,942
25,985	Exxon Mobil Corporation	2,083,092	2,800,574
1,415	FMC Technologies, Inc.	49,956	56,771
5,351	Halliburton Company	197,981	251,909
674	Helemerich & Payne, Inc.	38,979	49,916
1,532	Hess Corporation	95,766	102,717
11,412	Kinder Morgan Inc/Delaware	479,326	235,478
4,129	Marathon Oil Corporation	92,740	71,894
3,328	Marathon Petroleum Corporation	82,001	238,599
965	Murphy Oil Corporation	54,756	29,961
2,382	National-Oilwell Varco Inc.	135,599	110,326
991	Newfield Exploration Company	53,429	44,625
2,593	Noble Energy, Inc.	122,981	118,090
4,788	Occidental Petroleum Corporation	316,132	447,698
1,307	ONEOK, Inc.	43,471	44,548
2,981	Phillips 66 Company	129,505	337,237
938	Pioneer Natural Resources Company	105,101	162,649
1,053	Range Resources Corporation	61,783	35,839
7,889	Schlumberger Limited	566,408	760,729
2,335	Southwestern Energy Company	92,779	22,960
4,258	Spectra Energy Corporation	139,913	140,977
750	Tesoro Corporation	45,697	109,294
2,093	Transocean Ltd.	93,970	35,835
3,001	Valero Energy Corporation	118,671	293,472
4,179	Williams Companies Inc., The	166,455	148,447
		8,300,656	10,029,631
Materials – 2.7%			
1,194	Air Products and Chemicals, Inc.	117,277	214,850
412	Airgas, Inc.	30,943	78,834
8,018	Alcoa Inc.	163,259	109,447
550	Avery Dennison Corporation	36,107	47,662
831	Ball Corporation	36,525	83,586
1,453	CF Industries Holdings, Inc.	58,382	81,977
7,009	Dow Chemical Company, The	301,007	499,016
5,492	E.I. du Pont de Nemours and Company	334,047	505,853
951	Eastman Chemical Company	52,838	88,771
1,661	Ecolab Inc.	126,704	262,748
839	FMC Corporation	36,635	45,404
7,436	Freeport-McMoRan Copper & Gold Inc.	192,660	69,622
488	International Flavors & Fragrances Inc.	35,361	80,728
2,589	International Paper Company	128,398	134,987
2,241	LyondellBasell Industries NV, Class A	148,677	269,328
408	Martin Marietta Materials Inc.	62,360	77,067
2,745	Monsanto Company	212,831	374,013
2,048	Mosaic Company, The	114,677	78,145
3,234	Newmont Mining Corporation	117,706	80,462
1,966	Nucor Corporation	98,992	109,574
925	Owens-Illinois, Inc.	30,015	22,285
1,667	PPG Industries, Inc.	100,190	227,824
EQUITIES (cont'd)			
Materials (cont'd)			
1,793	Praxair, Inc.	145,940	253,872
1,264	Sealed Air Corporation	50,393	77,965
496	Sherwin-Williams Company, The	62,383	178,100
819	Vulcan Materials Company	57,620	107,570
		2,851,927	4,159,690
Industrials – 10.1%			
3,829	3M Co.	409,584	797,711
624	Allegion Public Limited Company	34,153	56,875
3,913	American Airlines Group Inc.	272,126	229,183
1,505	Ametek Inc.	78,732	111,542
3,915	Boeing Company, The	373,341	782,626
910	C.H. Robinson Worldwide, Inc.	59,806	78,054
3,630	Caterpillar Inc.	235,878	341,102
552	Cintas Corporation	27,498	69,509
6,071	CSX Corporation	117,603	217,880
1,022	Cummins Inc.	91,656	124,395
3,694	Danaher Corporation	207,733	474,401
1,952	Deere & Company	112,280	205,899
4,860	Delta Air Lines, Inc.	146,003	340,705
935	Dover Corporation	49,868	79,260
212	Dun & Bradstreet Corporation, The	22,058	30,483
2,885	Eaton Corporation	151,386	207,576
4,091	Emerson Electric Co.	204,458	270,614
746	Equifax Inc.	43,792	114,886
1,153	Expeditors International of Washington, Inc.	54,723	71,916
1,768	Fastenal Company	62,031	99,774
1,639	FedEx Corp.	175,809	337,561
817	Flowserve Corporation	34,516	47,546
892	Fluor Corporation	40,959	58,252
1,852	General Dynamics Corporation	155,902	351,731
58,917	General Electric Company	2,049,698	2,536,934
4,793	Honeywell International Inc.	379,046	686,334
2,032	Illinois Tool Works Inc.	132,044	260,355
1,629	Ingersoll-Rand PLC	83,507	124,563
1,188	Iron Mountain Incorporated	37,986	44,377
769	Jacobs Engineering Group, Inc.	49,395	44,615
568	JB Hunt Transport Services Inc	58,093	57,627
665	Kansas City Southern	77,695	68,655
493	L-3 Communications Holdings, Inc.	50,825	81,504
1,649	Lockheed Martin Corporation	192,287	495,222
2,080	Masco Corporation	57,442	81,408
2,250	Nielsen Holdings PLC	103,809	145,007
1,844	Norfolk Southern Corporation	113,423	215,648
1,152	Northrop Grumman Corporation	90,049	300,813
2,239	PACCAR Inc.	91,344	146,775
853	Parker-Hannifin Corporation	62,897	114,407
1,158	Pentair Ltd.	60,247	79,323
1,270	Pitney Bowes Inc.	55,308	36,270
848	Precision Castparts Corp.	142,036	272,166
988	Quanta Services, Inc.	28,088	27,670
1,880	Raytheon Company	137,909	323,677
1,497	Republic Services, Inc.	53,469	91,074
837	Robert Half International, Inc.	38,692	54,544
826	Rockwell Automation, Inc.	72,496	117,217
838	Rockwell Collins, Inc.	47,564	106,948
617	Roper Industries, Inc.	63,795	161,881
328	Ryder System, Inc.	23,421	25,779
352	Snap-on Incorporated	26,602	83,432
4,033	Southwest Airlines Co.	88,146	240,172
940	Stanley Black & Decker Inc.	69,645	138,718
537	Stericycle, Inc.	53,470	89,566
1,668	Textron Inc.	62,907	96,910
1,024	The ADT Corporation	38,433	46,706
2,689	Tyco International Ltd.	111,163	118,595

For equities, all common shares unless otherwise noted.

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

Scotia U.S. Index Fund (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

Number of Shares	Issuer	Average Cost ($)	Carrying Value ($)
EQUITIES (cont'd)			
Industrials (cont'd)			
5,321	Union Pacific Corporation	284,406	575,466
2,314	United Continental Holdings Inc.	176,045	183,374
4,337	United Parcel Service, Inc., Class B	414,759	577,071
589	United Rentals, Inc.	73,277	59,090
5,138	United Technologies Corporation	420,340	682,407
965	Verisk Analytics, Inc.	101,827	102,603
370	W.W. Grainger, Inc.	62,672	103,667
2,576	Waste Management, Inc.	121,435	190,082
1,599	WestRock Co	99,769	100,884
1,132	Xylem, Inc.	36,222	57,166
		9,755,578	15,646,183
Consumer Discretionary – 12.8%			
456	Advance Auto Parts, Inc.	93,336	94,918
2,400	Amazon.com, Inc.	602,844	2,243,401
458	AutoNation, Inc.	23,269	37,777
187	AutoZone, Inc.	65,546	191,872
1,030	Bed Bath & Beyond Inc.	46,991	68,731
1,858	Best Buy Co., Inc.	77,625	78,244
1,401	BorgWarner, Inc.	61,511	83,761
1,388	Cablevision Systems Corporation	33,880	61,235
1,283	CarMax, Inc.	50,062	95,763
2,860	Carnival Corporation	138,688	215,429
2,746	CBS Corporation, Class B	133,027	178,928
196	Chipotle Mexican Grill, Inc.	81,503	130,071
1,670	Coach, Inc.	61,110	75,593
15,191	Comcast Corporation, Class A	572,107	1,185,540
2,002	D.R. Horton, Inc.	70,077	88,683
734	Darden Restaurants, Inc.	27,303	64,602
1,739	Delphi Automotive PLC	87,512	206,183
912	Discovery Communications, Inc	35,084	33,651
1,561	Discovery Communications, Inc.	20,072	54,446
1,822	Dollar General Corp.	105,627	181,048
1,473	Dollar Tree, Inc.	88,858	157,309
738	Expedia, Inc.	53,066	126,867
24,300	Ford Motor Company	433,522	473,518
148	Fossil, Inc.	18,764	7,477
622	GameStop Corporation	28,484	24,121
1,415	GAP Inc., The	60,072	48,336
696	Garmin Ltd.	32,156	35,778
8,867	General Motors Co.	346,485	417,248
942	Genuine Parts Company	59,369	111,863
1,620	Goodyear Tire & Rubber Company, The	54,273	73,195
1,430	H&R Block, Inc.	35,497	65,876
2,460	Hanesbrands Inc.	105,494	100,126
1,228	Harley-Davidson, Inc.	64,514	77,061
439	Harman International Industries, Incorporated	57,727	57,198
705	Hasbro, Inc.	32,806	65,647
7,906	Home Depot Inc., The	557,397	1,446,013
2,523	Interpublic Group of Companies, Inc., The	102,776	81,231
4,002	Johnson Controls, Inc.	124,972	218,567
1,188	Kohl's Corporation	75,949	78,256
863	Leggett & Platt, Incorporated	32,191	50,152
1,076	Lennar Corporation, Class A	66,001	72,783
1,586	Limited Brands, Inc.	77,300	210,174
5,686	Lowe's Companies, Inc.	212,983	597,837
1,986	Macy's, Inc.	73,192	96,077
1,226	Marriott International Inc., Class A	49,218	113,633
2,078	Mattel, Inc.	62,281	78,083
5,715	McDonald's Corporation	441,419	933,755
1,192	Michael Kors Holdings Limited	99,741	66,040
389	Mohawk Industries, Inc.	64,879	101,865
2,648	Netflix Inc.	123,139	418,878
1,639	Newell Rubbermaid Inc.	62,285	99,883

Number of Shares	Issuer	Average Cost ($)	Carrying Value ($)
EQUITIES (cont'd)			
Consumer Discretionary (cont'd)			
2,266	News Corporation, Class A	24,470	41,868
641	News Corporation, Class B	10,842	12,376
8,402	NIKE, Inc., Class B	225,472	726,418
846	Nordstrom, Inc.	32,463	58,278
608	O'Reilly Automotive, Inc.	54,020	213,091
1,533	Omnicom Group Inc.	92,400	160,335
372	Polo Ralph Lauren Corporation	48,966	57,333
311	priceline.com Incorporated	200,444	548,369
1,893	PulteGroup Inc.	31,660	46,653
514	PVH Corporation	64,074	52,355
2,507	Ross Stores, Inc.	56,101	186,568
1,077	Royal Caribbean Cruises Ltd.	101,003	150,751
548	Scripps Networks Interactive	33,133	41,843
482	Signet Jewelers Ltd.	75,836	82,402
3,950	Staples, Inc.	83,409	51,733
9,222	Starbucks Corporation	230,906	765,620
1,037	Starwood Hotels & Resorts Worldwide, Inc.	64,602	99,330
3,840	Target Corporation	226,698	385,529
1,417	TEGNA INC.	88,948	50,012
669	Tiffany & Co.	43,025	70,585
1,766	Time Warner Cable Inc.	262,589	452,741
4,983	Time Warner Inc.	450,319	445,670
4,199	TJX Companies, Inc., The	140,175	411,787
837	Tractor Supply Company	71,307	98,972
678	TripAdvisor Inc.	37,756	79,936
7,916	Twenty-First Century Fox Inc.	178,087	297,341
2,664	Twenty-First Century Fox Inc., Class B	100,145	100,323
1,133	Under Armour Inc	79,493	126,310
560	Urban Outfitters, Inc.	21,440	17,619
2,105	VF Corporation	76,490	181,178
2,130	Viacom Inc., Class B	136,669	121,248
9,502	Walt Disney Company, The	588,192	1,380,876
488	Whirlpool Corporation	61,671	99,109
707	Wyndham Worldwide Corporation	46,583	71,035
531	Wynn Resorts Limited	51,420	50,811
2,658	Yum! Brands, Inc.	114,221	268,476
		10,289,013	19,879,604
Consumer Staples – 10.0%			
12,257	Altria Group, Inc.	354,801	986,737
3,764	Archer-Daniels-Midland Company	119,646	190,863
661	Brown-Forman Corporation, Class B	37,775	90,758
1,115	Campbell Soup Company	55,075	81,034
814	Church & Dwight Co., Inc.	96,146	95,532
811	Clorox Company, The	67,736	142,231
24,450	Coca-Cola Company, The	983,321	1,452,656
1,264	Coca-Cola Enterprises Inc.	43,214	86,112
5,590	Colgate-Palmolive Company	289,818	515,034
2,717	ConAgra Foods, Inc.	99,740	158,420
1,092	Constellation Brands, Inc., Class A	83,114	215,087
2,725	Costco Wholesale Corporation	266,565	608,637
6,892	CVS Caremark Corporation	380,779	931,664
1,171	Dr. Pepper Snapple Group, Inc.	54,773	150,936
1,365	Estee Lauder Companies Inc., The	64,984	166,182
3,733	General Mills, Inc.	155,578	297,604
755	Green Mountain Coffee Roasters	93,860	93,953
877	Hershey Company, The	50,342	108,274
826	Hormel Foods Corporation	27,461	90,320
760	J.M. Smucker Company, The	65,228	129,603
1,601	Kellogg Company	93,558	160,018
2,253	Kimberly-Clark Corporation	204,871	396,589
3,731	Kraft Heinz Co., The	185,707	375,360
6,032	Kroger Co., The	134,347	348,955
736	McCormick & Company, Inc.	39,623	87,090

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

Scotia U.S. Index Fund (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

Number of Shares	Issuer	Average Cost ($)	Carrying Value ($)
EQUITIES (cont'd)			
Consumer Staples (cont'd)			
1,247	Mead Johnson Nutrition Company	84,603	136,156
991	Molson Coors Brewing Company, Class B	60,059	128,722
9,883	Mondelez International, Inc.	277,521	612,878
939	Monster Beverage Corporation	90,398	193,444
9,103	PepsiCo, Inc.	682,206	1,257,490
9,682	Philip Morris International Inc.	577,788	1,176,925
16,989	Procter & Gamble Company, The	1,270,376	1,865,437
5,136	Reynolds American Inc.	144,328	327,699
3,289	Sysco Corporation	111,458	186,495
1,849	Tyson Foods, Inc.	57,010	136,373
9,767	Wal-Mart Stores, Inc.	702,985	828,021
5,425	Walgreens Boots Alliance Inc.	302,961	638,895
2,152	Whole Foods Markets, Inc.	95,872	99,703
		8,505,627	15,547,887
Health Care – 15.0%			
9,341	Abbott Laboratories	329,295	580,171
10,225	AbbVie Inc.	469,718	837,506
2,177	Aetna Inc.	109,914	325,525
2,041	Agilent Technologies, Inc.	131,278	118,017
1,396	Alexion Pharmaceuticals, Inc.	196,598	368,273
2,464	Allergan, Inc.	637,877	1,064,904
1,218	AmerisourceBergen Corporation	57,169	174,656
4,694	Amgen Inc.	472,042	1,053,808
1,630	Anthem, Inc.	132,015	314,336
3,402	Baxalta Inc.	105,396	183,634
3,429	Baxter International Inc.	123,129	180,847
1,325	Becton, Dickinson and Company	129,948	282,364
1,389	Biogen Inc.	249,063	588,491
8,480	Boston Scientific Corporation	150,774	216,260
10,429	Bristol-Myers Squibb Company	684,742	992,174
456	C. R. Bard, Inc.	47,050	119,422
2,031	Cardinal Health, Inc.	134,749	250,705
4,892	Celgene Corporation	281,536	810,248
1,883	Cerner Corporation	79,949	156,693
1,618	CIGNA Corporation	109,337	327,831
1,022	DaVita, Inc.	42,943	98,508
868	DENTSPLY International Inc.	38,297	73,047
1,322	Edwards Lifesciences Corporation	69,634	144,400
6,062	Eli Lilly and Company	468,821	706,243
1,325	Endo Pharmaceuticals Holdings Inc.	132,929	112,183
4,215	Express Scripts, Inc.	233,659	509,424
8,966	Gilead Sciences, Inc.	451,611	1,254,746
1,943	HCA Holdings, Inc.	181,551	181,732
528	Henry Schein Inc.	94,621	115,481
934	Humana Inc.	80,175	230,519
922	Illumina Inc.	217,737	244,753
234	Intuitive Surgical, Inc.	96,157	176,748
17,273	Johnson & Johnson	1,449,613	2,453,221
621	Laboratory Corporation of America Holdings	61,164	106,161
698	Mallinckrodt PLC	61,221	72,042
1,437	McKesson Corporation	173,000	391,967
8,792	Medtronic, Inc.	634,931	934,987
17,455	Merck & Co., Inc.	1,028,230	1,275,081
2,536	Mylan NV	104,586	189,585
509	Patterson Companies Inc.	19,394	31,825
661	PerkinElmer, Inc.	21,831	48,971
917	Perrigo Company PLC	138,449	183,433
38,552	Pfizer Inc.	1,327,716	1,721,076
879	Quest Diagnostics Incorporated	53,054	86,445
483	Regeneron Pharmaceuticals, Inc.	163,051	362,629
1,774	St. Jude Medical, Inc.	83,857	151,548
1,951	Stryker Corporation	135,966	250,732
576	Tenet Healthcare Corporation	35,927	24,125
2,488	Thermo Fisher Scientific, Inc.	211,070	488,089
5,959	UnitedHealth Group Incorporated	342,173	969,501
572	Universal Health Services, Inc., Class B	74,433	94,525
601	Varian Medical Systems, Inc.	38,768	67,159
1,523	Vertex Pharmaceuticals Incorporated	143,931	265,035
498	Waters Corporation	37,758	92,717
1,075	Zimmer Biomet Holdings Inc.	80,054	152,522
2,870	Zoetis Inc.	104,396	190,203
		13,264,287	23,397,228
Financials – 16.2%			
2,009	ACE Limited	156,764	324,618
330	Affiliated Managers Group, Inc.	74,165	72,867
2,690	Aflac, Inc.	138,542	222,713
2,447	Allstate Corporation, The	121,524	210,124
5,233	American Express Company	338,921	503,238
7,686	American International Group, Inc.	659,378	658,721
2,625	American Tower Corporation	179,430	351,963
1,102	Ameriprise Financial, Inc.	73,612	162,190
1,700	Aon PLC	102,952	216,794
1,018	Apartment Investment & Management Company	34,058	56,358
419	Assurant, Inc.	27,624	46,671
855	AvalonBay Communities, Inc.	133,141	217,649
65,038	Bank of America Corporation	1,567,385	1,513,809
6,808	Bank of New York Mellon Corporation, The	296,035	388,103
4,808	BB&T Corporation	195,507	251,415
11,697	Berkshire Hathaway Inc., Class B	1,302,316	2,134,779
792	BlackRock, Inc.	203,423	372,861
963	Boston Properties, Inc.	108,232	169,860
3,333	Capital One Financial Corporation	220,087	332,645
1,773	CB Richard Ellis Group, Inc.	50,424	84,755
7,424	Charles Schwab Corporation, The	210,308	338,103
1,408	Chubb Corporation, The	102,154	258,245
905	Cincinnati Financial Corporation	44,864	74,039
18,612	Citigroup Inc.	1,546,932	1,332,058
2,128	CME Group Inc.	197,789	266,578
1,096	Comerica Incorporated	59,617	63,374
2,087	Crown Castle International Corp.	148,612	249,521
2,661	Discover Financial Services	93,629	197,329
1,781	E*Trade Financial Corporation	54,426	73,007
2,277	Equity Residential Real Estate Investment Trust	136,384	256,886
415	Essex Property Trust, Inc.	89,842	137,485
4,939	Fifth Third Bancorp	151,251	137,295
5	First Horizon National Corporation	143	94
1	Four Corners Property Trust Inc.	26	33
2,398	Franklin Resources, Inc.	100,479	122,110
3,590	General Growth Properties, Inc.	91,356	135,096
2,469	Goldman Sachs Group, Inc., The	402,457	614,902
2,567	Hartford Financial Services Group, Inc., The	114,695	154,289
2,882	HCP, Inc. Real Estate Investment Trust	113,642	152,476
2,175	Health Care Real Estate Investment Trust, Inc.	136,791	204,590
4,794	Host Hotels & Resorts Inc.	105,749	101,705
4,936	Huntington Bancshares Incorporated	52,613	75,330
686	IntercontinentalExchange Inc.	155,533	243,056
2,661	Invesco Limited	80,563	123,285
22,984	JPMorgan Chase & Co.	1,310,900	2,098,875
5,152	KeyCorp.	80,773	93,981
2,610	Kimco Realty Corporation	64,263	95,510
689	Legg Mason, Inc.	52,245	37,382
2,085	Leucadia National Corporation	65,081	50,145
1,513	Lincoln National Corporation	78,790	105,167
1,766	Loews Corporation	65,825	93,787
1,003	M&T Bank Corporation	121,185	168,191
839	Macerich Company, The	63,334	93,627
3,262	Marsh & McLennan Companies, Inc.	170,969	250,153
1,682	McGraw-Hill Companies, Inc., The	101,163	229,316

For equities, all common shares unless otherwise noted.

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

Scotia U.S. Index Fund (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

Number of Shares	Issuer	Average Cost ($)	Carrying Value ($)
EQUITIES (cont'd)			
Financials (cont'd)			
6,899	MetLife, Inc.	346,643	459,746
1,053	Moody's Corporation	35,387	146,124
9,353	Morgan Stanley	396,959	411,466
719	NASDAQ OMX Group, Inc., The	27,844	57,843
2,333	Navient Corporation	43,344	36,944
1,347	Northern Trust Corporation	101,459	134,296
1,809	People's United Financial Inc.	36,874	40,405
1,084	Plum Creek Timber Company, Inc.	50,775	71,518
3,160	PNC Financial Services Group, Inc., The	298,968	416,529
1,703	Principal Financial Group, Inc.	68,428	105,938
3,598	Progressive Corporation, The	81,229	158,237
3,310	ProLogis	149,454	196,475
2,778	Prudential Financial, Inc.	177,974	312,677
912	Public Storage Real Estate Investment Trust	124,289	312,484
1,516	Realty Income Corporation	94,479	108,248
8,041	Regions Financial Corporation	117,265	106,758
1,928	Simon Property Group, Inc.	249,832	518,376
614	SL Green Realty Corp.	102,096	95,938
2,517	State Street Corporation	173,974	231,051
3,201	SunTrust Banks, Inc.	148,272	189,651
5,256	Synchrony Financial	179,082	220,941
1,549	T. Rowe Price Group Inc.	83,621	153,150
734	Torchmark Corporation	19,604	58,024
1,902	Travelers Companies, Inc., The	139,725	296,833
10,294	U.S. Bancorp	375,956	607,259
1,474	Unum Group	60,180	67,863
2,089	Ventas, Inc.	126,025	163,030
1,113	Vornado Realty Trust Real Estate Investment Trust	107,268	153,865
29,020	Wells Fargo & Company	1,405,133	2,180,704
3,239	Weyerhaeuser Company	116,017	134,296
1,837	XL Group PLC	99,663	99,539
1,276	Zions Bancorporation	44,567	48,176
		17,930,289	25,213,537
Information Technology – 20.7%			
3,913	Accenture PLC, Class A	293,170	565,517
3,163	Activision Inc	124,763	169,268
3,129	Adobe Systems Incorporated	158,869	406,363
1,142	Akamai Technologies, Inc.	58,280	83,123
384	Alliance Data Systems Corporation	112,485	146,833
1,901	Amphenol Corporation	60,064	137,316
1,909	Analog Devices, Inc.	108,656	146,052
34,752	Apple Inc.	1,965,546	5,057,296
7,289	Applied Materials, Inc.	187,736	188,205
1,391	Autodesk, Inc.	46,792	117,185
2,896	Automatic Data Processing, Inc.	201,894	339,316
1,625	Avago Technologies Ltd.	149,100	326,205
3,476	Broadcom Corporation	335,834	278,029
1,945	CA, Inc.	90,850	76,824
31,720	Cisco Systems, Inc.	1,141,722	1,191,249
976	Citrix Systems, Inc.	62,693	102,112
3,797	Cognizant Technology Solutions Corporation	139,843	315,099
7,449	Corning Incorporated	258,676	188,319
856	CSRA, Inc.	33,640	35,515
6,840	eBay Inc.	106,163	259,952
1,947	Electronic Arts Inc.	84,636	185,041
12,061	EMC Corporation	419,215	428,349
388	Equinix Inc. Com Par $0.001 REIT	119,657	162,268
430	F5 Networks, Inc.	57,802	57,661
14,177	Facebook Inc.	1,108,790	2,052,035
1,743	Fidelity National Information Service, Inc.	74,254	146,007
475	First Solar, Inc.	42,747	43,350
1,435	Fiserv, Inc.	56,705	181,511
808	FLIR Systems, Inc.	27,232	31,367

Number of Shares	Issuer	Average Cost ($)	Carrying Value ($)
EQUITIES (cont'd)			
Information Technology (cont'd)			
1,819	Google Inc. Class A	1,223,554	1,957,210
1,855	Google Inc. Class C	388,870	1,946,869
759	Harris Corporation	48,954	91,218
11,329	Hewlett Packard Enterprise Company	222,212	237,917
11,410	Hewlett-Packard Company	514,755	186,834
29,480	Intel Corporation	1,084,313	1,404,547
5,551	International Business Machines Corporation	883,926	1,056,123
1,646	Intuit Inc.	102,969	219,673
2,167	Juniper Networks, Inc.	51,481	82,716
941	KLA-Tencor Corporation	56,047	90,252
998	Lam Research Corporation	51,682	109,618
1,530	Linear Technology Corporation	79,444	89,866
6,164	MasterCard, Inc., Class A	315,819	830,610
1,260	Microchip Technology Incorporated	56,093	81,125
6,619	Micron Technology, Inc.	167,415	129,621
49,790	Microsoft Corporation	2,140,947	3,818,585
981	Motorola Solutions, Inc.	93,518	92,888
1,803	NetApp, Inc.	79,041	66,153
3,144	NVIDIA Corporation	71,909	143,314
20,033	Oracle Corporation	649,093	1,012,081
2,033	Paychex, Inc.	89,250	148,650
6,922	PayPal Holdings Inc.	164,394	346,545
896	Qorvo Inc	88,537	63,073
9,340	QUALCOMM, Inc.	571,761	645,663
1,138	Red Hat, Inc.	50,611	130,330
3,868	Salesforce.com, Inc.	185,366	419,260
1,234	SanDisk Corporation	79,871	129,685
1,911	Seagate Technology PLC	68,983	96,889
1,214	Skyworks Solutions, Inc.	141,972	128,952
4,178	Symantec Corporation	127,467	121,341
822	Teradata Corporation	28,650	30,035
6,310	Texas Instruments Incorporated	339,346	478,309
1,032	Total System Services, Inc.	28,007	71,077
2,442	Tyco Electronics Ltd.	108,838	218,205
632	VeriSign, Inc.	19,665	76,357
12,161	Visa Inc.	509,586	1,304,280
1,458	Western Digital Corporation	90,019	121,085
3,139	Western Union Company	67,938	77,751
5,771	Xerox Corporation	126,479	84,841
1,571	Xilinx, Inc.	90,089	102,051
5,432	Yahoo! Inc.	302,954	249,863
		19,189,639	32,108,829
Telecommunication Services – 2.4%			
38,418	AT&T Inc.	1,922,561	1,828,265
3,465	CenturyLink Inc.	286,819	120,568
7,382	Frontier Communications Corporation	85,897	47,677
1,788	Level 3 Communications, Inc.	101,006	134,384
25,413	Verizon Communications Inc.	1,343,063	1,624,447
		3,739,346	3,755,341
Utilities – 3.0%			
4,225	AES Corporation, The	123,920	55,919
746	AGL Resources Inc	33,017	65,808
1,533	Ameren Corporation	71,002	91,653
3,069	American Electric Power Company, Inc.	153,340	247,321
2,657	CentrePoint Energy, Inc.	63,594	67,466
1,753	CMS Energy Corporation	76,831	87,435
1,839	Consolidated Edison, Inc.	106,626	163,421
3,707	Dominion Resources, Inc.	207,935	346,697
1,091	DTE Energy Company	70,118	120,964
4,317	Duke Energy Corporation	307,053	426,136
2,043	Edison International	99,925	167,253
1,094	Entergy Corporation	73,426	103,406
1,946	Eversource Energy	76,855	137,445

For equities, all common shares unless otherwise noted.

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

Scotia U.S. Index Fund (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

Number of Shares	Issuer	Average Cost ($)	Carrying Value ($)
EQUITIES (cont'd)			
Utilities (cont'd)			
5,754	Exelon Corporation	236,963	220,986
2,599	FirstEnergy Corp.	130,691	114,050
2,889	NextEra Energy, Inc.	225,092	414,989
1,975	NiSource Inc.	66,822	53,290
1,949	NRG Energy, Inc.	52,476	31,685
1,579	Pepco Holdings, Inc.	38,059	56,799
3,068	PG&E Corporation	148,344	225,623
659	Pinnacle West Capital Corporation	37,119	58,767
4,140	PPL Corporation	126,346	195,328
3,098	Public Service Enterprise Group Incorporated	105,918	165,703
866	SCANA Corporation	43,205	72,429
1,488	Sempra Energy	109,523	193,462
5,621	Southern Company	241,587	363,619
1,393	TECO Energy, Inc.	43,162	51,341
1,983	Wisconsin Energy Corporation	85,246	140,675
3,212	Xcel Energy, Inc.	103,631	159,518
		3,257,826	4,599,188
	TOTAL INVESTMENT PORTFOLIO	97,084,188	154,337,118
	OTHER ASSETS, LESS LIABILITIES – 0.6%		1,147,324
	NET ASSETS – 100.0%		155,484,442

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

Scotia U.S. Index Fund

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

1. The Fund (note 1)

The Fund's investment objective is long-term capital growth by tracking the performance of a generally recognized U.S. equity index, currently the Standard & Poor's 500 Index (S&P Index).

2. Risks associated with financial instruments (note 4)

i) Interest rate risk

The majority of the Fund's financial assets and liabilities were non-interest bearing as at December 31, 2015 and 2014. Accordingly, the Fund is not directly subject to significant risk due to fluctuations in the prevailing levels of market interest rates.

ii) Currency risk

The tables below indicate the currencies to which the Fund had significant exposure, net of the impact of currency forward contracts and currency spot contracts, if any, based on the monetary and non-monetary assets and liabilities of the Fund. The tables also illustrate the potential impact on the Fund if the functional currency of the Fund had strengthened or weakened by 10% in relation to each of the other currencies, with all other variables held constant.

	December 31, 2015			
Currency	Net currency exposure ($)	Percentage of net assets (%)	Impact on the Fund ($)	Percentage of net assets (%)
US Dollar	154,475,644	99.4	15,447,564	9.9
	154,475,644	99.4	15,447,564	9.9

	December 31, 2014			
Currency	Net currency exposure ($)	Percentage of net assets (%)	Impact on the Fund ($)	Percentage of net assets (%)
US Dollar	108,318,453	99.4	10,831,845	9.9
	108,318,453	99.4	10,831,845	9.9

iii) Price risk

Price risk is the risk that the carrying 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 price risk is mainly in equities, derivatives and commodities, if applicable. As at December 31, 2015, approximately 99.4% (December 31, 2014 – 99.4%) of the Fund's net assets were exposed to price risk. If prices of these investments had decreased or increased by 10%, with all other variables held constant, net assets of the Fund would have decreased or increased, respectively, by approximately $15,433,712 (December 31, 2014 – $10,834,194). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

iv) Credit risk

The Fund had no significant exposure to bonds and debentures, preferred shares or derivatives as at December 31, 2015 or December 31, 2014. In addition, all investment transactions are executed by brokers with an approved credit rating. As such the risk of default on transactions with counterparties and brokers related to purchase and sale of securities is considered minimal. In instances where the credit rating were to fall below the approved rating, the Manager would take appropriate action.

v) Liquidity risk

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

	December 31, 2015		December 31, 2014	
	On demand ($)	Less than 3 months ($)	On demand ($)	Less than 3 months ($)
Current liabilities	–	155,609	–	72,875
Liability for written options	–	–	–	–
Unrealized loss on derivatives	–	–	–	123
Redeemable units	155,484,442	–	108,951,040	–
	155,484,442	155,609	108,951,040	72,998

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, geographical location,

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

asset type or industry sector, as applicable. The table below is a summary of the Fund's concentration risk:

	Percentage of net assets (%)	
	December 31, 2015	December 31, 2014
Consumer Discretionary	12.8	12.2
Consumer Staples	10.0	9.7
Energy	6.5	8.3
Financials	16.2	16.1
Health Care	15.0	14.2
Industrials	10.1	10.4
Information Technology	20.7	19.7
Materials	2.7	3.1
Telecommunication Services	2.4	2.4
Utilities	3.0	3.3

vii) Fair value classification (note 2)

The tables below illustrate the classification of the Fund's financial instruments within the fair value hierarchy.

December 31, 2015	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Equities	154,337,118	–	–	154,337,118
	154,337,118	–	–	154,337,118

December 31, 2014	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Equities	108,341,938	–	–	108,341,938
Currency spot contracts–liabilities	(123)	–	–	(123)
	108,341,815	–	–	108,341,815

Transfers between levels

During the periods ended December 31, 2015 and 2014, there were no significant transfers between Level 1 and Level 2.

3. Offsetting of financial assets and liabilities (note 2)

As at December 31, 2015 or December 31, 2014, the Fund did not enter into any agreement whereby the financial instruments were eligible for offset.

4. Interest in Underlying Funds (note 2)

The Fund did not hold any interest in Underlying Funds as at December 31, 2015 or December 31, 2014.

5. Comparison of net asset value per unit and net assets per unit (note 2)

The table below provides a comparison of the net asset value per unit and net assets per unit. The primary reason for the difference between the net asset value per unit and net assets per unit, if any, is described in note 2.

	December 31, 2015		December 31, 2014	
	Net asset value per unit ($)	Net assets per unit ($)	Net asset value per unit ($)	Net assets per unit ($)
Series A	25.48	25.48	21.59	21.59
Series D	10.78	10.78	–	–
Series F	25.44	25.44	21.50	21.50

Scotia CanAm Index Fund

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars except per unit amounts)	December 31, 2015	December 31, 2014*
ASSETS		
Current assets		
Investments		
Non-derivative financial assets	87,751,011	85,415,065
Unrealized gain on futures contracts	2,333,609	2,302,766
Cash	441,287	488,038
Margin deposited on futures	5,915,199	(816,220)
Subscriptions receivable	–	201,514
Accrued investment income and other	176	554
	96,441,282	87,591,717
LIABILITIES		
Current liabilities		
Redemptions payable	78,691	28,458
Distributions payable	823	452
	79,514	28,910
Net assets attributable to holders of redeemable units	96,361,768	87,562,807
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series A	96,323,815	87,532,084
Series F	37,953	30,723
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series A	17.02	14.61
Series F	17.25	14.81

* In 2014, the unrealized gain or loss on futures contracts were included in the margin balance, and for 2015 has been reclassified to conform to the presentation adopted in 2015.

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except per unit amounts)	2015	2014
INCOME		
Net gain (loss) on investments (note 2)		
Interest for distribution purposes	507,950	721,252
Net realized gain (loss) on futures contracts	15,353,839	15,304,838
Change in unrealized gain (loss) on futures contracts	1,348,405	961,523
Net gain (loss) on investments	17,210,194	16,987,613
Securities lending	10,526	9,005
Net realized and unrealized gain(loss) on foreign exchange	(77,216)	58,909
Other income	2,528	1,934
Total income (loss)	17,146,032	17,057,461
EXPENSES		
Management fees (note 5)	756,360	642,702
Fixed administration fees (note 6)	187,176	66,145
Independent Review Committee fees	1,133	165
Interest expense and bank overdraft charges	18,120	2,818
Audit fees	–	1,707
Custodian fees	–	831
Filing fees	–	11,609
Legal fees	–	255
Unitholder administration costs	–	64,346
Unitholder reporting costs	–	16,015
Other fund costs	121	–
Harmonized Sales Tax/Goods and Services Tax	101,561	84,403
Transaction costs	42,286	32,898
Total expenses	1,106,757	923,894
Expenses absorbed by the Manager	–	(2,337)
Net expenses	1,106,757	921,557
Increase (decrease) in net assets attributable to holders of redeemable units from operations	16,039,275	16,135,904
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A	16,033,403	16,125,816
Series F	5,872	10,088
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT†		
Series A	2.73	2.64
Series F	3.52	1.15
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series A	5,871,345	6,115,771
Series F	1,669	8,759

† The increase (decrease) in net assets attributable to holders of redeemable units from operations 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 number of units per series.

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

Scotia CanAm Index Fund (Continued)

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the periods ended December 31 (note 1),

(in dollars)	2015	2014
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series A	87,532,084	76,392,023
Series F	30,723	–
	87,562,807	76,392,023
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A	16,033,403	16,125,816
Series F	5,872	10,088
	16,039,275	16,135,904
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net investment income		
Series A	(1,863,384)	(902,244)
Series F	(880)	–
	(1,864,264)	(902,244)
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A	7,761,147	7,751,744
Series F	31,167	227,357
Reinvested distributions		
Series A	1,858,783	900,616
Series F	880	–
Payments on redemption		
Series A	(14,998,218)	(12,735,871)
Series F	(29,809)	(206,722)
	(5,376,050)	(4,062,876)
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A	8,791,731	11,140,061
Series F	7,230	30,723
	8,798,961	11,170,784
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series A	96,323,815	87,532,084
Series F	37,953	30,723
	96,361,768	87,562,807

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2015	2014*
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	16,039,275	16,135,904
Adjustments for:		
Unrealized (gain) loss on foreign exchange of cash	(508,081)	(9,455)
Change in unrealized (gain) loss on futures contracts	(30,842)	766,876
Purchases of non-derivative financial assets	(660,634,171)	(383,264,810)
Proceeds from sale of non-derivative financial assets	658,298,223	371,543,233
Margin deposited on futures	(6,731,419)	(51,879)
Accrued investment income and other	378	(170)
Net cash provided by (used in) operating activities	6,433,363	5,119,699
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	7,993,828	7,831,481
Amounts paid on redemption of redeemable units	(14,977,793)	(12,922,271)
Distributions to unitholders of redeemable units	(4,230)	(1,176)
Net cash provided by (used in) financing activities	(6,988,195)	(5,091,966)
Unrealized gain (loss) on foreign exchange of cash	508,081	9,455
Net increase (decrease) in cash	(554,832)	27,733
Cash (bank overdraft), beginning of period	488,038	450,850
CASH (BANK OVERDRAFT), END OF PERIOD	441,287	488,038
Interest paid[1]	18,120	–
Interest received[1]	508,328	721,082

(1) Classified as operating items.

* In 2014, the unrealized gain or loss on futures contracts were included in the margin balance, and for 2015 has been reclassified to conform to the presentation adopted in 2015.

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2015

Face Value ($)	Issuer	Average Cost ($)	Carrying Value ($)
MONEY MARKET INSTRUMENTS – 91.1%			
87,800,000	Government of Canada		
	0.39% to 0.49% due from Dec. 31, 2015 to Apr. 7, 2016	87,715,863	87,751,011
	TOTAL INVESTMENT PORTFOLIO	87,715,863	87,751,011
	Futures Contracts – 2.4%		2,333,609
	OTHER ASSETS, LESS LIABILITIES – 6.5%		6,277,148
	NET ASSETS – 100.0%		96,361,768

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

Scotia CanAm Index Fund (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

Expiry Date	Number of Contracts	Futures Contracts	Counterparty	Credit Risk	Contractual Value Canadian ($)	Fair Value Canadian ($)	Appreciation/ (Depreciation) ($)
INDEX FUTURES CONTRACTS							
Mar. 2016	68	S&P 500 Composite Stock Index Futures	Goldman Sachs	A	47,148,935	47,854,011	705,076
Mar. 2016	343	S&P 500 Composite Stock Index-E-Mini Futures	Goldman Sachs	A	48,052,141	48,276,253	224,112
							929,188
CURRENCY FUTURES CONTRACTS							
Mar. 2016	(919)	Canadian $ against U.S.$	JP Morgan	AA	(93,333,653)	(91,929,232)	1,404,421

The above currency futures and index futures contracts are financial agreements to purchase/sell the foreign currency and indices at a contracted price on a specific future date.

However, the Fund does not intend to purchase/sell the foreign currency and indices on settlement. Rather, it intends to close out each currency futures contracts and index futures contracts before settlement by entering into equal, but offsetting currency futures contracts and index futures contracts.

With respect to the above future contracts, $6,076,000 of the January 28, 2016 Government of Canada Treasury Bills is held on margin.

Scotia CanAm Index Fund

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

1. The Fund (note 1)

The Fund's investment objective is long-term capital growth by tracking the performance of a generally recognized U.S. equity index. The Fund currently tracks the Standard & Poor's 500 Index (S&P Index). It invests the balance of its assets in cash and Canadian treasury bills and other short-term debt instruments guaranteed by the Government of Canada.

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 (earlier of maturity date or interest reset date) of the Fund's portfolio, excluding cash, underlying funds, preferred shares and overdrafts, as applicable.

Interest rate exposure	December 31, 2015 ($)	December 31, 2014 ($)
Less than 1 year	87,751,011	85,415,065
1-3 years	–	–
3-5 years	–	–
5-10 years	–	–
> 10 years	–	
–	87,751,011	85,415,065

ii) Currency risk

The tables below indicate the currencies to which the Fund had significant exposure, net of the impact of currency forward contracts and currency spot contracts, if any, based on the monetary and non-monetary assets and liabilities of the Fund. The tables also illustrate the potential impact on the Fund if the functional currency of the Fund had strengthened or weakened by 10% in relation to each of the other currencies, with all other variables held constant.

	December 31, 2015			
Currency	Net currency exposure ($)	Percentage of net assets (%)	Impact on the Fund ($)	Percentage of net assets (%)
US Dollar	6,991,209	7.3	699,121	0.7
	6,991,209	7.3	699,121	0.7

	December 31, 2014			
Currency	Net currency exposure ($)	Percentage of net assets (%)	Impact on the Fund ($)	Percentage of net assets (%)
US Dollar	1,178,016	1.3	117,802	0.1
	1,178,016	1.3	117,802	0.1

iii) Price risk

Price risk is the risk that the carrying 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 price risk is mainly in equities, derivatives and commodities, if applicable. As at December 31, 2015, approximately 99.8% (December 31, 2014 – 99.6%) of the Fund's net assets were exposed to price risk. If prices of these investments had decreased or increased by 10%, with all other variables held constant, net assets of the Fund would have decreased or increased, respectively, by approximately $9,613,026 (December 31, 2014 – $8,717,401). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

iv) Credit risk

The table below summarizes the credit ratings of the bonds and debentures, excluding cash and money market instruments but including preferred shares and derivatives, as applicable, held by the Fund.

	December 31, 2015		December 31, 2014	
	Percentage of total bonds and debentures (%)	Percentage of net assets (%)	Percentage of total bonds and debentures (%)	Percentage of net assets (%)
Credit Ratings				
R1-High	100.0	91.1	100.0	97.5
Total	100.0	91.1	100.0	97.5

v) Liquidity risk

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

	December 31, 2015		December 31, 2014	
	On demand ($)	Less than 3 months ($)	On demand ($)	Less than 3 months ($)
Current liabilities	–	79,514	–	28,910
Liability for written options	–	–	–	–
Unrealized loss on derivatives	–	–	–	–
Redeemable units	96,361,768	–	87,562,807	–
	96,361,768	79,514	87,562,807	28,910

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.

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

vi) Concentration risk

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

	Percentage of net assets (%)	
	December 31, 2015	December 31, 2014
Money Market Instruments	91.1	97.5

vii) Fair value classification (note 2)

The tables below illustrate the classification of the Fund's financial instruments within the fair value hierarchy.

December 31, 2015	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Money market instruments	–	87,751,011	–	87,751,011
Futures contracts–assets	2,333,609	–	–	2,333,609
	2,333,609	87,751,011	–	90,084,620

December 31, 2014	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Money market instruments	–	85,415,065	–	85,415,065
Futures contracts–assets	2,302,766	–	–	2,302,766
	2,302,766	85,415,065	–	87,717,831

Transfers between levels

During the periods ended December 31, 2015 and 2014, there were no significant transfers between Level 1 and Level 2.

3. Offsetting of financial assets and liabilities (note 2)

As at December 31, 2015 or December 31, 2014, the Fund did not enter into any agreement whereby the financial instruments were eligible for offset.

4. Interest in Underlying Funds (note 2)

The Fund did not hold any interest in Underlying Funds as at December 31, 2015 or December 31, 2014.

5. Comparison of net asset value per unit and net assets per unit (note 2)

The table below provides a comparison of the net asset value per unit and net assets per unit. The primary reason for the difference between the net asset value per unit and net assets per unit, if any, is described in note 2.

	December 31, 2015		December 31, 2014	
	Net asset value per unit ($)	Net assets per unit ($)	Net asset value per unit ($)	Net assets per unit ($)
Series A	17.02	17.02	14.61	14.61
Series F	17.25	17.25	14.81	14.81

Scotia Nasdaq Index Fund

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars except per unit amounts)	December 31, 2015	December 31, 2014
ASSETS		
Current assets		
Investments		
Non-derivative financial assets	73,635,036	45,258,879
Cash	495,558	1,666,511
Margin deposited on futures	4,006,718	431,935
Subscriptions receivable	256,549	152,593
Accrued investment income and other	57	719
	78,393,918	47,510,637
LIABILITIES		
Current liabilities		
Redemptions payable	112,721	155,248
Distributions payable	4,363	6,639
Unrealized loss on futures contracts	305,145	–
	422,229	161,887
Net assets attributable to holders of redeemable units	77,971,689	47,348,750
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series A	77,853,361	47,346,010
Series D	6,294	–
Series F	112,034	2,740
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series A	7.91	6.98
Series D	10.19	–
Series F	9.42	8.24

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except per unit amounts)	2015	2014
INCOME		
Net gain (loss) on investments (note 2)		
Interest for distribution purposes	21,594	197,830
Net realized gain (loss) on non-derivative financial assets	231,424	–
Net realized gain (loss) on futures contracts	5,558,469	6,479,220
Change in unrealized gain (loss) on non-derivative financial assets	84,000	629,997
Change in unrealized gain (loss) on futures contracts	(305,145)	–
Net gain (loss) on investments	5,590,342	7,307,047
Securities lending	11	744
Net realized and unrealized gain(loss) on foreign exchange	10,491,481	2,486,071
Other income	27,733	6,980
Total income (loss)	16,109,567	9,800,842
EXPENSES		
Management fees (note 5)	507,134	305,011
Fixed administration fees (note 6)	145,878	35,584
Independent Review Committee fees	1,116	77
Interest expense and bank overdraft charges	237	113
Audit fees	–	792
Custodian fees	–	561
Filing fees	–	10,112
Legal fees	–	113
Unitholder administration costs	–	23,093
Unitholder reporting costs	–	6,580
Other fund costs	95	–
Harmonized Sales Tax/Goods and Services Tax	70,200	39,916
Transaction costs	13,815	9,113
Total expenses	738,475	431,065
Expenses absorbed by the Manager	–	(1,724)
Net expenses	738,475	429,341
Increase (decrease) in net assets attributable to holders of redeemable units from operations	15,371,092	9,371,501
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A	15,360,020	9,358,207
Series D	906	–
Series F	10,166	13,294
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT†		
Series A	1.94	1.73
Series D	1.88	–
Series F	2.31	0.45
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series A	7,913,125	5,408,059
Series D	482	–
Series F	4,393	29,642

† The increase (decrease) in net assets attributable to holders of redeemable units from operations 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 number of units per series.

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

Scotia Nasdaq Index Fund (Continued)

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the periods ended December 31 (note 1),

(in dollars)	2015	2014
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series A	47,346,010	30,717,795
Series F	2,740	584,429
	47,348,750	31,302,224
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A	15,360,020	9,358,207
Series D	906	–
Series F	10,166	13,294
	15,371,092	9,371,501
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net investment income		
Series A	(5,767,160)	(6,596,064)
Series D	(519)	–
Series F	(8,725)	–
From net realized gains on investments		
Series A	(3,313,826)	–
Series D	(282)	–
Series F	(5,249)	–
	(9,095,761)	(6,596,064)
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A	30,883,089	16,801,828
Series D	5,698	–
Series F	111,787	46,929
Reinvested distributions		
Series A	8,769,467	6,437,238
Series D	491	–
Series F	1,315	–
Payments on redemption		
Series A	(15,424,239)	(9,372,994)
Series F	–	(641,912)
	24,347,608	13,271,089
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A	30,507,351	16,628,215
Series D	6,294	–
Series F	109,294	(581,689)
	30,622,939	16,046,526
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series A	77,853,361	47,346,010
Series D	6,294	–
Series F	112,034	2,740
	77,971,689	47,348,750

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	15,371,092	9,371,501
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(231,424)	–
Unrealized (gain) loss on foreign exchange of cash	(473,869)	(265,209)
Change in unrealized (gain) loss on non-derivative financial assets	(84,000)	(629,997)
Change in unrealized (gain) loss on futures contracts	305,145	–
Purchases of non-derivative financial assets	(583,458,281)	(251,065,473)
Proceeds from sale of non-derivative financial assets	555,397,550	235,135,269
Margin deposited on futures	(3,574,783)	648,431
Accrued investment income and other	662	(131)
Net cash provided by (used in) operating activities	(16,747,908)	(6,805,609)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	30,896,617	16,777,742
Amounts paid on redemption of redeemable units	(15,466,766)	(9,885,923)
Distributions to unitholders of redeemable units	(326,765)	(158,274)
Net cash provided by (used in) financing activities	15,103,086	6,733,545
Unrealized gain (loss) on foreign exchange of cash	473,869	265,209
Net increase (decrease) in cash	(1,644,822)	(72,064)
Cash (bank overdraft), beginning of period	1,666,511	1,473,366
CASH (BANK OVERDRAFT), END OF PERIOD	495,558	1,666,511
Interest paid[1]	237	–
Interest received[1]	22,314	197,698

[1] Classified as operating items.

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

Scotia Nasdaq Index Fund (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2015

Face Value ($)	Issuer	Average Cost ($)	Carrying Value ($)
MONEY MARKET INSTRUMENTS – 94.4%			
53,250,000	United States Treasury Bills		
(U.S.)	0.00% to 0.28% due from Jan. 7, 2016 to Mar. 31, 2016	72,511,278	73,635,036
	TOTAL INVESTMENT PORTFOLIO	72,511,278	73,635,036
	Futures Contracts – (0.4%)		(305,145)
	OTHER ASSETS, LESS LIABILITIES – 6.0%		4,641,798
	NET ASSETS – 100.0%		77,971,689

Expiry Date	Number of Contracts	Futures Contracts	Counterparty	Credit Risk	Contractual Value Canadian ($)	Fair Value Canadian ($)	Appreciation/ (Depreciation) ($)
INDEX FUTURES CONTRACTS							
Mar. 2016	612	Nasdaq 100 Index E-Mini Futures	Goldman Sachs	A	77,965,758	77,660,614	(305,145)

The above index futures contracts are financial agreements to purchase/sell the indices at a contracted price on a specific future date.

However, the Fund does not intend to purchase/sell the indices on settlement. Rather, it intends to close out each index futures contracts before settlement by entering into equal, but offsetting index futures contracts.

With respect to the above future contracts, $1,094,000 of the January 28, 2016 U.S. Treasury Bills is held on margin.

Scotia Nasdaq Index Fund

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

1. The Fund (note 1)

The Fund's investment objective is aggressive long-term capital growth by tracking the performance of the Nasdaq 100 Index (Nasdaq). The Fund aims to track the performance of the index as closely as possible by primarily investing in derivatives such as options, futures and forward contracts that are linked to the performance of the Nasdaq.

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 (earlier of maturity date or interest reset date) of the Fund's portfolio, excluding cash, money market instruments, underlying funds, preferred shares and overdrafts, as applicable.

Interest rate exposure	December 31, 2015 ($)	December 31, 2014 ($)
Less than 1 year	73,635,036	45,258,879
1-3 years	–	–
3-5 years	–	–
5-10 years	–	–
> 10 years	–	–
	73,635,036	45,258,879

ii) Currency risk

The tables below indicate the currencies to which the Fund had significant exposure, net of the impact of currency forward contracts and currency spot contracts, if any, based on the monetary and non-monetary assets and liabilities of the Fund. The tables also illustrate the potential impact on the Fund if the functional currency of the Fund had strengthened or weakened by 10% in relation to each of the other currencies, with all other variables held constant.

	December 31, 2015			
Currency	Net currency exposure ($)	Percentage of net assets (%)	Impact on the Fund ($)	Percentage of net assets (%)
US Dollar	77,527,022	99.4	7,752,702	9.9
	77,527,022	99.4	7,752,702	9.9

	December 31, 2014			
Currency	Net currency exposure ($)	Percentage of net assets (%)	Impact on the Fund ($)	Percentage of net assets (%)
US Dollar	46,313,546	97.8	4,631,355	9.8
	46,313,546	97.8	4,631,355	9.8

iii) Price risk

Price risk is the risk that the carrying 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 price risk is mainly in equities, derivatives and commodities, if applicable. As at December 31, 2015, approximately 99.6% (December 31, 2014 – 99.8%) of the Fund's net assets were exposed to price risk. If prices of these investments had decreased or increased by 10%, with all other variables held constant, net assets of the Fund would have decreased or increased, respectively, by approximately $7,766,061 (December 31, 2014 – $4,725,433). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

iv) Credit risk

The table below summarizes the credit ratings of the bonds and debentures, excluding cash and money market instruments but including preferred shares and derivatives, as applicable, held by the Fund.

	December 31, 2015		December 31, 2014	
	Percentage of total bonds and debentures (%)	Percentage of net assets (%)	Percentage of total bonds and debentures (%)	Percentage of net assets (%)
Credit ratings				
R1-High	100.0	94.4	100.0	95.6
	100.0	94.4	100.0	95.6

v) Liquidity risk

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

	December 31, 2015		December 31, 2014	
	On demand ($)	Less than 3 months ($)	On demand ($)	Less than 3 months ($)
Current liabilities	–	117,084	–	161,887
Liability for written options	–	–	–	–
Unrealized loss on derivatives	–	305,145	–	–
Redeemable units	77,971,689	–	47,348,750	–
	77,971,689	422,229	47,348,750	161,887

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.

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

vi) Concentration risk

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

	Percentage of net assets (%)	
	December 31, 2015	December 31, 2014
Money Market Instruments	94.4	95.6

vii) Fair value classification (note 2)

The tables below illustrate the classification of the Fund's financial instruments within the fair value hierarchy.

December 31, 2015	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Money market instruments	–	73,635,036	–	73,635,036
Futures contracts–liabilities	(305,145)	–	–	(305,145)
	(305,145)	73,635,036	–	73,329,891

December 31, 2014	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Money market instruments	–	45,258,879	–	45,258,879
Futures contracts–assets	105,913	–	–	105,913
	105,913	45,258,879	–	45,364,792

Transfers between levels

During the periods ended December 31, 2015 and 2014, there were no significant transfers between Level 1 and Level 2.

3. Offsetting of financial assets and liabilities (note 2)

As at December 31, 2015 or December 31, 2014, the Fund did not enter into any agreement whereby the financial instruments were eligible for offset.

4. Interest in Underlying Funds (note 2)

The Fund did not hold any interest in Underlying Funds as at December 31, 2015 or December 31, 2014.

5. Comparison of net asset value per unit and net assets per unit (note 2)

The table below provides a comparison of the net asset value per unit and net assets per unit. The primary reason for the difference between the net asset value per unit and net assets per unit, if any, is described in note 2.

	December 31, 2015		December 31, 2014	
	Net asset value per unit ($)	Net assets per unit ($)	Net asset value per unit ($)	Net assets per unit ($)
Series A	7.91	7.91	6.98	6.98
Series D	10.19	10.19	–	–
Series F	9.42	9.42	8.24	8.24

Scotia International Index Fund

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars except per unit amounts)	December 31, 2015	December 31, 2014*
ASSETS		
Current assets		
Investments		
Non-derivative financial assets	24,755,034	24,974,928
Unrealized gain on futures contracts	782,938	856,075
Cash	448,681	647,529
Margin deposited on futures	3,510,935	(762,494)
Subscriptions receivable	12,252	17,792
Accrued investment income and other	327	502
	29,510,167	25,734,332
LIABILITIES		
Current liabilities		
Redemptions payable	1,161	13,202
	1,161	13,202
Net assets attributable to holders of redeemable units	29,509,006	25,721,130
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series A	29,504,362	25,721,130
Series D	4,644	–
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series A	10.55	9.12
Series D	10.14	–

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except per unit amounts)	2015	2014
INCOME		
Net gain (loss) on investments (note 2)		
Interest for distribution purposes	186,040	297,024
Net realized gain (loss) on non-derivative financial assets	–	(46,038)
Net realized gain (loss) on futures contracts	3,269,540	693,697
Change in unrealized gain (loss) on non-derivative financial assets	–	26,227
Change in unrealized gain (loss) on futures contracts	717,714	(21,285)
Net gain (loss) on investments	4,173,294	949,625
Securities lending	1,045	1,345
Net realized and unrealized gain(loss) on foreign exchange	226,458	12,290
Other income	181	200
Total income (loss)	4,400,978	963,460
EXPENSES		
Management fees (note 5)	229,486	214,073
Fixed administration fees (note 6)	91,798	30,098
Independent Review Committee fees	1,140	56
Interest expense and bank overdraft charges	6,415	6,897
Audit fees	–	582
Custodian fees	–	510
Filing fees	–	8,228
Legal fees	–	89
Unitholder administration costs	–	22,830
Unitholder reporting costs	–	4,228
Other fund costs	36	–
Harmonized Sales Tax/Goods and Services Tax	33,921	28,530
Transaction costs	28,014	24,287
Total expenses	390,810	340,408
Increase (decrease) in net assets attributable to holders of redeemable units from operations	4,010,168	623,052
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A	4,010,036	623,052
Series D	132	–
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT†		
Series A	1.44	0.21
Series D	0.40	–
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series A	2,790,816	2,915,245
Series D	328	–

† The increase (decrease) in net assets attributable to holders of redeemable units from operations 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 number of units per series.

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the periods ended December 31 (note 1),

(in dollars)	2015	2014
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series A	25,721,130	26,249,782
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A	4,010,036	623,052
Series D	132	–
	4,010,168	623,052
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A	4,731,284	4,487,526
Series D	6,500	–
Payments on redemption		
Series A	(4,958,088)	(5,639,230)
Series D	(1,988)	–
	(222,292)	(1,151,704)
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A	3,783,232	(528,652)
Series D	4,644	–
	3,787,876	(528,652)
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series A	29,504,362	25,721,130
Series D	4,644	–
	29,509,006	25,721,130

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2015	2014*
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	4,010,168	623,052
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	–	46,038
Unrealized (gain) loss on foreign exchange of cash	(313,790)	(12,290)
Change in unrealized (gain) loss on non-derivative financial assets	–	(26,227)
Change in unrealized (gain) loss on futures contracts	73,137	115,076
Purchases of non-derivative financial assets	(181,313,744)	(151,988,686)
Proceeds from sale of non-derivative financial assets	181,533,638	151,699,195
Margin deposited on futures	(4,273,429)	1,038,217
Accrued investment income and other	175	(176)
Net cash provided by (used in) operating activities	(283,845)	1,494,199
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	4,743,324	4,488,514
Amounts paid on redemption of redeemable units	(4,972,117)	(5,643,649)
Net cash provided by (used in) financing activities	(228,793)	(1,155,135)
Unrealized gain (loss) on foreign exchange of cash	313,790	12,290
Net increase (decrease) in cash	(512,638)	339,064
Cash (bank overdraft), beginning of period	647,529	296,175
CASH (BANK OVERDRAFT), END OF PERIOD	448,681	647,529
Interest paid[1]	6,415	–
Interest received[1]	186,216	303,129

[1] Classified as operating items.

* In 2014, the unrealized gain or loss on futures contracts were included in the margin balance, and for 2015 has been reclassified to conform to the presentation adopted in 2015.

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

Scotia International Index Fund (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2015

Face Value ($)	Issuer	Average Cost ($)	Carrying Value ($)
MONEY MARKET INSTRUMENTS – 83.9%			
Treasury Bills – 27.1%			
8,000,000	Government of Canada 0.39% to 0.49% due from Jan. 28, 2016 to Apr. 7, 2016	7,990,959	7,995,738
Bankers' Acceptances – 36.2%			
1,750,000	Bank of Montreal 0.77% to 0.79% due from Jan. 11, 2016 to Feb. 26, 2016	1,748,283	1,748,634
2,290,000	Canadian Imperial Bank of Commerce 0.75% due from Jan. 4, 2016 to Jan. 7, 2016	2,288,534	2,289,734
800,000	HSBC Bank of Canada 0.75% due Jan. 7, 2016	799,504	799,901
2,250,000	National Bank of Canada 0.75% to 0.81% due from Jan. 8, 2016 to Mar. 31, 2016	2,245,560	2,245,973
1,500,000	Royal Bank of Canada 0.78% due Jan. 18, 2016	1,499,010	1,499,457
2,100,000	Toronto-Dominion Bank, The 0.76% to 0.82% due from Jan. 8, 2016 to Jan. 20, 2016	2,098,610	2,099,311
		10,679,501	10,683,010
Bearers' Deposit Notes – 2.6%			
280,000	Caisse Centrale Desjardins 0.75% due Jan. 5, 2016	279,798	279,977
500,000	Wells Fargo Financial Canada Corporation 0.77% due Mar. 11, 2016	498,735	499,262
		778,533	779,239
MONEY MARKET INSTRUMENTS (cont'd)			
Commercial Paper – 18.0%			
500,000	Financiere CDP Inc. 0.56% due Feb. 2, 2016	499,310	499,755
900,000	Honda Canada Finance Inc. 0.78% due Feb. 24, 2016	898,353	898,966
750,000	Nestle Capital Canada 0.70% due Jan. 25, 2016	749,513	749,656
500,000	Ontario Teachers Financial Trust 0.73% due Jan. 22, 2016	499,370	499,790
1,000,000	PSP Capital Inc. 0.57% to 0.62% due from Jan. 26, 2016 to Feb. 2, 2016	998,970	999,540
1,000,000	Sumitomo Mitsui Banking Corp. 0.74% to 0.80% due Jan. 7, 2016	998,720	999,874
650,000	Toyota Credit Canada Inc. 0.59% to 0.63% due from Jan. 5, 2016 to Mar. 2, 2016	648,404	649,466
		5,292,640	5,297,047
	TOTAL INVESTMENT PORTFOLIO	24,741,633	24,755,034
	Futures Contracts – 2.7%		782,938
	OTHER ASSETS, LESS LIABILITIES – 13.4%		3,971,034
	NET ASSETS – 100.0%		29,509,006

Expiry Date	Number of Contracts	Futures Contracts	Counterparty	Credit Risk	Contractual Value Canadian ($)	Fair Value Canadian ($)	Appreciation/ (Depreciation) ($)
INDEX FUTURES CONTRACTS							
Mar. 2016	27	EUROPE DJ EURO STOXX 50	Goldman Sachs	A	1,297,795	1,332,822	35,027
Jan. 2016	40	FRANCE CAC 40 Index	Goldman Sachs	A	2,745,933	2,790,663	44,730
Mar. 2016	7	GERMANY DAX Index	Goldman Sachs	A	2,725,442	2,835,334	109,892
Mar. 2016	4	ITALY FTSE MIB Index	Goldman Sachs	A	637,593	645,008	7,415
Jan. 2016	6	NETHERLANDS Amsterdam Index	Goldman Sachs	A	777,942	797,491	19,549
Jan. 2016	7	SPAIN IBEX 35 Plus Index	Goldman Sachs	A	1,009,908	1,002,980	(6,928)
Jan. 2016	45	SWEDEN OMX Index	Goldman Sachs	A	1,046,072	1,068,184	22,112
Mar. 2016	23	SWITZERLAND Swiss Market Index	Goldman Sachs	A	2,664,475	2,777,275	112,800
Mar. 2016	47	UNITED KINGDOM FTSE 100 Index	Goldman Sachs	A	5,678,803	5,940,656	261,853
Mar. 2016	15	AUSTRALIA ASX SPI 200	Goldman Sachs	A	1,850,260	1,986,873	136,613
Jan. 2016	7	HONG KONG Hang Seng Index	Goldman Sachs	A	1,375,936	1,368,429	(7,507)
Mar. 2016	39	JAPAN Topix Index	Goldman Sachs	A	7,118,294	6,942,098	(176,196)
							559,360
CURRENCY FUTURES CONTRACTS							
Mar. 2016	21	Australian $ against U.S.$	JP Morgan	AA	2,105,218	2,110,252	5,034
Mar. 2016	47	British Pound against U.S.$	JP Morgan	AA	6,154,643	5,985,745	(168,898)
Mar. 2016	49	Japanese Yen against U.S.$	JP Morgan	AA	6,982,952	7,058,316	75,364
Mar. 2016	16	Swiss Franc against U.S.$	JP Morgan	AA	2,808,718	2,774,835	(33,883)
Mar. 2016	57	Euro against U.S.$	JP Morgan	AA	10,804,391	10,726,866	(77,525)
Mar. 2016	(280)	Canadian $ against U.S.$	JP Morgan	AA	(28,432,392)	(28,008,906)	423,486
							223,578

The above currency futures and index futures contracts are financial agreements to purchase/sell the foreign currency and indices at a contracted price on a specific future date.

However, the Fund does not intend to purchase/sell the foreign currency and indices on settlement. Rather, it intends to close out each currency futures contracts and index futures contracts before settlement by entering into equal, but offsetting currency futures contracts and index futures contracts.

With respect to the above future contracts, $2,424,000 of the January 28, 2016 Government of Canada Treasury Bills is held on margin.

Scotia International Index Fund

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

1. The Fund (note 1)

The Fund's investment objective is long-term capital growth by tracking the performance of generally recognized indexes of established international stock markets. It currently tracks the performance of indexes of established markets in Europe, Australasia and the Far East.

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 (earlier of maturity date or interest reset date) of the Fund's portfolio, excluding cash, underlying funds, preferred shares and overdrafts, as applicable.

Interest rate exposure	December 31, 2015 ($)	December 31, 2014 ($)
Less than 1 year	24,755,034	24,974,928
1-3 years	–	–
3-5 years	–	–
5-10 years	–	–
> 10 years	–	–
	24,755,034	24,974,928

ii) Currency risk

The tables below indicate the currencies to which the Fund had significant exposure, net of the impact of currency forward contracts and currency spot contracts, if any, based on the monetary and non-monetary assets and liabilities of the Fund. The tables also illustrate the potential impact on the Fund if the functional currency of the Fund had strengthened or weakened by 10% in relation to each of the other currencies, with all other variables held constant.

	December 31, 2015			
Currency	Net currency exposure ($)	Percentage of net assets (%)	Impact on the Fund ($)	Percentage of net assets (%)
US Dollar	2,152,579	7.3	215,258	0.7
Swiss Franc	156,593	0.5	15,659	0.1
European Euro	147,858	0.5	14,786	0.1
Australian Dollar	124,636	0.4	12,464	0.0
British Pound	108,503	0.4	10,850	0.0
Hong Kong Dollar	(56,210)	(0.2)	(5,621)	(0.0)
Swedish Krona	(98,680)	(0.3)	(9,868)	(0.0)
Japanese Yen	(264,495)	(0.9)	(26,450)	(0.1)
	2,270,784	7.7	227,078	0.8

	December 31, 2014			
Currency	Net currency exposure ($)	Percentage of net assets (%)	Impact on the Fund ($)	Percentage of net assets (%)
Hong Kong Dollar	1,238,805	4.8	123,881	0.5
Swedish Krona	1,004,516	3.9	100,452	0.4
Japanese Yen	5,067	0.0	507	0.0
Australian Dollar	(65,291)	(0.3)	(6,529)	0.0
Swiss Franc	(93,296)	(0.4)	(9,330)	0.0
British Pound	(106,396)	(0.4)	(10,640)	0.0
European Euro	(1,168,856)	(4.5)	(116,886)	(0.5)
US Dollar	(1,094,511)	(4.3)	(109,451)	(0.4)
	(279,962)	(1.2)	(27,996)	0.0

iii) Price risk

Price risk is the risk that the carrying 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 price risk is mainly in equities, derivatives and commodities, if applicable. As at December 31, 2015, approximately 99.9% (December 31, 2014 – 99.4%) of the Fund's net assets were exposed to price risk. If prices of these investments had decreased or increased by 10%, with all other variables held constant, net assets of the Fund would have decreased or increased, respectively, by approximately $2,949,006 (December 31, 2014 – $2,556,809). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

iv) Credit risk

The table below summarizes the credit ratings of the bonds and debentures, excluding cash and money market instruments but including preferred shares and derivatives, as applicable, held by the Fund.

	December 31, 2015		December 31, 2014	
Credit ratings	Percentage of total bonds and debentures (%)	Percentage of net assets (%)	Percentage of total bonds and debentures (%)	Percentage of net assets (%)
R1-High	75.4	63.3	83.0	80.6
R1-Middle	14.9	12.5	13.0	12.6
R1-Low	9.7	8.1	4.0	3.9
Total	100.0	83.9	100.0	97.1

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

v) Liquidity risk

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

	December 31, 2015		December 31, 2014	
	On demand ($)	Less than 3 months ($)	On demand ($)	Less than 3 months ($)
Current liabilities	–	1,161	–	13,202
Liability for written options	–	–	–	–
Unrealized loss on derivatives	–	–	–	–
Redeemable units	29,509,006	–	25,721,130	–
	29,509,006	1,161	25,721,130	13,202

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, geographical location, asset type or industry sector, as applicable. The table below is a summary of the Fund's concentration risk:

	Percentage of net assets (%)	
	December 31, 2015	December 31, 2014
Bankers' Acceptances	36.2	45.6
Bearers' Deposit Notes	2.6	3.9
Commercial Paper	18.0	3.9
Treasury Bills	27.1	43.7

vii) Fair value classification (note 2)

The tables below illustrate the classification of the Fund's financial instruments within the fair value hierarchy.

December 31, 2015	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Money market instruments	–	24,755,034	–	24,755,034
Futures contracts–assets	1,253,875	–	–	1,253,875
	1,253,875	24,755,034	–	26,008,909
Futures contracts–liabilities	(470,937)	–	–	(470,937)
	782,938	24,755,034	–	25,537,972

December 31, 2014	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Money market instruments	–	24,974,928	–	24,974,928
Futures contracts–assets	856,075	–	–	856,075
	856,075	24,974,928	–	25,831,003

Transfers between levels

During the periods ended December 31, 2015 and 2014, there were no significant transfers between Level 1 and Level 2.

3. Offsetting of financial assets and liabilities (note 2)

As at December 31, 2015 or December 31, 2014, the Fund did not enter into any agreement whereby the financial instruments were eligible for offset.

4. Interest in Underlying Funds (note 2)

The Fund did not hold any interest in Underlying Funds as at December 31, 2015 or December 31, 2014.

5. Comparison of net asset value per unit and net assets per unit (note 2)

The table below provides a comparison of the net asset value per unit and net assets per unit. The primary reason for the difference between the net asset value per unit and net assets per unit, if any, is described in note 2.

	December 31, 2015		December 31, 2014	
	Net asset value per unit ($)	Net assets per unit ($)	Net asset value per unit ($)	Net assets per unit ($)
Series A	10.55	10.55	9.12	9.12
Series D	10.14	10.14	–	–

Scotia Selected Income Portfolio

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars except per unit amounts)	December 31, 2015	December 31, 2014
ASSETS		
Current assets		
Investments		
Non-derivative financial assets	99,695,295	65,299,516
Cash	703,940	1,436,950
Subscriptions receivable	242,628	194,028
Accrued investment income and other	242	1,034
	100,642,105	66,931,528
LIABILITIES		
Current liabilities		
Payable for securities purchased	401,000	–
Redemptions payable	43,700	57,003
Distributions payable	42,969	13,528
	487,669	70,531
Net assets attributable to holders of redeemable units	100,154,436	66,860,997
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series A	100,154,436	66,860,997
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series A	10.68	10.57

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except per unit amounts)	2015	2014
INCOME		
Net gain (loss) on investments (note 2)		
Dividends	741,913	474,541
Interest for distribution purposes	1,834,284	1,586,713
Capital gains distributions received	1,325,701	787,135
Net realized gain (loss) on non-derivative financial assets	(251,179)	1,527,662
Change in unrealized gain (loss) on non-derivative financial assets	(10,744)	660,508
Net gain (loss) on investments	3,639,975	5,036,559
Other income	3,145	1,804
Total income (loss)	3,643,120	5,038,363
EXPENSES		
Management fees (note 5)	1,373,934	832,412
Fixed administration fees (note 6)	132,962	33,702
Independent Review Committee fees	1,117	105
Foreign withholding taxes/tax reclaims	30,638	19,881
Audit fees	–	1,345
Custodian fees	–	(416)
Filing fees	–	13,180
Legal fees	–	153
Unitholder administration costs	–	10,181
Unitholder reporting costs	–	4,157
Other fund costs	124	–
Harmonized Sales Tax/Goods and Services Tax	167,848	96,232
Total expenses	1,706,623	1,010,932
Increase (decrease) in net assets attributable to holders of redeemable units from operations	1,936,497	4,027,431
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A	1,936,497	4,027,431
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT†		
Series A	0.24	0.80
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series A	8,225,001	5,019,139

† The increase (decrease) in net assets attributable to holders of redeemable units from operations 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 number of units per series.

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the periods ended December 31 (note 1),

(in dollars)	2015	2014
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series A	66,860,997	37,795,248
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A	1,936,497	4,027,431
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net investment income		
Series A	(955,161)	(1,052,126)
From net realized gains on investments		
Series A	(701,213)	(2,102,914)
	(1,656,374)	(3,155,040)
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A	45,573,131	33,612,595
Reinvested distributions		
Series A	1,610,066	3,136,509
Payments on redemption		
Series A	(14,169,881)	(8,555,746)
	33,013,316	28,193,358
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A	33,293,439	29,065,749
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series A	100,154,436	66,860,997

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	1,936,497	4,027,431
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	251,179	(1,527,662)
Change in unrealized (gain) loss on non-derivative financial assets	10,744	(660,508)
Purchases of non-derivative financial assets	(55,713,146)	(61,101,543)
Proceeds from sale of non-derivative financial assets	21,456,444	34,656,634
Accrued investment income and other	792	(423)
Net cash provided by (used in) operating activities	(32,057,490)	(24,606,071)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	45,524,531	33,662,563
Amounts paid on redemption of redeemable units	(14,183,184)	(8,540,074)
Distributions to unitholders of redeemable units	(16,867)	(5,909)
Net cash provided by (used in) financing activities	31,324,480	25,116,580
Net increase (decrease) in cash	(733,010)	510,509
Cash (bank overdraft), beginning of period	1,436,950	926,441
CASH (BANK OVERDRAFT), END OF PERIOD	703,940	1,436,950
Interest received[1]	1,835,077	1,586,290
Dividends received, net of withholding taxes[1]	711,275	454,660

[1] Classified as operating items.

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

Scotia Selected Income Portfolio (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2015

Number of Units	Issuer	Average Cost ($)	Carrying Value ($)
FIXED INCOME FUNDS – 74.6%			
1,784,080	Dynamic Aurion Total Return Bond Series O	18,548,604	18,679,315
4,109,599	Dynamic Canadian Bond Fund Series O	22,573,352	22,438,410
1,351,423	Scotia Canadian Income Fund Series I	18,399,016	18,638,968
1,386,612	Scotia Private Canadian Corporate Bond Pool Series I	14,924,828	14,942,271
		74,445,800	74,698,964
CANADIAN EQUITY FUNDS – 11.8%			
243,306	CI Cambridge Canadian Equity Corporate Class I	4,809,302	4,700,679
85,429	Dynamic Small Business Fund Series O	1,311,132	1,244,702
113,977	Scotia Canadian Dividend Fund Series I	5,616,772	5,891,259
		11,737,206	11,836,640
FOREIGN EQUITY FUNDS – 13.1%			
460,609	Scotia Global Dividend Fund Series I	7,547,146	7,838,457
84,933	Scotia Global Growth Fund Series I	4,314,811	5,321,234
		11,861,957	13,159,691
	TOTAL INVESTMENT PORTFOLIO	98,044,963	99,695,295
	OTHER ASSETS, LESS LIABILITIES – 0.5%		459,141
	NET ASSETS – 100.0%		100,154,436

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

Scotia Selected Income Portfolio

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

1. The Fund (note 1)

The Fund's investment objective is to achieve a combination of a steady flow of income with the potential for capital gains. It invests primarily in a diversified mix of equity and income mutual funds managed by us or by other mutual fund managers. The portfolio is an asset allocation fund that allocates investment between two asset classes: fixed income and equities.

The Fund invests primarily in mutual funds managed by the Manager and/or by the third party investment managers (the "Underlying Funds"). To ensure the Fund's composition meets the investment objectives of the Fund, the portfolio advisor monitors the Underlying Funds on an ongoing basis and rebalances the Fund's assets among the Underlying Funds.

2. Risks associated with financial instruments (note 4)

i) Interest rate risk

The Fund invests in Underlying Funds, which are exposed to interest rate risk. As at December 31, 2015, 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 $1,318,843 or approximately 1.3% (December 31, 2014 – $615,729, or approximately 0.9%). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

ii) Currency risk

The Fund could be exposed to indirect currency risk to the extent that the Underlying Funds held financial instruments that were denominated in a currency other than its functional currency.

iii) Price risk

Price risk is the risk that the carrying 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 price risk is mainly in equities, derivatives and commodities, if applicable. As at December 31, 2015, approximately 25.0% (December 31, 2014 – 25.0%) of the Fund's net assets were invested in Underlying Funds which were exposed to price risk. If prices of the Underlying Funds' investments had decreased or increased by 10%, with all other variables held constant, net assets of the Fund would have decreased or increased, respectively, by approximately $2,499,633 (December 31, 2014 – $1,669,722). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

iv) Credit risk

The Fund could be exposed to indirect credit risk to the extent that the Underlying Funds invested in bonds and debentures, preferred shares and derivatives.

v) Liquidity risk

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

	December 31, 2015		December 31, 2014	
	On demand ($)	Less than 3 months ($)	On demand ($)	Less than 3 months ($)
Current liabilities	–	487,669	–	70,531
Liability for written options	–	–	–	–
Unrealized loss on derivatives	–	–	–	–
Redeemable units	100,154,436	–	66,860,997	–
	100,154,436	487,669	66,860,997	70,531

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, geographical location, asset type or industry sector, as applicable. The table below is a summary of the Fund's concentration risk:

	Percentage of net assets (%)	
	December 31, 2015	December 31, 2014
Canadian Equity Funds	11.8	13.0
Fixed Income Funds	74.6	72.7
Foreign Equity Funds	13.1	12.0

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

vii) Fair value classification (note 2)

The tables below illustrate the classification of the Fund's financial instruments within the fair value hierarchy.

December 31, 2015	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Underlying funds	99,695,295	–	–	99,695,295
	99,695,295	–	–	99,695,295

December 31, 2014	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Underlying funds	65,299,516	–	–	65,299,516
	65,299,516	–	–	65,299,516

Transfers between levels

During the periods ended December 31, 2015 and 2014, there were no significant transfers between Level 1 and Level 2.

3. Offsetting of financial assets and liabilities (note 2)

As at December 31, 2015 or December 31, 2014, the Fund did not enter into any agreement whereby the financial instruments were eligible for offset.

4. Interest in Underlying Funds (note 2)

The following tables provide information about the Fund's interest in Underlying Funds.

	December 31, 2015	
Underlying Fund	Carrying value of the Underlying Fund ($)	Ownership percentage in Underlying Fund (%)
Dynamic Aurion Total Return Bond Series O	18,679,315	1.9
Scotia Global Dividend Fund Series I	7,838,457	1.5
Dynamic Canadian Bond Fund Series O	22,438,410	1.2
Scotia Global Growth Fund Series I	5,321,234	0.6
Scotia Canadian Income Fund Series I	18,638,968	0.3
Scotia Private Canadian Corporate Bond Pool Series I	14,942,271	0.3
Dynamic Small Business Fund Series O	1,244,702	0.2
CI Cambridge Canadian Equity Corporate Class I	4,700,679	0.1
Scotia Canadian Dividend Fund Series I	5,891,259	0.1
	99,695,295	

	December 31, 2014	
Underlying Fund	Carrying value of the Underlying Fund ($)	Ownership percentage in Underlying Fund (%)
Dynamic Aurion Total Return Bond Series O	12,141,000	1.6
Scotia Global Dividend Fund Series I	4,652,835	1.1
Dynamic Canadian Bond Fund Series O	14,558,017	0.8
Scotia Global Growth Fund Series I	3,345,180	0.6
Dynamic Dividend Advantage Fund Series O	4,003,026	0.4
CI Signature Corporate Bond Fund Class I	7,330,329	0.3
Scotia Canadian Income Fund Series I	14,572,949	0.2
Scotia Canadian Dividend Fund Series I	4,696,180	0.1
	65,299,516	

5. Comparison of net asset value per unit and net assets per unit (note 2)

The table below provides a comparison of the net asset value per unit and net assets per unit. The primary reason for the difference between the net asset value per unit and net assets per unit, if any, is described in note 2.

	December 31, 2015		December 31, 2014	
	Net asset value per unit ($)	Net assets per unit ($)	Net asset value per unit ($)	Net assets per unit ($)
Series A	10.68	10.68	10.57	10.57

Scotia Selected Balanced Income Portfolio

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars except per unit amounts)	December 31, 2015	December 31, 2014
ASSETS		
Current assets		
Investments		
Non-derivative financial assets	901,997,935	782,404,299
Cash	4,699,766	3,794,006
Subscriptions receivable	998,875	1,307,469
Accrued investment income and other	1,883	3,682
	907,698,459	787,509,456
LIABILITIES		
Current liabilities		
Payable for securities purchased	400,000	–
Redemptions payable	701,265	275,616
Distributions payable	904,981	76,277
	2,006,246	351,893
Net assets attributable to holders of redeemable units	905,692,213	787,157,563
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series A	904,785,199	786,282,264
Advisor Series	876,948	875,299
Series F	30,066	–
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series A	13.19	13.05
Advisor Series	13.19	12.95
Series F	12.86	–

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except per unit amounts)	2015	2014
INCOME		
Net gain (loss) on investments (note 2)		
Dividends	8,149,168	5,212,167
Interest for distribution purposes	15,486,717	17,168,409
Capital gains distributions received	15,416,766	7,095,950
Net realized gain (loss) on non-derivative financial assets	11,422,233	15,957,635
Change in unrealized gain (loss) on non-derivative financial assets	(3,670,406)	27,333,000
Net gain (loss) on investments	46,804,478	72,767,161
Other income	18,201	13,208
Total income (loss)	46,822,679	72,780,369
EXPENSES		
Management fees (note 5)	13,920,956	11,758,830
Fixed administration fees and operating expense (note 6)	448,274	138,431
Independent Review Committee fees	1,009	1,498
Foreign withholding taxes/tax reclaims	362,919	305,542
Audit fees	–	15,828
Custodian fees	–	4,280
Filing fees	–	36,432
Legal fees	–	2,305
Unitholder administration costs	–	148,291
Unitholder reporting costs	–	27,244
Other fund costs	1,136	–
Harmonized Sales Tax/Goods and Services Tax	1,625,359	1,364,983
Total expenses	16,359,653	13,803,664
Expenses absorbed by the Manager	(11,737)	(12,076)
Net expenses	16,347,916	13,791,588
Increase (decrease) in net assets attributable to holders of redeemable units from operations	30,474,763	58,988,781
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A	30,439,208	58,924,286
Advisor Series	36,211	64,495
Series F	(656)	–
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT†		
Series A	0.47	1.04
Advisor Series	0.52	0.98
Series F	(0.29)	–
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series A	64,533,705	56,573,789
Advisor Series	69,622	65,916
Series F	2,245	–

† The increase (decrease) in net assets attributable to holders of redeemable units from operations 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 number of units per series.

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the periods ended December 31 (note 1),

(in dollars)	2015	2014
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series A	786,282,264	654,740,448
Advisor Series	875,299	813,775
	787,157,563	655,554,223
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A	30,439,208	58,924,286
Advisor Series	36,211	64,495
Series F	(656)	–
	30,474,763	58,988,781
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net investment income		
Series A	(8,031,843)	(8,596,752)
Advisor Series	(3,288)	(5,252)
Series F	(697)	–
From net realized gains on investments		
Series A	(15,732,609)	(13,607,169)
Advisor Series	(15,213)	(15,163)
Series F	(531)	–
	(23,784,181)	(22,224,336)
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A	209,766,940	179,359,147
Advisor Series	42,038	100,442
Series F	30,721	–
Reinvested distributions		
Series A	22,861,028	22,129,046
Advisor Series	17,139	19,473
Series F	1,229	–
Payments on redemption		
Series A	(120,799,789)	(106,666,742)
Advisor Series	(75,238)	(102,471)
	111,844,068	94,838,895
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A	118,502,935	131,541,816
Advisor Series	1,649	61,524
Series F	30,066	–
	118,534,650	131,603,340
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series A	904,785,199	786,282,264
Advisor Series	876,948	875,299
Series F	30,066	–
	905,692,213	787,157,563

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	30,474,763	58,988,781
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(11,422,233)	(15,957,635)
Change in unrealized (gain) loss on non-derivative financial assets	3,670,406	(27,333,000)
Purchases of non-derivative financial assets	(292,579,987)	(380,167,977)
Proceeds from sale of non-derivative financial assets	181,138,178	292,895,883
Accrued investment income and other	1,799	(557)
Net cash provided by (used in) operating activities	(88,717,074)	(71,574,505)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	210,148,293	179,055,474
Amounts paid on redemption of redeemable units	(120,449,377)	(106,885,437)
Distributions to unitholders of redeemable units	(76,082)	(34,505)
Net cash provided by (used in) financing activities	89,622,834	72,135,532
Net increase (decrease) in cash	905,760	561,027
Cash (bank overdraft), beginning of period	3,794,006	3,232,979
CASH (BANK OVERDRAFT), END OF PERIOD	4,699,766	3,794,006
Interest received[1]	15,488,516	17,167,852
Dividends received, net of withholding taxes[1]	7,786,249	4,906,625

[1] Classified as operating items.

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

Scotia Selected Balanced Income Portfolio (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2015

Number of Units	Issuer	Average Cost ($)	Carrying Value ($)
FIXED INCOME FUNDS – 64.7%			
14,011,140	Dynamic Aurion Total Return Bond Series O	142,418,177	146,696,634
32,235,212	Dynamic Canadian Bond Fund Series O	176,557,197	176,004,256
10,610,071	Scotia Canadian Income Fund Series I	142,215,406	146,335,160
10,875,764	Scotia Private Canadian Corporate Bond Pool Series I	117,059,534	117,198,316
		578,250,314	586,234,366
CANADIAN EQUITY FUNDS – 16.6%			
1,947,877	CI Cambridge Canadian Equity Corporate Class I	28,155,341	37,632,977
2,881,326	Dynamic Dividend Advantage Fund Series O	25,355,531	22,272,653
1,069,343	Dynamic Small Business Fund Series O	14,985,879	15,580,320
1,446,708	Scotia Canadian Dividend Fund Series I	59,958,928	74,777,744
		128,455,679	150,263,694
FOREIGN EQUITY FUNDS – 18.3%			
4,844,585	Scotia Global Dividend Fund Series I	69,516,644	82,443,205
920,038	Scotia Global Growth Fund Series I	37,935,624	57,642,400
1,251,374	Scotia Global Opportunities Fund Series I	16,899,999	16,109,307
791,918	Scotia Global Small Cap Fund Series I	9,147,899	9,304,963
		133,500,166	165,499,875
	TOTAL INVESTMENT PORTFOLIO	840,206,159	901,997,935
	OTHER ASSETS, LESS LIABILITIES – 0.4%		3,694,278
	NET ASSETS – 100.0%		905,692,213

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

Scotia Selected Balanced Income Portfolio

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

1. The Fund (note 1)

The Fund's investment objective is to achieve a balance of current income and long-term capital appreciation, with a bias towards income. It invests primarily in a diversified mix of equity and income mutual funds managed by other mutual fund managers and by us. The portfolio is an asset allocation fund that allocates investment between two asset classes: fixed income and equities.

The Fund invests primarily in mutual funds managed by the Manager and/or by the third party investment managers (the "Underlying Funds"). To ensure the Fund's composition meets the investment objectives of the Fund, the portfolio advisor monitors the Underlying Funds on an ongoing basis and rebalances the Fund's assets among the Underlying Funds.

2. Risks associated with financial instruments (note 4)

i) Interest rate risk

The Fund invests in Underlying Funds, which are exposed to interest rate risk. As at December 31, 2015, 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 $10,662,321 or approximately 1.2% (December 31, 2014 – $6,338,075, or approximately 0.8%). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

ii) Currency risk

The Fund could be exposed to indirect currency risk to the extent that the Underlying Funds held financial instruments that were denominated in a currency other than its functional currency.

iii) Price risk

Price risk is the risk that the carrying 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 price risk is mainly in equities, derivatives and commodities, if applicable. As at December 31, 2015, approximately 34.9% (December 31, 2014 – 35.8%) of the Fund's net assets were invested in Underlying Funds which were exposed to price risk. If prices of the Underlying Funds' investments had decreased or increased by 10%, with all other variables held constant, net assets of the Fund would have decreased or increased, respectively, by approximately $31,576,357 (December 31, 2014 – $28,183,637). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

iv) Credit risk

The Fund could be exposed to indirect credit risk to the extent that the Underlying Funds invested in bonds and debentures, preferred shares and derivatives.

v) Liquidity risk

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

	December 31, 2015		December 31, 2014	
	On demand ($)	Less than 3 months ($)	On demand ($)	Less than 3 months ($)
Current liabilities	–	2,006,246	–	351,893
Liability for written options	–	–	–	–
Unrealized loss on derivatives	–	–	–	–
Redeemable units	905,692,213	–	787,157,563	–
	905,692,213	2,006,246	787,157,563	351,893

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, geographical location, asset type or industry sector, as applicable. The table below is a summary of the Fund's concentration risk:

	Percentage of net assets (%)	
	December 31, 2015	December 31, 2014
Canadian Equity Funds	16.6	18.2
Fixed Income Funds	64.7	63.6
Foreign Equity Funds	18.3	17.6

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

vii) Fair value classification (note 2)

The tables below illustrate the classification of the Fund's financial instruments within the fair value hierarchy.

December 31, 2015	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Underlying funds	901,997,935	–	–	901,997,935
	901,997,935	–	–	901,997,935

December 31, 2014	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Underlying funds	782,404,299	–	–	782,404,299
	782,404,299	–	–	782,404,299

Transfers between levels

During the periods ended December 31, 2015 and 2014, there were no significant transfers between Level 1 and Level 2.

3. Offsetting of financial assets and liabilities (note 2)

As at December 31, 2015 or December 31, 2014, the Fund did not enter into any agreement whereby the financial instruments were eligible for offset.

4. Interest in Underlying Funds (note 2)

The following tables provide information about the Fund's interest in Underlying Funds.

	December 31, 2015	
Underlying Fund	Carrying value of the Underlying Fund ($)	Ownership percentage in Underlying Fund (%)
Scotia Global Dividend Fund Series I	82,443,205	15.4
Dynamic Aurion Total Return Bond Series O	146,696,634	15.3
Scotia Global Small Cap Fund Series I	9,304,963	10.1
Dynamic Canadian Bond Fund Series O	176,004,256	9.0
Scotia Global Opportunities Fund Series I	16,109,307	8.6
Scotia Global Growth Fund Series I	57,642,400	6.8
Dynamic Dividend Advantage Fund Series O	22,272,653	2.7
Scotia Canadian Income Fund Series I	146,335,160	2.4
Dynamic Small Business Fund Series O	15,580,320	2.3
Scotia Private Canadian Corporate Bond Pool Series I	117,198,316	2.3
Scotia Canadian Dividend Fund Series I	74,777,744	1.1
CI Cambridge Canadian Equity Corporate Class I	37,632,977	0.9
	901,997,935	

	December 31, 2014	
Underlying Fund	Carrying value of the Underlying Fund ($)	Ownership percentage in Underlying Fund (%)
Dynamic Aurion Total Return Bond Series O	126,046,906	16.3
Scotia Global Dividend Fund Series I	55,403,223	13.1
Scotia U.S. Dividend Fund Series I	20,508,437	11.8
Dynamic Canadian Bond Fund Series O	149,497,527	8.7
Scotia Global Growth Fund Series I	43,147,788	7.1
CI Black Creek International Equity Corp Class I	19,844,146	2.9
Dynamic Dividend Advantage Fund Series O	27,344,087	2.8
Dynamic Small Business Fund Series O	15,634,563	2.8
CI Signature Corporate Bond Fund Class I	75,291,533	2.7
Scotia Canadian Income Fund Series I	149,731,969	2.5
CI Cambridge Canadian Equity Corporate Class I	36,691,903	1.0
Scotia Canadian Dividend Fund Series I	63,262,217	0.9
	782,404,299	

5. Comparison of net asset value per unit and net assets per unit (note 2)

The table below provides a comparison of the net asset value per unit and net assets per unit. The primary reason for the difference between the net asset value per unit and net assets per unit, if any, is described in note 2.

	December 31, 2015		December 31, 2014	
	Net asset value per unit ($)	Net assets per unit ($)	Net asset value per unit ($)	Net assets per unit ($)
Series A	13.19	13.19	13.05	13.05
Advisor Series	13.19	13.19	12.95	12.95
Series F	12.86	12.86	–	–

Scotia Selected Balanced Growth Portfolio

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars except per unit amounts)	December 31, 2015	December 31, 2014
ASSETS		
Current assets		
Investments		
Non-derivative financial assets	1,450,279,633	1,327,193,058
Cash	6,808,823	2,160,353
Receivable for securities sold	2,101,220	–
Subscriptions receivable	1,518,296	1,305,996
Accrued investment income and other	2,843	1,904
	1,460,710,815	1,330,661,311
LIABILITIES		
Current liabilities		
Payable for securities purchased	2,370,000	–
Redemptions payable	826,910	928,797
Distributions payable	1,107,684	57,592,084
	4,304,594	58,520,881
Net assets attributable to holders of redeemable units	1,456,406,221	1,272,140,430
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series A	1,456,283,387	1,271,995,001
Advisor Series	122,834	119,664
Series F	–	25,765
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series A	15.13	14.63
Advisor Series	14.83	14.32
Series F	–	14.42

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except per unit amounts)	2015	2014
INCOME		
Net gain (loss) on investments (note 2)		
Dividends	18,815,437	14,324,062
Interest for distribution purposes	19,295,756	20,840,490
Capital gains distributions received	28,932,753	18,308,676
Net realized gain (loss) on non-derivative financial assets	14,933,872	57,883,084
Change in unrealized gain (loss) on non-derivative financial assets	12,924,032	24,248,032
Net gain (loss) on investments	94,901,850	135,604,344
Other income	17,632	19,182
Total income (loss)	94,919,482	135,623,526
EXPENSES		
Management fees (note 5)	24,919,056	22,365,846
Fixed administration fees and operating expense (note 6)	725,543	236,697
Independent Review Committee fees	972	2,627
Foreign withholding taxes/tax reclaims	894,833	716,157
Audit fees	–	27,686
Custodian fees	–	2,036
Filing fees	–	44,243
Legal fees	–	4,066
Unitholder administration costs	–	259,312
Unitholder reporting costs	–	46,494
Other fund costs	1,830	–
Harmonized Sales Tax/Goods and Services Tax	2,829,902	2,532,068
Total expenses	29,372,136	26,237,232
Expenses absorbed by the Manager	(13,439)	(13,426)
Net expenses	29,358,697	26,223,806
Increase (decrease) in net assets attributable to holders of redeemable units from operations	65,560,785	109,399,720
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A	65,553,641	109,391,252
Advisor Series	5,674	7,956
Series F	1,470	512
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT†		
Series A	0.70	1.26
Advisor Series	0.67	1.05
Series F	0.78	0.29
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series A	93,237,825	86,681,409
Advisor Series	8,420	7,579
Series F	1,887	1,788

† The increase (decrease) in net assets attributable to holders of redeemable units from operations 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 number of units per series.

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

Scotia Selected Balanced Growth Portfolio (Continued)

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the periods ended December 31 (note 1),

(in dollars)	2015	2014
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series A	1,271,995,001	1,182,814,985
Advisor Series	119,664	63,778
Series F	25,765	–
	1,272,140,430	1,182,878,763
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A	65,553,641	109,391,252
Advisor Series	5,674	7,956
Series F	1,470	512
	65,560,785	109,399,720
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net investment income		
Series A	(10,046,526)	(8,943,897)
Advisor Series	(290)	(499)
Series F	–	(632)
From net realized gains on investments		
Series A	(10,293,933)	(48,641,458)
Advisor Series	(869)	(4,563)
Series F	–	(1,002)
	(20,341,618)	(57,592,051)
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A	236,735,645	205,340,806
Advisor Series	983	62,661
Series F	–	26,931
Reinvested distributions		
Series A	76,749,725	(171)
Advisor Series	6,221	–
Series F	1,634	–
Payments on redemption		
Series A	(174,410,166)	(167,966,516)
Advisor Series	(8,549)	(9,669)
Series F	(28,869)	(44)
	139,046,624	37,453,998
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A	184,288,386	89,180,016
Advisor Series	3,170	55,886
Series F	(25,765)	25,765
	184,265,791	89,261,667
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series A	1,456,283,387	1,271,995,001
Advisor Series	122,834	119,664
Series F	–	25,765
	1,456,406,221	1,272,140,430

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	65,560,785	109,399,720
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(14,933,872)	(57,883,084)
Change in unrealized (gain) loss on non-derivative financial assets	(12,924,032)	(24,248,032)
Purchases of non-derivative financial assets	(274,329,395)	(501,611,364)
Proceeds from sale of non-derivative financial assets	179,369,504	432,799,910
Accrued investment income and other	(939)	3,214
Net cash provided by (used in) operating activities	(57,257,949)	(41,539,636)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	236,524,329	205,363,248
Amounts paid on redemption of redeemable units	(174,549,472)	(167,637,744)
Distributions to unitholders of redeemable units	(68,438)	(5,807)
Net cash provided by (used in) financing activities	61,906,419	37,719,697
Net increase (decrease) in cash	4,648,470	(3,819,939)
Cash (bank overdraft), beginning of period	2,160,353	5,980,292
CASH (BANK OVERDRAFT), END OF PERIOD	6,808,823	2,160,353
Interest received[1]	19,294,818	20,843,704
Dividends received, net of withholding taxes[1]	17,920,604	13,607,905

[1] Classified as operating items.

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

Scotia Selected Balanced Growth Portfolio (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2015

Number of Units	Issuer	Average Cost ($)	Carrying Value ($)
FIXED INCOME FUNDS – 44.7%			
15,590,529	CI Signature Corporate Bond Fund Class I	166,164,034	160,894,256
16,732,217	Dynamic Aurion Total Return Bond Series O	169,346,329	175,186,310
26,395,652	Dynamic Canadian Bond Fund Series O	144,433,532	144,120,261
12,388,461	Scotia Canadian Income Fund Series I	164,782,251	170,862,896
		644,726,146	651,063,723
CANADIAN EQUITY FUNDS – 24.4%			
4,619,261	CI Cambridge Canadian Equity Corporate Class I	65,895,792	89,244,128
6,844,786	Dynamic Dividend Advantage Fund Series O	61,950,973	52,910,194
3,636,060	Dynamic Small Business Fund Series O	49,539,310	52,977,393
2,731,901	Scotia Canadian Dividend Fund Series I	102,752,267	141,207,036
213,018	Scotia Canadian Growth Fund Series I	18,577,965	18,224,747
		298,716,307	354,563,498
FOREIGN EQUITY FUNDS – 30.5%			
2,033,131	CI Black Creek International Equity Corp Class I	36,910,667	44,769,538
107,386	Dynamic Power Global Growth Class Series O	2,370,000	2,343,154
6,561,203	Scotia Global Dividend Fund Series I	83,907,230	111,655,928
2,123,272	Scotia Global Growth Fund Series I	85,389,059	133,027,677
4,986,852	Scotia Global Opportunities Fund Series I	60,214,022	64,197,237
1,927,019	Scotia Global Small Cap Fund Series I	17,505,770	22,642,276
2,497,878	Scotia International Value Fund Series I	17,685,392	22,430,198
2,979,086	Scotia U.S. Dividend Fund Series I	32,806,712	43,586,404
		336,788,852	444,652,412
	TOTAL INVESTMENT PORTFOLIO	1,280,231,305	1,450,279,633
	OTHER ASSETS, LESS LIABILITIES – 0.4%		6,126,588
	NET ASSETS – 100.0%		1,456,406,221

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

Scotia Selected Balanced Growth Portfolio

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

1. The Fund (note 1)

The Fund's investment objective is to achieve a balance of current income and long-term capital appreciation, with a small bias towards capital appreciation. It invests primarily in a diversified mix of equity and income mutual funds managed by other mutual fund managers and by us. The portfolio is an asset allocation fund that allocates investment between two asset classes: fixed income and equities.

The Fund invests primarily in mutual funds managed by the Manager and/or by the third party investment managers (the "Underlying Funds"). To ensure the Fund's composition meets the investment objectives of the Fund, the portfolio advisor monitors the Underlying Funds on an ongoing basis and rebalances the Fund's assets among the Underlying Funds.

2. Risks associated with financial instruments (note 4)

i) Interest rate risk

The Fund invests in Underlying Funds, which are exposed to interest rate risk. As at December 31, 2015, 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 $10,425,642 or approximately 0.7% (December 31, 2014 – $7,042,141 or approximately 0.6%). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

ii) Currency risk

The Fund could be exposed to indirect currency risk to the extent that the Underlying Funds held financial instruments that were denominated in a currency other than its functional currency.

iii) Price risk

Price risk is the risk that the carrying 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 price risk is mainly in equities, derivatives and commodities, if applicable. As at December 31, 2015, approximately 54.9% (December 31, 2014 – 58.2%) of the Fund's net assets were invested in Underlying Funds which were exposed to price risk. If prices of the Underlying Funds' investments had decreased or increased by 10%, with all other variables held constant, net assets of the Fund would have decreased or increased, respectively, by approximately $79,921,591 (December 31, 2014 – $73,999,184). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

iv) Credit risk

The Fund could be exposed to indirect credit risk to the extent that the Underlying Funds invested in bonds and debentures, preferred shares and derivatives.

v) Liquidity risk

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

	December 31, 2015		December 31, 2014	
	On demand ($)	Less than 3 months ($)	On demand ($)	Less than 3 months ($)
Current liabilities	–	4,304,594	–	58,520,881
Liability for written options	–	–	–	–
Unrealized loss on derivatives	–	–	–	–
Redeemable units	1,456,406,221	–	1,272,140,430	–
	1,456,406,221	4,304,594	1,272,140,430	58,520,881

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, geographical location, asset type or industry sector, as applicable. The table below is a summary of the Fund's concentration risk:

	Percentage of net assets (%)	
	December 31, 2015	December 31, 2014
Canadian Equity Funds	24.4	29.3
Fixed Income Funds	44.7	46.1
Foreign Equity Funds	30.5	28.9

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

vii) Fair value classification (note 2)

The tables below illustrate the classification of the Fund's financial instruments within the fair value hierarchy.

December 31, 2015	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Underlying funds	1,450,279,633	–	–	1,450,279,633
	1,450,279,633	–	–	1,450,279,633

December 31. 2014	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Underlying funds	1,327,193,058	–	–	1,327,193,058
	1,327,193,058	–	–	1,327,193,058

Transfers between levels

During the periods ended December 31, 2015 and 2014, there were no significant transfers between Level 1 and Level 2.

3. Offsetting of financial assets and liabilities (note 2)

As at December 31, 2015 or December 31, 2014, the Fund did not enter into any agreement whereby the financial instruments were eligible for offset.

4. Interest in Underlying Funds (note 2)

The following tables provide information about the Fund's interest in Underlying Funds.

	December 31, 2015	
Underlying Fund	Carrying value of the Underlying Fund ($)	Ownership percentage in Underlying Fund (%)
Scotia Global Opportunities Fund Series I	64,197,237	34.5
Scotia International Value Fund Series I	22,430,198	33.5
Scotia Global Small Cap Fund Series I	22,642,276	24.6
Scotia U.S. Dividend Fund Series I	43,586,404	22.0
Scotia Global Dividend Fund Series I	111,655,928	20.9
Dynamic Aurion Total Return Bond Series O	175,186,310	18.3
Scotia Global Growth Fund Series I	133,027,677	15.7
Dynamic Small Business Fund Series O	52,977,393	7.9
Dynamic Canadian Bond Fund Series O	144,120,261	7.4
Dynamic Dividend Advantage Fund Series O	52,910,194	6.4
CI Signature Corporate Bond Fund Class I	160,894,256	4.8
Scotia Canadian Growth Fund Series I	18,224,747	4.7
CI Black Creek International Equity Corp Class I	44,769,538	4.4
Scotia Canadian Income Fund Series I	170,862,896	2.8
CI Cambridge Canadian Equity Corporate Class I	89,244,128	2.2
Scotia Canadian Dividend Fund Series I	141,207,036	2.0
Dynamic Power Global Growth Class Series O	2,343,154	0.2
	1,450,279,633	

	December 31, 2014	
Underlying Fund	Carrying value of the Underlying Fund ($)	Ownership percentage in Underlying Fund (%)
Scotia Global Small Cap Fund Series I	21,281,996	46.0
Scotia Global Opportunities Fund Series I	38,025,974	33.0
Scotia U.S. Dividend Fund Series I	48,696,926	28.0
Scotia International Value Fund Series I	26,189,686	26.7
Scotia Global Dividend Fund Series I	99,108,589	23.4
Dynamic Aurion Total Return Bond Series O	149,138,194	19.3
Scotia Global Growth Fund Series I	81,038,276	13.4
Dynamic Small Business Fund Series O	72,800,156	13.0
CI Black Creek International Equity Corp Class I	52,791,327	7.7
Dynamic Dividend Advantage Fund Series O	69,953,638	7.2
Dynamic Canadian Bond Fund Series O	116,614,070	6.8
CI Signature Corporate Bond Fund Class I	116,558,020	4.2
Dynamic High Yield Bond Fund Series O	28,660,147	3.4
Scotia Canadian Income Fund Series I	176,230,786	2.9
Scotia Canadian Dividend Fund Series I	154,865,313	2.1
CI Cambridge Canadian Equity Corporate Class I	75,239,960	2.0
	1,327,193,058	

5. Comparison of net asset value per unit and net assets per unit (note 2)

The table below provides a comparison of the net asset value per unit and net assets per unit. The primary reason for the difference between the net asset value per unit and net assets per unit, if any, is described in note 2.

	December 31, 2015		December 31, 2014	
	Net asset value per unit ($)	Net assets per unit ($)	Net asset value per unit ($)	Net assets per unit ($)
Series A	15.13	15.13	14.63	14.63
Advisor Series	14.83	14.83	14.32	14.32
Series F	–	–	14.42	14.42

Scotia Selected Growth Portfolio

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars except per unit amounts)	December 31, 2015	December 31, 2014
ASSETS		
Current assets		
Investments		
Non-derivative financial assets	1,017,312,646	907,758,176
Cash	4,958,842	2,574,674
Receivable for securities sold	2,115,363	–
Subscriptions receivable	1,383,751	1,151,546
Accrued investment income and other	1,995	3,138
	1,025,772,597	911,487,534
LIABILITIES		
Current liabilities		
Payable for securities purchased	3,100,000	–
Redemptions payable	507,185	351,441
Distributions payable	1,309,828	14,839
	4,917,013	366,280
Net assets attributable to holders of redeemable units	1,020,855,584	911,121,254
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series A	1,020,596,091	910,901,941
Advisor Series	38,692	36,627
Series F	220,801	182,686
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series A	17.55	16.88
Advisor Series	16.53	15.96
Series F	18.31	17.60

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except per unit amounts)	2015	2014
INCOME		
Net gain (loss) on investments (note 2)		
Dividends	14,742,103	11,996,554
Interest for distribution purposes	8,331,524	8,740,449
Capital gains distributions received	24,778,161	20,522,187
Net realized gain (loss) on non-derivative financial assets	18,907,946	38,899,601
Change in unrealized gain (loss) on non-derivative financial assets	10,618,146	18,328,838
Net gain (loss) on investments	77,377,880	98,487,629
Other income	15,081	11,685
Total income (loss)	77,392,961	98,499,314
EXPENSES		
Management fees (note 5)	18,880,800	16,321,446
Fixed administration fees and operating expense (note 6)	512,534	160,957
Independent Review Committee fees	1,016	1,758
Foreign withholding taxes/tax reclaims	833,564	723,159
Audit fees	–	18,527
Custodian fees	–	2,393
Filing fees	–	38,542
Legal fees	–	2,706
Unitholder administration costs	–	175,148
Unitholder reporting costs	–	33,130
Other fund costs	1,283	–
Harmonized Sales Tax/Goods and Services Tax	2,052,437	1,768,379
Total expenses	22,281,634	19,246,145
Expenses absorbed by the Manager	(13,618)	(15,153)
Net expenses	22,268,016	19,230,992
Increase (decrease) in net assets attributable to holders of redeemable units from operations	55,124,945	79,268,322
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A	55,106,599	79,256,524
Advisor Series	2,065	3,178
Series F	16,281	8,620
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT†		
Series A	0.99	1.53
Advisor Series	0.90	1.42
Series F	1.48	1.14
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series A	55,815,825	51,687,739
Advisor Series	2,296	2,244
Series F	11,000	7,549

† The increase (decrease) in net assets attributable to holders of redeemable units from operations 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 number of units per series.

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the periods ended December 31 (note 1),

(in dollars)	2015	2014
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series A	910,901,941	776,683,170
Advisor Series	36,627	33,570
Series F	182,686	28,497
	911,121,254	776,745,237
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A	55,106,599	79,256,524
Advisor Series	2,065	3,178
Series F	16,281	8,620
	55,124,945	79,268,322
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net investment income		
Series A	(89,835)	–
Series F	(2,464)	–
From net realized gains on investments		
Series A	(19,759,817)	(22,498,743)
Advisor Series	(750)	(905)
Series F	(4,282)	(4,512)
	(19,857,148)	(22,504,160)
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A	178,548,260	165,739,707
Series F	125,194	175,097
Reinvested distributions		
Series A	18,539,660	22,483,904
Advisor Series	750	905
Series F	6,322	4,512
Payments on redemption		
Series A	(122,650,717)	(110,762,621)
Advisor Series	–	(121)
Series F	(102,936)	(29,528)
	74,466,533	77,611,855
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A	109,694,150	134,218,771
Advisor Series	2,065	3,057
Series F	38,115	154,189
	109,734,330	134,376,017
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series A	1,020,596,091	910,901,941
Advisor Series	38,692	36,627
Series F	220,801	182,686
	1,020,855,584	911,121,254

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	55,124,945	79,268,322
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(18,907,946)	(38,899,601)
Change in unrealized (gain) loss on non-derivative financial assets	(10,618,146)	(18,328,838)
Purchases of non-derivative financial assets	(183,109,636)	(274,429,490)
Proceeds from sale of non-derivative financial assets	104,065,893	195,975,728
Accrued investment income and other	1,143	122
Net cash provided by (used in) operating activities	(53,443,747)	(56,413,757)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	178,441,249	165,658,009
Amounts paid on redemption of redeemable units	(122,597,908)	(110,581,769)
Distributions to unitholders of redeemable units	(15,426)	–
Net cash provided by (used in) financing activities	55,827,915	55,076,240
Net increase (decrease) in cash	2,384,168	(1,337,517)
Cash (bank overdraft), beginning of period	2,574,674	3,912,191
CASH (BANK OVERDRAFT), END OF PERIOD	4,958,842	2,574,674
Interest received[1]	8,332,668	8,740,571
Dividends received, net of withholding taxes[1]	13,908,539	11,273,395

[1] Classified as operating items.

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

Scotia Selected Growth Portfolio (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2015

Number of Units	Issuer	Average Cost ($)	Carrying Value ($)
FIXED INCOME FUNDS – 24.6%			
7,734,753	CI Signature Corporate Bond Fund Class I	82,270,004	79,822,656
6,835,166	Dynamic Aurion Total Return Bond Series O	69,399,758	71,564,183
3,955,542	Dynamic High Yield Bond Fund Series O	14,526,711	12,420,402
6,316,333	Scotia Canadian Income Fund Series I	84,781,672	87,115,490
		250,978,145	250,922,731
CANADIAN EQUITY FUNDS – 34.1%			
2,711,665	CI Cambridge Canadian Equity Corporate Class I	36,637,792	52,389,371
4,544,593	Dynamic Dividend Advantage Fund Series O	40,975,204	35,129,702
4,764,335	Dynamic Small Business Fund Series O	65,460,846	69,416,365
5,019,858	Dynamic Value Fund of Canada Series O	52,786,916	52,156,322
2,014,457	Scotia Canadian Dividend Fund Series I	77,876,720	104,123,632
412,238	Scotia Canadian Growth Fund Series I	26,561,758	35,269,050
		300,299,236	348,484,442
FOREIGN EQUITY FUNDS – 40.9%			
1,923,431	CI Black Creek International Equity Corp Class I	40,428,969	42,353,940
140,722	Dynamic Power Global Growth Class Series O	3,100,000	3,070,548
4,942,078	Scotia Global Dividend Fund Series I	72,227,874	84,102,312
1,545,907	Scotia Global Growth Fund Series I	56,520,876	96,854,448
5,256,030	Scotia Global Opportunities Fund Series I	53,207,590	67,662,448
3,576,414	Scotia Global Small Cap Fund Series I	34,408,791	42,022,501
2,331,280	Scotia International Value Fund Series I	17,698,208	20,934,198
4,162,799	Scotia U.S. Dividend Fund Series I	51,145,351	60,905,078
		328,737,659	417,905,473
	TOTAL INVESTMENT PORTFOLIO	880,015,040	1,017,312,646
	OTHER ASSETS, LESS LIABILITIES – 0.4%		3,542,938
	NET ASSETS – 100.0%		1,020,855,584

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

Scotia Selected Growth Portfolio

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

1. The Fund (note 1)

The Fund's investment objective is to achieve a balance of current income and long-term capital appreciation, with a bias towards capital appreciation. It invests primarily in a diversified mix of equity and income mutual funds managed by other mutual fund managers and by us. The portfolio is an asset allocation fund that allocates investment between two asset classes: fixed income and equities.

The Fund invests primarily in mutual funds managed by the Manager and/or by the third party investment managers (the "Underlying Funds"). To ensure the Fund's composition meets the investment objectives of the Fund, the portfolio advisor monitors the Underlying Funds on an ongoing basis and rebalances the Fund's assets among the Underlying Funds.

2. Risks associated with financial instruments (note 4)

i) Interest rate risk

The Fund invests in Underlying Funds, which are exposed to interest rate risk. As at December 31, 2015, 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 $4,350,096 or approximately 0.4% (December 31, 2014 – $2,481,783 or approximately 0.3%). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

ii) Currency risk

The Fund could be exposed to indirect currency risk to the extent that the Underlying Funds held financial instruments that were denominated in a currency other than its functional currency.

iii) Price risk

Price risk is the risk that the carrying 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 price risk is mainly in equities, derivatives and commodities, if applicable. As at December 31, 2015, approximately 75.1% (December 31, 2014 – 75.1%) of the Fund's net assets were invested in Underlying Funds which were exposed to price risk. If prices of the Underlying Funds' investments had decreased or increased by 10%, with all other variables held constant, net assets of the Fund would have decreased or increased, respectively, by approximately $76,638,992 (December 31, 2014 – $68,426,454). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

iv) Credit risk

The Fund could be exposed to indirect credit risk to the extent that the Underlying Funds invested in bonds and debentures, preferred shares and derivatives.

v) Liquidity risk

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

	December 31, 2015		December 31, 2014	
	On demand ($)	Less than 3 months ($)	On demand ($)	Less than 3 months ($)
Current liabilities	–	4,917,013	–	366,280
Liability for written options	–	–	–	–
Unrealized loss on derivatives	–	–	–	–
Redeemable units	1,020,855,584	–	911,121,254	–
	1,020,855,584	4,917,013	911,121,254	366,280

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, geographical location, asset type or industry sector, as applicable. The table below is a summary of the Fund's concentration risk:

	Percentage of net assets (%)	
	December 31, 2015	December 31, 2014
Canadian Equity Funds	34.1	37.6
Fixed Income Funds	24.6	24.5
Foreign Equity Funds	40.9	37.5

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

vii) Fair value classification (note 2)

The tables below illustrate the classification of the Fund's financial instruments within the fair value hierarchy.

December 31, 2015	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Underlying funds	1,017,312,646	–	–	1,017,312,646
	1,017,312,646	–	–	1,017,312,646

December 31, 2014	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Underlying funds	907,758,176	–	–	907,758,176
	907,758,176	–	–	907,758,176

Transfers between levels

During the periods ended December 31, 2015 and 2014, there were no significant transfers between Level 1 and Level 2.

3. Offsetting of financial assets and liabilities (note 2)

As at December 31, 2015 or December 31, 2014, the Fund did not enter into any agreement whereby the financial instruments were eligible for offset.

4. Interest in Underlying Funds (note 2)

The following tables provide information about the Fund's interest in Underlying Funds.

	December 31, 2015	
Underlying Fund	Carrying value of the Underlying Fund ($)	Ownership percentage in Underlying Fund (%)
Scotia Global Small Cap Fund Series I	42,022,501	45.7
Scotia Global Opportunities Fund Series I	67,662,448	36.3
Scotia International Value Fund Series I	20,934,198	31.2
Scotia U.S. Dividend Fund Series I	60,905,078	30.8
Scotia Global Dividend Fund Series I	84,102,312	15.8
Scotia Global Growth Fund Series I	96,854,448	11.4
Dynamic Small Business Fund Series O	69,416,365	10.4
Scotia Canadian Growth Fund Series I	35,269,050	9.1
Dynamic Aurion Total Return Bond Series O	71,564,183	7.5
Dynamic Dividend Advantage Fund Series O	35,129,702	4.2
CI Black Creek International Equity Corp Class I	42,353,940	4.2
Dynamic Value Fund of Canada Series O	52,156,322	2.6
Dynamic High Yield Bond Fund Series O	12,420,402	2.4
CI Signature Corporate Bond Fund Class I	79,822,656	2.4
Scotia Canadian Dividend Fund Series I	104,123,632	1.5
Scotia Canadian Income Fund Series I	87,115,490	1.4
CI Cambridge Canadian Equity Corporate Class I	52,389,371	1.3
Dynamic Power Global Growth Class Series O	3,070,548	0.3
	1,017,312,646	

	December 31, 2014	
Underlying Fund	Carrying value of the Underlying Fund ($)	Ownership percentage in Underlying Fund (%)
Scotia International Value Fund Series I	44,968,527	45.8
Scotia Global Opportunities Fund Series I	50,294,790	43.6
Scotia Global Small Cap Fund Series I	16,714,206	36.2
Scotia U.S. Dividend Fund Series I	53,367,594	30.6
Scotia Global Dividend Fund Series I	87,810,989	20.7
Scotia Global Growth Fund Series I	88,711,967	14.6
Dynamic Small Business Fund Series O	66,663,851	11.9
Scotia Canadian Growth Fund Series I	34,184,034	8.9
Dynamic Aurion Total Return Bond Series O	56,259,795	7.3
Dynamic Dividend Advantage Fund Series O	33,223,577	3.4
Dynamic High Yield Bond Fund Series O	22,047,915	2.6
CI Signature Corporate Bond Fund Class I	66,587,891	2.4
Dynamic Value Fund of Canada Series O	51,196,332	2.3
Scotia Canadian Dividend Fund Series I	104,659,197	1.4
CI Cambridge Canadian Equity Corporate Class I	52,469,476	1.4
Scotia Canadian Income Fund Series I	78,598,035	1.3
	907,758,176	

5. Comparison of net asset value per unit and net assets per unit (note 2)

The table below provides a comparison of the net asset value per unit and net assets per unit. The primary reason for the difference between the net asset value per unit and net assets per unit, if any, is described in note 2.

	December 31, 2015		December 31, 2014	
	Net asset value per unit ($)	Net assets per unit ($)	Net asset value per unit ($)	Net assets per unit ($)
Series A	17.55	17.55	16.88	16.88
Advisor Series	16.53	16.53	15.96	15.96
Series F	18.31	18.31	17.60	17.60

Scotia Selected Maximum Growth Portfolio

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars except per unit amounts)	December 31, 2015	December 31, 2014
ASSETS		
Current assets		
Investments		
Non-derivative financial assets	253,675,722	211,115,886
Cash	1,372,311	2,055,291
Receivable for securities sold	1,576,100	–
Subscriptions receivable	352,442	449,748
Accrued investment income and other	499	1,893
	256,977,074	213,622,818
LIABILITIES		
Current liabilities		
Payable for securities purchased	1,900,000	–
Redemptions payable	89,912	129,531
Distributions payable	85,425	–
	2,075,337	129,531
Net assets attributable to holders of redeemable units	254,901,737	213,493,287
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series A	254,490,690	213,061,846
Advisor Series	398,989	430,866
Series F	12,058	575
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series A	19.04	17.84
Advisor Series	18.95	17.77
Series F	19.39	18.03

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except per unit amounts)	2015	2014
INCOME		
Net gain (loss) on investments (note 2)		
Dividends	3,812,099	3,008,033
Interest for distribution purposes	837,569	859,001
Capital gains distributions received	7,848,492	6,387,946
Net realized gain (loss) on non-derivative financial assets	4,838,387	9,257,635
Change in unrealized gain (loss) on non-derivative financial assets	4,243,086	3,387,036
Net gain (loss) on investments	21,579,633	22,899,651
Other income	7,070	5,507
Total income (loss)	21,586,703	22,905,158
EXPENSES		
Management fees (note 5)	5,088,443	4,132,722
Fixed administration fees and operating expense (note 6)	183,097	52,163
Independent Review Committee fees	1,101	401
Interest expense and bank overdraft charges	–	788
Foreign withholding taxes/tax reclaims	271,983	198,594
Audit fees	–	4,206
Custodian fees	–	1,475
Filing fees	–	25,772
Legal fees	–	615
Unitholder administration costs	–	46,005
Unitholder reporting costs	–	11,677
Other fund costs	319	–
Harmonized Sales Tax/Goods and Services Tax	535,501	436,603
Total expenses	6,080,444	4,911,021
Expenses absorbed by the Manager	(12,718)	(14,806)
Net expenses	6,067,726	4,896,215
Increase (decrease) in net assets attributable to holders of redeemable units from operations	15,518,977	18,008,943
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A	15,487,768	17,986,649
Advisor Series	30,726	22,259
Series F	483	35
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT†		
Series A	1.22	1.57
Advisor Series	1.37	1.20
Series F	2.63	1.35
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series A	12,711,165	11,482,583
Advisor Series	22,375	18,593
Series F	184	26

† The increase (decrease) in net assets attributable to holders of redeemable units from operations 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 number of units per series.

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

Scotia Selected Maximum Growth Portfolio (Continued)

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the periods ended December 31 (note 1),

(in dollars)	2015	2014
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series A	213,061,846	171,930,470
Advisor Series	430,866	3,162
Series F	575	–
	213,493,287	171,933,632
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A	15,487,768	17,986,649
Advisor Series	30,726	22,259
Series F	483	35
	15,518,977	18,008,943
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net realized gains on investments		
Series A	(1,255,283)	–
Advisor Series	(1,632)	–
Series F	(106)	–
	(1,257,021)	–
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A	59,752,719	51,710,060
Advisor Series	689	428,432
Series F	11,000	540
Reinvested distributions		
Series A	1,169,858	–
Advisor Series	1,632	–
Series F	106	–
Payments on redemption		
Series A	(33,726,218)	(28,565,333)
Advisor Series	(63,292)	(22,987)
	27,146,494	23,550,712
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A	41,428,844	41,131,376
Advisor Series	(31,877)	427,704
Series F	11,483	575
	41,408,450	41,559,655
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series A	254,490,690	213,061,846
Advisor Series	398,989	430,866
Series F	12,058	575
	254,901,737	213,493,287

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	15,518,977	18,008,943
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(4,838,387)	(9,257,635)
Change in unrealized (gain) loss on non-derivative financial assets	(4,243,086)	(3,387,036)
Purchases of non-derivative financial assets	(60,116,033)	(78,803,384)
Proceeds from sale of non-derivative financial assets	26,961,570	50,363,041
Accrued investment income and other	1,394	(405)
Net cash provided by (used in) operating activities	(26,715,565)	(23,076,476)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	59,861,714	51,942,589
Amounts paid on redemption of redeemable units	(33,829,129)	(28,572,628)
Net cash provided by (used in) financing activities	26,032,585	23,369,961
Net increase (decrease) in cash	(682,980)	293,485
Cash (bank overdraft), beginning of period	2,055,291	1,761,806
CASH (BANK OVERDRAFT), END OF PERIOD	1,372,311	2,055,291
Interest received[1]	838,964	858,596
Dividends received, net of withholding taxes[1]	3,540,116	2,809,439

[1] Classified as operating items.

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2015

Number of Units	Issuer	Average Cost ($)	Carrying Value ($)
FIXED INCOME FUNDS – 9.8%			
724,033	CI Signature Corporate Bond Fund Class I	7,735,560	7,472,021
477,188	Dynamic Aurion Total Return Bond Series O	4,845,132	4,996,154
785,528	Dynamic High Yield Bond Fund Series O	2,849,992	2,466,557
734,043	Scotia Canadian Income Fund Series I	9,977,832	10,123,991
		25,408,516	25,058,723
CANADIAN EQUITY FUNDS – 38.9%			
770,246	CI Cambridge Canadian Equity Corporate Class I	11,081,433	14,881,159
1,361,526	Dynamic Small Business Fund Series O	19,086,146	19,837,432
2,849,389	Dynamic Value Fund of Canada Series O	31,460,492	29,605,146
381,432	Scotia Canadian Dividend Fund Series I	15,435,548	19,715,547
175,593	Scotia Canadian Growth Fund Series I	11,710,719	15,022,911
		88,774,338	99,062,195
FOREIGN EQUITY FUNDS – 50.8%			
595,312	CI Black Creek International Equity Corp Class I	12,489,642	13,108,767
81,611	Dynamic Power Global Growth Class Series O	1,800,000	1,780,743
1,182,983	Scotia Global Dividend Fund Series I	17,624,400	20,131,529
407,531	Scotia Global Growth Fund Series I	14,414,994	25,532,703
1,868,013	Scotia Global Opportunities Fund Series I	18,664,486	24,047,491
1,102,486	Scotia Global Small Cap Fund Series I	10,559,172	12,954,106
1,449,568	Scotia International Value Fund Series I	11,119,124	13,016,690
1,297,453	Scotia U.S. Dividend Fund Series I	16,592,493	18,982,775
		103,264,311	129,554,804
	TOTAL INVESTMENT PORTFOLIO	217,447,165	253,675,722
	OTHER ASSETS, LESS LIABILITIES – 0.5%		1,226,015
	NET ASSETS – 100.0%		254,901,737

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

Scotia Selected Maximum Growth Portfolio

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

1. The Fund (note 1)

The Fund's investment objective is long-term capital appreciation. It invests primarily in a diversified mix of equity mutual funds, with additional stability derived from investments in income mutual funds managed by other mutual fund managers and by us. The portfolio is an asset allocation fund that allocates investment between two asset classes: fixed income and equities.

The Fund invests primarily in mutual funds managed by the Manager and/or by the third party investment managers (the "Underlying Funds"). To ensure the Fund's composition meets the investment objectives of the Fund, the portfolio advisor monitors the Underlying Funds on an ongoing basis and rebalances the Fund's assets among the Underlying Funds.

2. Risks associated with financial instruments (note 4)

i) Interest rate risk

The Fund invests in Underlying Funds, which are exposed to interest rate risk. As at December 31, 2015, 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 $603,991 or approximately 0.2% (December 31, 2014 – $221,710 or approximately 0.1%). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

ii) Currency risk

The Fund could be exposed to indirect currency risk to the extent that the Underlying Funds held financial instruments that were denominated in a currency other than its functional currency.

iii) Price risk

Price risk is the risk that the carrying 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 price risk is mainly in equities, derivatives and commodities, if applicable. As at December 31, 2015, approximately 89.7% (December 31, 2014 – 89.3%) of the Fund's net assets were invested in Underlying Funds which were exposed to price risk. If prices of the Underlying Funds' investments had decreased or increased by 10%, with all other variables held constant, net assets of the Fund would have decreased or increased, respectively, by approximately $22,861,700 (December 31, 2014 – $19,059,711). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

iv) Credit risk

The Fund could be exposed to indirect credit risk to the extent that the Underlying Funds invested in bonds and debentures, preferred shares and derivatives.

v) Liquidity risk

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

	December 31, 2015		December 31, 2014	
	On demand ($)	Less than 3 months ($)	On demand ($)	Less than 3 months ($)
Current liabilities	–	2,075,337	–	129,531
Liability for written options	–	–	–	–
Unrealized loss on derivatives	–	–	–	–
Redeemable units	254,901,737	–	213,493,287	–
	254,901,737	2,075,337	213,493,287	129,531

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, geographical location, asset type or industry sector, as applicable. The table below is a summary of the Fund's concentration risk:

	Percentage of net assets (%)	
	December 31, 2015	December 31, 2014
Canadian Equity Funds	38.9	43.8
Fixed Income Funds	9.8	9.6
Foreign Equity Funds	50.8	45.5

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

vii) Fair value classification (note 2)

The tables below illustrate the classification of the Fund's financial instruments within the fair value hierarchy.

December 31, 2015	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Underlying funds	253,675,722	–	–	253,675,722
	253,675,722	–	–	253,675,722

December 31, 2014	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Underlying funds	211,115,886	–	–	211,115,886
	211,115,886	–	–	211,115,886

Transfers between levels

During the periods ended December 31, 2015 and 2014, there were no significant transfers between Level 1 and Level 2.

3. Offsetting of financial assets and liabilities (note 2)

As at December 31, 2015 or December 31, 2014, the Fund did not enter into any agreement whereby the financial instruments were eligible for offset.

4. Interest in Underlying Funds (note 2)

The following tables provide information about the Fund's interest in Underlying Funds.

	December 31, 2015	
Underlying Fund	Carrying value of the Underlying Fund ($)	Ownership percentage in Underlying Fund (%)
Scotia International Value Fund Series I	13,016,690	19.4
Scotia Global Small Cap Fund Series I	12,954,106	14.1
Scotia Global Opportunities Fund Series I	24,047,491	12.9
Scotia U.S. Dividend Fund Series I	18,982,775	9.6
Scotia Canadian Growth Fund Series I	15,022,911	3.9
Scotia Global Dividend Fund Series I	20,131,529	3.8
Scotia Global Growth Fund Series I	25,532,703	3.0
Dynamic Small Business Fund Series O	19,837,432	3.0
Dynamic Value Fund of Canada Series O	29,605,146	1.4
CI Black Creek International Equity Corp Class I	13,108,767	1.3
Dynamic Aurion Total Return Bond Series O	4,996,154	0.5
Dynamic High Yield Bond Fund Series O	2,466,557	0.5
CI Cambridge Canadian Equity Corporate Class I	14,881,159	0.4
Scotia Canadian Dividend Fund Series I	19,715,547	0.3
CI Signature Corporate Bond Fund Class I	7,472,021	0.2
Dynamic Power Global Growth Class Series O	1,780,743	0.2
Scotia Canadian Income Fund Series I	10,123,991	0.2
	253,675,722	

	December 31, 2014	
Underlying Fund	Carrying value of the Underlying Fund ($)	Ownership percentage in Underlying Fund (%)
Scotia International Value Fund Series I	16,608,237	16.9
Scotia Global Opportunities Fund Series I	17,406,377	15.1
Scotia Global Small Cap Fund Series I	5,046,523	10.9
Scotia U.S. Dividend Fund Series I	14,891,268	8.5
Scotia Global Dividend Fund Series I	21,695,132	5.1
Scotia Canadian Growth Fund Series I	13,968,206	3.6
Scotia Global Growth Fund Series I	21,483,710	3.5
Dynamic Small Business Fund Series O	18,458,337	3.3
Dynamic Value Fund of Canada Series O	27,777,256	1.2
Dynamic Aurion Total Return Bond Series O	4,144,992	0.5
CI Cambridge Canadian Equity Corporate Class I	14,219,459	0.4
Dynamic High Yield Bond Fund Series O	3,055,318	0.4
Scotia Canadian Dividend Fund Series I	19,042,604	0.3
CI Signature Corporate Bond Fund Class I	6,122,528	0.2
Scotia Canadian Income Fund Series I	7,195,939	0.1
	211,115,886	

5. Comparison of net asset value per unit and net assets per unit (note 2)

The table below provides a comparison of the net asset value per unit and net assets per unit. The primary reason for the difference between the net asset value per unit and net assets per unit, if any, is described in note 2.

	December 31, 2015		December 31, 2014	
	Net asset value per unit ($)	Net assets per unit ($)	Net asset value per unit ($)	Net assets per unit ($)
Series A	19.04	19.04	17.84	17.84
Advisor Series	18.95	18.95	17.77	17.77
Series F	19.39	19.39	18.03	18.03

Scotia Partners Income Portfolio

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars except per unit amounts)	December 31, 2015	December 31, 2014
ASSETS		
Current assets		
Investments		
Non-derivative financial assets	716,586,863	642,032,701
Cash	1,908,592	3,645,449
Receivable for securities sold	2,001,508	–
Subscriptions receivable	634,643	1,368,385
Accrued investment income and other	763	3,094
	721,132,369	647,049,629
LIABILITIES		
Current liabilities		
Payable for securities purchased	700,000	–
Redemptions payable	230,072	517,588
Distributions payable	741,848	206,055
	1,671,920	723,643
Net assets attributable to holders of redeemable units	719,460,449	646,325,986
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series A	719,460,449	646,325,986
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series A	10.86	10.98

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except per unit amounts)	2015	2014
INCOME		
Net gain (loss) on investments (note 2)		
Dividends	3,694,106	6,021,475
Interest for distribution purposes	22,332,884	19,100,792
Capital gains distributions received	7,373,052	4,093,409
Net realized gain (loss) on non-derivative financial assets	13,250,804	13,046,638
Change in unrealized gain (loss) on non-derivative financial assets	(14,417,281)	10,933,276
Net gain (loss) on investments	32,233,565	53,195,590
Other income	16,818	14,363
Total income (loss)	32,250,383	53,209,953
EXPENSES		
Management fees (note 5)	12,712,307	10,838,080
Fixed administration fees (note 6)	353,121	114,163
Independent Review Committee fees	1,054	1,223
Interest expense and bank overdraft charges	–	62
Foreign withholding taxes/tax reclaims	–	22,136
Audit fees	–	12,892
Custodian fees	–	189
Filing fees	–	26,431
Legal fees	–	1,876
Unitholder administration costs	–	110,249
Unitholder reporting costs	–	22,273
Other fund costs	908	–
Harmonized Sales Tax/Goods and Services Tax	1,407,305	1,177,581
Total expenses	14,474,695	12,327,155
Increase (decrease) in net assets attributable to holders of redeemable units from operations	17,775,688	40,882,798
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A	17,775,688	40,882,798
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT†		
Series A	0.28	0.75
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series A	62,967,770	54,426,553

† The increase (decrease) in net assets attributable to holders of redeemable units from operations 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 number of units per series.

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the periods ended December 31 (note 1),

(in dollars)	2015	2014
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series A	646,325,986	540,210,970
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A	17,775,688	40,882,798
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net investment income		
Series A	(12,184,891)	(12,809,475)
From net realized gains on investments		
Series A	(14,835,257)	(12,786,047)
	(27,020,148)	(25,595,522)
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A	174,383,819	181,842,518
Reinvested distributions		
Series A	26,194,084	25,244,997
Payments on redemption		
Series A	(118,198,980)	(116,259,775)
	82,378,923	90,827,740
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A	73,134,463	106,115,016
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series A	719,460,449	646,325,986

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	17,775,688	40,882,798
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(13,250,804)	(13,046,638)
Change in unrealized (gain) loss on non-derivative financial assets	14,417,281	(10,933,276)
Purchases of non-derivative financial assets	(217,568,799)	(364,441,937)
Proceeds from sale of non-derivative financial assets	140,546,652	284,107,388
Accrued investment income and other	2,331	(1,940)
Net cash provided by (used in) operating activities	(58,077,651)	(63,433,605)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	175,117,561	181,210,330
Amounts paid on redemption of redeemable units	(118,486,496)	(116,105,227)
Distributions to unitholders of redeemable units	(290,271)	(220,377)
Net cash provided by (used in) financing activities	56,340,794	64,884,726
Net increase (decrease) in cash	(1,736,857)	1,451,121
Cash (bank overdraft), beginning of period	3,645,449	2,194,328
CASH (BANK OVERDRAFT), END OF PERIOD	1,908,592	3,645,449
Interest received[1]	22,335,216	19,101,946
Dividends received, net of withholding taxes[1]	3,694,106	5,999,339

[1] Classified as operating items.

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

Scotia Partners Income Portfolio (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2015

Number of Units	Issuer	Average Cost ($)	Carrying Value ($)
FIXED INCOME FUNDS – 74.8%			
6,744,283	CI Signature Corporate Bond Fund Class I	71,299,148	69,600,998
11,487,424	Dynamic Aurion Total Return Bond Series O	118,640,841	120,273,326
24,725,423	Dynamic Canadian Bond Fund Series O	135,296,004	135,000,810
5,622,763	PIMCO Monthly Income Fund (Canada) Class I	78,923,046	78,186,208
12,530,664	Scotia Private Canadian Corporate Bond Pool Series I	134,539,788	135,031,688
		538,698,827	538,093,030
CANADIAN EQUITY FUNDS – 12.8%			
1,566,776	CI Cambridge Canadian Equity Corporate Class I	29,781,485	30,270,118
708,844	Dynamic Global Real Estate Fund Series O	5,647,332	7,180,587
854,564	Dynamic Small Business Fund Series O	12,150,271	12,451,002
809,957	Scotia Canadian Dividend Fund Series I	43,234,994	41,865,240
		90,814,082	91,766,947
FOREIGN EQUITY FUNDS – 12.1%			
1,262,489	AGF Global Dividend Fund Series O	28,000,867	32,496,458
428,528	Dynamic Global Infrastructure Fund Series O	5,267,638	7,207,844
1,386,769	Mackenzie Ivy Foreign Equity Fund Series O	14,496,839	17,948,946
272,371	Mawer International Equity Fund Class O	14,435,781	14,633,050
379,808	Mawer U.S. Equity Fund Class O	15,245,469	14,440,588
		77,446,594	86,726,886
	TOTAL INVESTMENT PORTFOLIO	706,959,503	716,586,863
	OTHER ASSETS, LESS LIABILITIES – 0.3%		2,873,586
	NET ASSETS – 100.0%		719,460,449

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

Scotia Partners Income Portfolio

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

1. The Fund (note 1)

The Fund's investment objective is to achieve a combination of a steady flow of income with the potential for capital gains. It invests primarily in a diversified mix of equity and income mutual funds managed by other mutual fund managers and by us. The portfolio is an asset allocation fund that allocates investment between two asset classes: fixed income and equities.

The Fund invests primarily in mutual funds managed by the Manager and/or by the third party investment managers (the "Underlying Funds"). To ensure the Fund's composition meets the investment objectives of the Fund, the portfolio advisor monitors the Underlying Funds on an ongoing basis and rebalances the Fund's assets among the Underlying Funds.

2. Risks associated with financial instruments (note 4)

i) Interest rate risk

The Fund invests in Underlying Funds, which are exposed to interest rate risk. As at December 31, 2015, 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 $6,675,799 or approximately 0.9% (December 31, 2014 – $4,385,683 or approximately 0.7%). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

ii) Currency risk

The Fund could be exposed to indirect currency risk to the extent that the Underlying Funds held financial instruments that were denominated in a currency other than its functional currency.

iii) Price risk

Price risk is the risk that the carrying 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 price risk is mainly in equities, derivatives and commodities, if applicable. As at December 31, 2015, approximately 24.8% (December 31, 2014 – 25.3%) of the Fund's net assets were invested in Underlying Funds which were exposed to price risk. If prices of the Underlying Funds' investments had decreased or increased by 10%, with all other variables held constant, net assets of the Fund would have decreased or increased, respectively, by approximately $17,849,383 (December 31, 2014 – $16,345,124). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

iv) Credit risk

The Fund could be exposed to indirect credit risk to the extent that the Underlying Funds invested in bonds and debentures, preferred shares and derivatives.

v) Liquidity risk

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

	December 31, 2015		December 31, 2014	
	On demand ($)	Less than 3 months ($)	On demand ($)	Less than 3 months ($)
Current liabilities	–	1,671,920	–	723,643
Liability for written options	–	–	–	–
Unrealized loss on derivatives	–	–	–	–
Redeemable units	719,460,449	–	646,325,986	–
	719,460,449	1,671,920	646,325,986	723,643

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, geographical location, asset type or industry sector, as applicable. The table below is a summary of the Fund's concentration risk:

	Percentage of net assets (%)	
	December 31, 2015	December 31, 2014
Canadian Equity Funds	12.8	13.1
Fixed Income Funds	74.8	74.0
Foreign Equity Funds	12.1	12.2

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

vii) Fair value classification (note 2)

The tables below illustrate the classification of the Fund's financial instruments within the fair value hierarchy.

December 31, 2015	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Underlying funds	716,586,863	–	–	716,586,863
	716,586,863	–	–	716,586,863

December 31, 2014	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Underlying funds	642,032,701	–	–	642,032,701
	642,032,701	–	–	642,032,701

Transfers between levels

During the periods ended December 31, 2015 and 2014, there were no significant transfers between Level 1 and Level 2.

3. Offsetting of financial assets and liabilities (note 2)

As at December 31, 2015 or December 31, 2014, the Fund did not enter into any agreement whereby the financial instruments were eligible for offset.

4. Interest in Underlying Funds (note 2)

The following tables provide information about the Fund's interest in Underlying Funds.

	December 31, 2015	
Underlying Fund	Carrying value of the Underlying Fund ($)	Ownership percentage in Underlying Fund (%)
Dynamic Aurion Total Return Bond Series O	120,273,326	12.6
Dynamic Canadian Bond Fund Series O	135,000,810	6.9
Dynamic Global Real Estate Fund Series O	7,180,587	3.7
Scotia Private Canadian Corporate Bond Pool Series I	135,031,688	2.6
CI Signature Corporate Bond Fund Class I	69,600,998	2.1
Dynamic Small Business Fund Series O	12,451,002	1.9
AGF Global Dividend Fund Series I	32,496,458	1.5
Dynamic Global Infrastructure Fund Series O	7,207,844	1.3
PIMCO Monthly Income Fund (Canada) Class I	78,186,208	1.0
CI Cambridge Canadian Equity Corporate Class I	30,270,118	0.7
Mawer U.S. Equity Fund Class O	14,440,588	0.7
Scotia Canadian Dividend Fund Series I	41,865,240	0.6
Mawer International Equity Fund Class O	14,633,050	0.4
Mackenzie Ivy Foreign Equity Fund Series O	17,948,946	0.4
	716,586,863	

	December 31, 2014	
Underlying Fund	Carrying value of the Underlying Fund ($)	Ownership percentage in Underlying Fund (%)
Dynamic Aurion Total Return Bond Series O	97,195,127	12.6
CI Canadian Dividend Fund Series I	29,844,932	10.5
Dynamic Canadian Bond Fund Series O	118,710,437	6.9
Mackenzie Ivy Foreign Equity Fund Series O	23,713,798	5.2
Dynamic Global Real Estate Fund Series O	8,431,125	4.5
Mackenzie US Mid Cap Growth Class Series O	11,871,827	3.2
AGF Global Dividend Fund Series I	26,537,920	2.9
CI Signature Corporate Bond Fund Class I	71,615,066	2.6
Scotia Private Canadian Corporate Bond Pool Series I	94,903,339	2.3
Invesco International Growth Fund Series I	8,333,357	2.2
Dynamic Small Business Fund Series O	11,005,171	2.0
Dynamic Global Infrastructure Fund Series O	8,406,010	1.5
PIMCO Monthly Income Fund (Canada) Class I	96,157,489	1.5
Dynamic Equity Income Fund Series O	19,003,107	1.0
CI Cambridge Canadian Equity Corporate Class I	16,303,996	0.4
	642,032,701	

5. Comparison of net asset value per unit and net assets per unit (note 2)

The table below provides a comparison of the net asset value per unit and net assets per unit. The primary reason for the difference between the net asset value per unit and net assets per unit, if any, is described in note 2.

	December 31, 2015		December 31, 2014	
	Net asset value per unit ($)	Net assets per unit ($)	Net asset value per unit ($)	Net assets per unit ($)
Series A	10.86	10.86	10.98	10.98

Scotia Partners Balanced Income Portfolio

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars except per unit amounts)	December 31, 2015	December 31, 2014
ASSETS		
Current assets		
Investments		
Non-derivative financial assets	1,154,791,253	960,931,288
Cash	5,583,173	5,449,733
Receivable for securities sold	1,472,000	–
Subscriptions receivable	898,914	1,892,358
Accrued investment income and other	2,418	4,842
	1,162,747,758	968,278,221
LIABILITIES		
Current liabilities		
Payable for securities purchased	1,400,000	–
Redemptions payable	783,042	424,970
Distributions payable	1,151,722	55,990
	3,334,764	480,960
Net assets attributable to holders of redeemable units	1,159,412,994	967,797,261
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series A	1,158,907,877	967,779,158
Series F	505,117	18,103
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series A	13.49	13.53
Series F	13.44	13.51

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except per unit amounts)	2015	2014
INCOME		
Net gain (loss) on investments (note 2)		
Dividends	12,069,517	6,434,426
Interest for distribution purposes	32,555,156	21,842,069
Capital gains distributions received	9,114,683	5,466,529
Net realized gain (loss) on non-derivative financial assets	17,087,676	13,096,277
Change in unrealized gain (loss) on non-derivative financial assets	(19,223,557)	33,434,736
Net gain (loss) on investments	51,603,475	80,274,037
Other income	20,426	16,554
Total income (loss)	51,623,901	80,290,591
EXPENSES		
Management fees (note 5)	20,389,234	15,925,692
Fixed administration fees (note 6)	551,454	168,551
Independent Review Committee fees	948	1,725
Foreign withholding taxes/tax reclaims	–	38,696
Audit fees	–	18,280
Custodian fees	–	3,409
Filing fees	–	26,965
Legal fees	–	2,607
Unitholder administration costs	–	147,890
Unitholder reporting costs	–	28,338
Other fund costs	1,457	–
Harmonized Sales Tax/Goods and Services Tax	2,293,210	1,780,913
Total expenses	23,236,303	18,143,066
Expenses absorbed by the Manager	–	(2,096)
Net expenses	23,236,303	18,140,970
Increase (decrease) in net assets attributable to holders of redeemable units from operations	28,387,598	62,149,621
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A	28,392,040	62,148,140
Series F	(4,442)	1,481
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT†		
Series A	0.36	0.97
Series F	(0.17)	1.11
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series A	79,309,978	64,235,664
Series F	26,463	1,332

† The increase (decrease) in net assets attributable to holders of redeemable units from operations 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 number of units per series.

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the periods ended December 31 (note 1),

(in dollars)	2015	2014
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series A	967,779,158	699,810,578
Series F	18,103	17,019
	967,797,261	699,827,597
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A	28,392,040	62,148,140
Series F	(4,442)	1,481
	28,387,598	62,149,621
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net investment income		
Series A	(22,420,488)	(10,151,755)
Series F	(15,868)	(324)
From net realized gains on investments		
Series A	(14,014,526)	(9,515,912)
Series F	(6,184)	(182)
	(36,457,066)	(19,668,173)
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A	320,154,372	327,818,783
Series F	528,763	–
Reinvested distributions		
Series A	35,285,000	19,612,204
Series F	19,955	109
Payments on redemption		
Series A	(156,267,679)	(121,942,880)
Series F	(35,210)	–
	199,685,201	225,488,216
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A	191,128,719	267,968,580
Series F	487,014	1,084
	191,615,733	267,969,664
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series A	1,158,907,877	967,779,158
Series F	505,117	18,103
	1,159,412,994	967,797,261

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	28,387,598	62,149,621
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(17,087,676)	(13,096,277)
Change in unrealized (gain) loss on non-derivative financial assets	19,223,557	(33,434,736)
Purchases of non-derivative financial assets	(382,263,842)	(434,340,978)
Proceeds from sale of non-derivative financial assets	186,195,996	214,072,316
Accrued investment income and other	2,424	(4,042)
Net cash provided by (used in) operating activities	(165,541,943)	(204,654,096)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	321,676,579	327,149,852
Amounts paid on redemption of redeemable units	(155,944,817)	(121,798,939)
Distributions to unitholders of redeemable units	(56,379)	(30,594)
Net cash provided by (used in) financing activities	165,675,383	205,320,319
Net increase (decrease) in cash	133,440	666,223
Cash (bank overdraft), beginning of period	5,449,733	4,783,510
CASH (BANK OVERDRAFT), END OF PERIOD	5,583,173	5,449,733
Interest received[1]	32,557,580	21,842,869
Dividends received, net of withholding taxes[1]	12,069,517	6,395,730

[1] Classified as operating items.

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

Scotia Partners Balanced Income Portfolio (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2015

Number of Units	Issuer	Average Cost ($)	Carrying Value ($)
FIXED INCOME FUNDS – 64.6%			
7,314,769	CI Signature Corporate Bond Fund Class I	77,944,196	75,488,416
11,061,566	Dynamic Aurion Total Return Bond Series O	114,329,709	115,814,595
20,585,190	Dynamic Canadian Bond Fund Series O	112,190,882	112,395,139
8,068,666	PIMCO Monthly Income Fund (Canada) Class I	114,821,435	112,197,220
10,651,258	Scotia Canadian Income Fund Series I	145,656,689	146,903,222
17,341,621	Scotia Private Canadian Corporate Bond Pool Series I	183,722,790	186,875,039
		748,665,701	749,673,631
CANADIAN EQUITY FUNDS – 17.9%			
2,933,657	CI Cambridge Canadian Equity Corporate Class I	51,346,467	56,678,253
1,455,790	Dynamic Global Real Estate Fund Series O	12,563,810	14,747,156
1,956,237	Dynamic Small Business Fund Series O	28,105,769	28,502,368
3,008,064	Dynamic Value Fund of Canada Series O	35,011,392	31,253,782
1,468,877	Scotia Canadian Dividend Fund Series I	62,559,972	75,923,607
		189,587,410	207,105,166
FOREIGN EQUITY FUNDS – 17.1%			
2,186,119	AGF Global Dividend Fund Series O	50,447,347	56,270,714
867,198	Dynamic Global Infrastructure Fund Series O	13,435,841	14,586,263
3,890,089	Mackenzie Ivy Foreign Equity Fund Series O	44,362,277	50,349,427
448,989	Mackenzie US Mid Cap Growth Class Series O	9,925,022	17,386,934
612,576	Mawer International Equity Fund Class O	28,470,162	32,910,482
697,214	Mawer U.S. Equity Fund Class O	16,933,578	26,508,636
		163,574,227	198,012,456
	TOTAL INVESTMENT PORTFOLIO	1,101,827,338	1,154,791,253
	OTHER ASSETS, LESS LIABILITIES – 0.4%		4,621,741
	NET ASSETS – 100.0%		1,159,412,994

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

Scotia Partners Balanced Income Portfolio

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

1. The Fund (note 1)

The Fund's investment objective is to achieve a balance of current income and long-term capital appreciation, with a bias towards income. It invests primarily in a diversified mix of equity and income mutual funds managed by other mutual fund managers and by us. The portfolio is an asset allocation fund that allocates investment between two asset classes: fixed income and equities.

The Fund invests primarily in mutual funds managed by the Manager and/or by the third party investment managers (the "Underlying Funds"). To ensure the Fund's composition meets the investment objectives of the Fund, the portfolio advisor monitors the Underlying Funds on an ongoing basis and rebalances the Fund's assets among the Underlying Funds.

2. Risks associated with financial instruments (note 4)

i) Interest rate risk

The Fund invests in Underlying Funds, which are exposed to interest rate risk. As at December 31, 2015, 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 $9,147,741 or approximately 0.8% (December 31, 2014 – $6,742,448 or approximately 0.7%). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

ii) Currency risk

The Fund could be exposed to indirect currency risk to the extent that the Underlying Funds held financial instruments that were denominated in a currency other than its functional currency.

iii) Price risk

Price risk is the risk that the carrying 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 price risk is mainly in equities, derivatives and commodities, if applicable. As at December 31, 2015, approximately 34.9% (December 31, 2014 – 35.3%) of the Fund's net assets were invested in Underlying Funds which were exposed to price risk. If prices of the Underlying Funds' investments had decreased or increased by 10%, with all other variables held constant, net assets of the Fund would have decreased or increased, respectively, by approximately $40,511,762 (December 31, 2014 – $34,158,527). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

iv) Credit risk

The Fund could be exposed to indirect credit risk to the extent that the Underlying Funds invested in bonds and debentures, preferred shares and derivatives.

v) Liquidity risk

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

	December 31, 2015		December 31, 2014	
	On demand ($)	Less than 3 months ($)	On demand ($)	Less than 3 months ($)
Current liabilities	–	3,334,764	–	480,960
Liability for written options	–	–	–	–
Unrealized loss on derivatives	–	–	–	–
Redeemable units	1,159,412,994	–	967,797,261	–
	1,159,412,994	3,334,764	967,797,261	480,960

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, geographical location, asset type or industry sector, as applicable. The table below is a summary of the Fund's concentration risk:

	Percentage of net assets (%)	
	December 31, 2015	December 31, 2014
Canadian Equity Funds	17.9	18.1
Fixed Income Funds	64.6	64.0
Foreign Equity Funds	17.1	17.2

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

vii) Fair value classification (note 2)

The tables below illustrate the classification of the Fund's financial instruments within the fair value hierarchy.

December 31, 2015	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Underlying funds	1,154,791,253	–	–	1,154,791,253
	1,154,791,253	–	–	1,154,791,253

December 31, 2014	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Underlying funds	960,931,288	–	–	960,931,288
	960,931,288	–	–	960,931,288

Transfers between levels

During the periods ended December 31, 2015 and 2014, there were no significant transfers between Level 1 and Level 2.

3. Offsetting of financial assets and liabilities (note 2)

As at December 31, 2015 or December 31, 2014, the Fund did not enter into any agreement whereby the financial instruments were eligible for offset.

4. Interest in Underlying Funds (note 2)

The following tables provide information about the Fund's interest in Underlying Funds.

	December 31, 2015	
Underlying Fund	Carrying value of the Underlying Fund ($)	Ownership percentage in Underlying Fund (%)
Dynamic Aurion Total Return Bond Series O	115,814,595	12.1
Dynamic Global Real Estate Fund Series O	14,747,156	7.5
Dynamic Canadian Bond Fund Series O	112,395,139	5.8
Dynamic Small Business Fund Series O	28,502,368	4.3
Scotia Private Canadian Corporate Bond Pool Series I	186,875,039	3.7
Dynamic Global Infrastructure Fund Series O	14,586,263	2.6
AGF Global Dividend Fund Series I	56,270,714	2.6
Scotia Canadian Income Fund Series I	146,903,222	2.4
CI Signature Corporate Bond Fund Class I	75,488,416	2.2
Dynamic Value Fund of Canada Series O	31,253,782	1.5
PIMCO Monthly Income Fund (Canada) Class I	112,197,220	1.4
CI Cambridge Canadian Equity Corporate Class I	56,678,253	1.4
Mawer U.S. Equity Fund Class O	26,508,636	1.3
Mackenzie US Mid Cap Growth Class Series O	17,386,934	1.2
Mackenzie Ivy Foreign Equity Fund Series O	50,349,427	1.2
Scotia Canadian Dividend Fund Series I	75,923,607	1.1
Mawer International Equity Fund Class O	32,910,482	1.0
	1,154,791,253	

	December 31, 2014	
Underlying Fund	Carrying value of the Underlying Fund ($)	Ownership percentage in Underlying Fund (%)
CI Canadian Dividend Fund Series I	38,046,884	13.4
Dynamic Aurion Total Return Bond Series O	95,308,699	12.3
Mackenzie Ivy Foreign Equity Fund Series O	44,435,743	9.7
Dynamic Global Real Estate Fund Series O	12,629,549	6.7
Mackenzie US Mid Cap Growth Class Series O	22,812,080	6.2
Dynamic Small Business Fund Series O	23,703,150	4.2
Mackenzie Emerging Markets Class Series O	17,004,177	4.0
Invesco International Growth Fund Series I	14,567,717	3.8
Dynamic Canadian Bond Fund Series O	61,810,633	3.6
CI Signature Corporate Bond Fund Class I	92,646,276	3.3
Scotia Private Canadian Corporate Bond Pool Series I	122,845,974	3.0
Scotia Canadian Income Fund Series I	153,944,279	2.6
Dynamic Global Infrastructure Fund Series O	12,602,618	2.2
AGF Global Dividend Fund Series I	19,808,313	2.1
PIMCO Monthly Income Fund (Canada) Class I	92,790,157	1.4
Mawer U.S. Equity Fund Class O	22,897,376	1.2
Scotia Canadian Dividend Fund Series I	67,015,278	0.9
CI Cambridge Canadian Equity Corporate Class I	33,636,849	0.9
Mawer International Equity Fund Class O	12,425,536	0.4
	960,931,288	

5. Comparison of net asset value per unit and net assets per unit (note 2)

The table below provides a comparison of the net asset value per unit and net assets per unit. The primary reason for the difference between the net asset value per unit and net assets per unit, if any, is described in note 2.

	December 31, 2015		December 31, 2014	
	Net asset value per unit ($)	Net assets per unit ($)	Net asset value per unit ($)	Net assets per unit ($)
Series A	13.49	13.49	13.53	13.53
Series F	13.44	13.44	13.51	13.51

Scotia Partners Balanced Growth Portfolio

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars except per unit amounts)	December 31, 2015	December 31, 2014
ASSETS		
Current assets		
Investments		
Non-derivative financial assets	2,629,859,944	2,394,969,958
Cash	10,904,577	12,537,853
Subscriptions receivable	1,759,539	2,460,690
Accrued investment income and other	4,930	11,383
	2,642,528,990	2,409,979,884
LIABILITIES		
Current liabilities		
Redemptions payable	955,370	1,629,947
Distributions payable	1,567,219	143,346
	2,522,589	1,773,293
Net assets attributable to holders of redeemable units	2,640,006,401	2,408,206,591
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series A	2,639,485,586	2,407,922,168
Series F	520,815	284,423
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series A	16.00	15.66
Series F	16.86	16.55

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except per unit amounts)	2015	2014
INCOME		
Net gain (loss) on investments (note 2)		
Dividends	41,908,125	22,865,791
Interest for distribution purposes	46,189,958	33,675,416
Capital gains distributions received	20,652,102	29,997,393
Net realized gain (loss) on non-derivative financial assets	21,573,202	88,710,999
Change in unrealized gain (loss) on non-derivative financial assets	10,680,082	60,794,138
Net gain (loss) on investments	141,003,469	236,043,737
Other income	28,300	19,116
Total income (loss)	141,031,769	236,062,853
EXPENSES		
Management fees (note 5)	51,923,838	44,940,282
Fixed administration fees (note 6)	1,039,031	340,272
Independent Review Committee fees	852	4,572
Foreign withholding taxes/tax reclaims	386,411	304,227
Audit fees	–	48,132
Custodian fees	–	2,688
Filing fees	–	54,877
Legal fees	–	7,013
Unitholder administration costs	–	376,836
Unitholder reporting costs	–	64,550
Other fund costs	3,325	–
Harmonized Sales Tax/Goods and Services Tax	5,757,102	4,953,965
Total expenses	59,110,559	51,097,414
Expenses absorbed by the Manager	–	(1,838)
Net expenses	59,110,559	51,095,576
Increase (decrease) in net assets attributable to holders of redeemable units from operations	81,921,210	184,967,277
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A	81,947,901	184,952,323
Series F	(26,691)	14,954
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT†		
Series A	0.51	1.29
Series F	(0.94)	1.43
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series A	160,332,031	143,209,226
Series F	28,382	10,460

† The increase (decrease) in net assets attributable to holders of redeemable units from operations 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 number of units per series.

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the periods ended December 31 (note 1),

(in dollars)	2015	2014
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series A	2,407,922,168	1,975,156,149
Series F	284,423	139,973
	2,408,206,591	1,975,296,122
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A	81,947,901	184,952,323
Series F	(26,691)	14,954
	81,921,210	184,967,277
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net investment income		
Series A	(31,565,563)	(1,674,374)
Series F	(11,808)	(3,851)
From net realized gains on investments		
Series A	–	(85,872,447)
Series F	–	(10,231)
	(31,577,371)	(87,560,903)
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A	465,894,693	508,223,516
Series F	1,327,041	180,554
Reinvested distributions		
Series A	29,999,878	87,406,462
Series F	7,624	11,590
Payments on redemption		
Series A	(314,713,491)	(260,269,461)
Series F	(1,059,774)	(48,566)
	181,455,971	335,504,095
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A	231,563,418	432,766,019
Series F	236,392	144,450
	231,799,810	432,910,469
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series A	2,639,485,586	2,407,922,168
Series F	520,815	284,423
	2,640,006,401	2,408,206,591

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	81,921,210	184,967,277
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(21,573,202)	(88,710,999)
Change in unrealized (gain) loss on non-derivative financial assets	(10,680,082)	(60,794,138)
Purchases of non-derivative financial assets	(598,775,060)	(917,480,481)
Proceeds from sale of non-derivative financial assets	396,138,357	633,015,905
Accrued investment income and other	6,453	(2,262)
Net cash provided by (used in) operating activities	(152,962,324)	(249,004,698)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	467,922,886	508,582,066
Amounts paid on redemption of redeemable units	(316,447,842)	(259,526,342)
Distributions to unitholders of redeemable units	(145,996)	(25,969)
Net cash provided by (used in) financing activities	151,329,048	249,029,755
Net increase (decrease) in cash	(1,633,276)	25,057
Cash (bank overdraft), beginning of period	12,537,853	12,512,796
CASH (BANK OVERDRAFT), END OF PERIOD	10,904,577	12,537,853
Interest received[1]	46,196,411	33,673,154
Dividends received, net of withholding taxes[1]	41,521,714	22,561,564

[1] Classified as operating items.

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

Scotia Partners Balanced Growth Portfolio (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2015

Number of Units	Issuer	Average Cost ($)	Carrying Value ($)
FIXED INCOME FUNDS – 39.8%			
10,055,043	CI Signature Corporate Bond Fund Class I	102,229,012	103,768,042
19,315,187	Dynamic Canadian Bond Fund Series O	105,800,761	105,460,920
11,228,489	PIMCO Monthly Income Fund (Canada) Class I	164,531,167	156,135,503
30,649,677	Scotia Canadian Income Fund Series I	418,034,335	422,723,409
24,505,633	Scotia Private Canadian Corporate Bond Pool Series I	256,916,729	264,075,152
		1,047,512,004	1,052,163,026
CANADIAN EQUITY FUNDS – 27.0%			
11,046,667	CI Cambridge Canadian Equity Corporate Class I	153,072,942	213,421,609
1,907,676	CI Canadian Dividend Fund Series I	30,933,713	31,228,658
7,030,954	Dynamic Small Business Fund Series O	106,028,999	102,441,006
11,155,484	Dynamic Value Fund of Canada Series O	133,917,920	115,905,478
4,830,553	Scotia Canadian Dividend Fund Series I	197,664,122	249,682,610
		621,617,696	712,679,361
FOREIGN EQUITY FUNDS – 32.8%			
5,998,393	AGF Global Dividend Fund Series O	131,867,020	154,398,641
9,079,355	Dynamic Global Equity Fund Series O	100,004,744	121,209,387
9,549,582	Invesco International Growth Fund Series I	63,166,195	88,314,532
1,206,489	Mackenzie Emerging Markets Class Series O	33,469,608	38,193,348
4,199,997	Mackenzie Ivy Foreign Equity Fund Series O	43,713,905	54,360,567
2,117,025	Mackenzie US Mid Cap Growth Class Series O	36,374,129	81,980,942
1,655,846	Mawer International Equity Fund Class O	65,266,158	88,959,843
3,038,292	Mawer U.S. Equity Fund Class O	76,807,272	115,518,297
1,948,567	Scotia Global Growth Fund Series I	94,450,150	122,082,000
		645,119,181	865,017,557
	TOTAL INVESTMENT PORTFOLIO	2,314,248,881	2,629,859,944
	OTHER ASSETS, LESS LIABILITIES – 0.4%		10,146,457
	NET ASSETS – 100.0%		2,640,006,401

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

Scotia Partners Balanced Growth Portfolio

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

1. The Fund (note 1)

The Fund's investment objective is to achieve a balance of current income and long-term capital appreciation, with a small bias towards capital appreciation. It invests primarily in a diversified mix of equity and income mutual funds managed by other mutual fund managers and by us. The portfolio is an asset allocation fund that allocates investment between two asset classes: fixed income and equities.

The Fund invests primarily in mutual funds managed by the Manager and/or by the third party investment managers (the "Underlying Funds"). To ensure the Fund's composition meets the investment objectives of the Fund, the portfolio advisor monitors the Underlying Funds on an ongoing basis and rebalances the Fund's assets among the Underlying Funds.

2. Risks associated with financial instruments (note 4)

i) Interest rate risk

The Fund invests in Underlying Funds, which are exposed to interest rate risk. As at December 31, 2015, 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 $11,958,021 or approximately 0.5% (December 31, 2014 – $11,144,011 or approximately 0.5%). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

ii) Currency risk

The Fund could be exposed to indirect currency risk to the extent that the Underlying Funds held financial instruments that were denominated in a currency other than its functional currency.

iii) Price risk

Price risk is the risk that the carrying 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 price risk is mainly in equities, derivatives and commodities, if applicable. As at December 31, 2015, approximately 59.8% (December 31, 2014 – 60.5%) of the Fund's net assets were invested in Underlying Funds which were exposed to price risk. If prices of the Underlying Funds' investments had decreased or increased by 10%, with all other variables held constant, net assets of the Fund would have decreased or increased, respectively, by approximately $157,769,692 (December 31, 2014 – $145,809,994). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

iv) Credit risk

The Fund could be exposed to indirect credit risk to the extent that the Underlying Funds invested in bonds and debentures, preferred shares and derivatives.

v) Liquidity risk

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

	December 31, 2015		December 31, 2014	
	On demand ($)	Less than 3 months ($)	On demand ($)	Less than 3 months ($)
Current liabilities	–	2,522,589	–	1,773,293
Liability for written options	–	–	–	–
Unrealized loss on derivatives	–	–	–	–
Redeemable units	2,640,006,401	–	2,408,206,591	–
	2,640,006,401	2,522,589	2,408,206,591	1,773,293

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, geographical location, asset type or industry sector, as applicable. The table below is a summary of the Fund's concentration risk:

	Percentage of net assets (%)	
	December 31, 2015	December 31, 2014
Canadian Equity Funds	27.0	29.9
Fixed Income Funds	39.8	38.9
Foreign Equity Funds	32.8	30.6

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

vii) Fair value classification (note 2)

The tables below illustrate the classification of the Fund's financial instruments within the fair value hierarchy.

December 31, 2015	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Underlying funds	2,629,859,944	–	–	2,629,859,944
	2,629,859,944	–	–	2,629,859,944

December 31, 2014	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Underlying funds	2,394,969,958	–	–	2,394,969,958
	2,394,969,958	–	–	2,394,969,958

Transfers between levels

During the periods ended December 31, 2015 and 2014, there were no significant transfers between Level 1 and Level 2.

3. Offsetting of financial assets and liabilities (note 2)

As at December 31, 2015 or December 31, 2014, the Fund did not enter into any agreement whereby the financial instruments were eligible for offset.

4. Interest in Underlying Funds (note 2)

The following tables provide information about the Fund's interest in Underlying Funds.

	December 31, 2015	
Underlying Fund	Carrying value of the Underlying Fund ($)	Ownership percentage in Underlying Fund (%)
Dynamic Global Equity Fund Series O	121,209,387	23.7
CI Canadian Dividend Fund Series I	31,228,658	18.1
Invesco International Growth Fund Series I	88,314,532	17.5
Dynamic Small Business Fund Series O	102,441,006	15.3
Scotia Global Growth Fund Series I	122,082,000	14.4
AGF Global Dividend Fund Series I	154,398,641	7.1
Scotia Canadian Income Fund Series I	422,723,409	6.9
Mackenzie US Mid Cap Growth Class Series O	81,980,942	5.8
Dynamic Value Fund of Canada Series O	115,905,478	5.7
Mawer U.S. Equity Fund Class O	115,518,297	5.4
Dynamic Canadian Bond Fund Series O	105,460,920	5.4
CI Cambridge Canadian Equity Corporate Class I	213,421,609	5.2
Scotia Private Canadian Corporate Bond Pool Series I	264,075,152	5.2
Mackenzie Emerging Markets Class Series O	38,193,348	4.1
Scotia Canadian Dividend Fund Series I	249,682,610	3.6
CI Signature Corporate Bond Fund Class I	103,768,042	3.1
Mawer International Equity Fund Class O	88,959,843	2.7
PIMCO Monthly Income Fund (Canada) Class I	156,135,503	2.0
Mackenzie Ivy Foreign Equity Fund Series O	54,360,567	1.2
	2,629,859,944	

	December 31, 2014	
Underlying Fund	Carrying value of the Underlying Fund ($)	Ownership percentage in Underlying Fund (%)
CI Canadian Dividend Fund Series I	104,554,069	36.8
Dynamic Global Equity Fund Series O	95,898,507	25.7
Mackenzie US Mid Cap Growth Class Series O	88,083,322	23.8
Invesco International Growth Fund Series I	72,505,064	18.8
Scotia Global Growth Fund Series I	112,511,966	18.5
Mackenzie Emerging Markets Class Series O	70,731,188	16.5
Mackenzie Ivy Foreign Equity Fund Series O	73,877,065	16.0
Trimark Canadian Small Companies Fund Series I	106,184,281	15.5
AGF Global Dividend Fund Series I	73,233,898	7.9
Scotia Canadian Income Fund Series I	375,500,127	6.3
Scotia Private Canadian Corporate Bond Pool Series I	234,835,237	5.7
Dynamic Canadian Bond Fund Series O	93,612,747	5.5
Mawer U.S. Equity Fund Class O	88,882,876	4.6
Scotia Canadian Dividend Fund Series I	295,334,867	4.0
CI Cambridge Canadian Equity Corporate Class I	138,190,460	3.7
Dynamic Value Fund of Canada Series O	76,669,814	3.4
CI Signature Corporate Bond Fund Class I	93,602,439	3.4
PIMCO Monthly Income Fund (Canada) Class I	139,319,469	2.1
Mawer International Equity Fund Class O	61,442,562	1.9
	2,394,969,958	

5. Comparison of net asset value per unit and net assets per unit (note 2)

The table below provides a comparison of the net asset value per unit and net assets per unit. The primary reason for the difference between the net asset value per unit and net assets per unit, if any, is described in note 2.

	December 31, 2015		December 31, 2014	
	Net asset value per unit ($)	Net assets per unit ($)	Net asset value per unit ($)	Net assets per unit ($)
Series A	16.00	16.00	15.66	15.66
Series F	16.86	16.86	15.55	16.55

Scotia Partners Growth Portfolio

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars except per unit amounts)	December 31, 2015	December 31, 2014
ASSETS		
Current assets		
Investments		
Non-derivative financial assets	3,138,920,681	2,914,596,016
Cash	5,721,557	10,042,096
Subscriptions receivable	1,927,074	2,714,790
Accrued investment income and other	3,317	10,890
	3,146,572,629	2,927,363,792
LIABILITIES		
Current liabilities		
Redemptions payable	1,443,425	2,020,732
Distributions payable	3,325,574	97,446
	4,768,999	2,118,178
Net assets attributable to holders of redeemable units	3,141,803,630	2,925,245,614
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series A	3,139,079,192	2,923,015,967
Series F	2,724,438	2,229,647
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series A	19.61	19.27
Series F	21.56	21.16

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except per unit amounts)	2015	2014
INCOME		
Net gain (loss) on investments (note 2)		
Dividends	27,919,780	20,009,767
Interest for distribution purposes	56,938,816	28,285,927
Capital gains distributions received	57,265,245	64,090,952
Net realized gain (loss) on non-derivative financial assets	60,577,959	117,697,073
Change in unrealized gain (loss) on non-derivative financial assets	(22,049,752)	73,950,505
Net gain (loss) on investments	180,652,048	304,034,224
Other income	35,388	34,815
Total income (loss)	180,687,436	304,069,039
EXPENSES		
Management fees (note 5)	67,416,734	59,030,628
Fixed administration fees (note 6)	1,257,319	414,542
Independent Review Committee fees	871	5,604
Interest expense and bank overdraft charges	–	220
Foreign withholding taxes/tax reclaims	244,886	404,502
Audit fees	–	58,888
Custodian fees	–	2,945
Filing fees	–	71,082
Legal fees	–	8,611
Unitholder administration costs	–	424,670
Unitholder reporting costs	–	70,475
Other fund costs	3,964	
Harmonized Sales Tax/Goods and Services Tax	7,128,993	6,208,541
Total expenses	76,052,767	66,700,708
Expenses absorbed by the Manager	–	(249)
Net expenses	76,052,767	66,700,459
Increase (decrease) in net assets attributable to holders of redeemable units from operations	104,634,669	237,368,580
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A	104,537,529	237,179,282
Series F	97,140	189,298
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT†		
Series A	0.67	1.65
Series F	0.77	2.00
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series A	156,124,679	143,429,222
Series F	126,150	94,489

† The increase (decrease) in net assets attributable to holders of redeemable units from operations 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 number of units per series.

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the periods ended December 31 (note 1),

(in dollars)	2015	2014
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series A	2,923,015,967	2,408,724,836
Series F	2,229,647	1,801,047
	2,925,245,614	2,410,525,883
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A	104,537,529	237,179,282
Series F	97,140	189,298
	104,634,669	237,368,580
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net investment income		
Series A	(9,824,339)	–
Series F	(32,513)	–
From net realized gains on investments		
Series A	(47,070,429)	(87,614,550)
Series F	(40,467)	(72,701)
	(56,967,748)	(87,687,251)
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A	482,784,676	585,066,918
Series F	1,540,301	432,331
Reinvested distributions		
Series A	53,587,706	87,518,121
Series F	53,590	71,693
Payments on redemption		
Series A	(367,951,918)	(307,858,640)
Series F	(1,123,260)	(192,021)
	168,891,095	365,038,402
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A	216,063,225	514,291,131
Series F	494,791	428,600
	216,558,016	514,719,731
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series A	3,139,079,192	2,923,015,967
Series F	2,724,438	2,229,647
	3,141,803,630	2,925,245,614

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	104,634,669	237,368,580
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(60,577,959)	(117,697,073)
Change in unrealized (gain) loss on non-derivative financial assets	22,049,752	(73,950,505)
Purchases of non-derivative financial assets	(565,098,780)	(933,332,678)
Proceeds from sale of non-derivative financial assets	379,302,322	604,072,403
Accrued investment income and other	7,573	140
Net cash provided by (used in) operating activities	(119,682,423)	(283,539,133)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	485,112,694	585,551,893
Amounts paid on redemption of redeemable units	(369,652,486)	(306,812,444)
Distributions to unitholders of redeemable units	(98,324)	9
Net cash provided by (used in) financing activities	115,361,884	278,739,458
Net increase (decrease) in cash	(4,320,539)	(4,799,675)
Cash (bank overdraft), beginning of period	10,042,096	14,841,771
CASH (BANK OVERDRAFT), END OF PERIOD	5,721,557	10,042,096
Interest received[1]	56,946,390	28,286,067
Dividends received, net of withholding taxes[1]	27,674,894	19,605,265

[1] Classified as operating items.

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

Scotia Partners Growth Portfolio (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2015

Number of Units	Issuer	Average Cost ($)	Carrying Value ($)
FIXED INCOME FUNDS – 24.9%			
11,236,241	CI Signature Corporate Bond Fund Class I	117,210,410	115,958,009
11,756,815	Dynamic High Yield Bond Fund Series O	40,912,603	36,916,400
8,371,808	PIMCO Monthly Income Fund (Canada) Class I	122,687,106	116,412,500
22,917,545	Scotia Canadian Income Fund Series I	311,306,403	316,081,066
18,295,665	Scotia Private Canadian Corporate Bond Pool Series I	193,767,266	197,155,919
		785,883,788	782,523,894
CANADIAN EQUITY FUNDS – 32.4%			
13,183,815	CI Cambridge Canadian Equity Corporate Class I	158,485,897	254,711,307
2,782,470	CI Canadian Dividend Fund Series I	47,673,912	45,549,038
3,695,033	Dynamic Small Business Fund Series O	55,422,631	53,836,632
24,467,597	Dynamic Value Fund of Canada Series O	243,658,168	254,218,332
4,898,666	Scotia Canadian Dividend Fund Series I	204,149,896	253,203,226
14,177,479	Trimark Canadian Small Companies Fund Series I	186,465,756	155,229,213
		895,856,260	1,016,747,748
FOREIGN EQUITY FUNDS – 42.6%			
3,077,253	CI Global Small Companies Fund Class I	76,511,775	104,626,588
13,173,922	Dynamic Global Equity Fund Series O	146,479,663	175,871,853
14,670,286	Invesco International Growth Fund Series I	98,392,977	135,670,808
3,590,801	Mackenzie Emerging Markets Class Series O	98,590,658	113,672,548
4,512,866	Mackenzie US Mid Cap Growth Class Series O	92,173,427	174,758,948
3,165,879	Mawer International Equity Fund Class O	130,257,926	170,085,878
5,072,862	Mawer U.S. Equity Fund Class O	136,439,593	192,874,253
3,190,604	Scotia Global Growth Fund Series I	168,188,047	199,898,333
2,228,700	Trimark Global Endeavour Fund Series I	41,833,231	72,189,830
		988,867,297	1,339,649,039
	TOTAL INVESTMENT PORTFOLIO	2,670,607,345	3,138,920,681
	OTHER ASSETS, LESS LIABILITIES – 0.1%		2,882,949
	NET ASSETS – 100.0%		3,141,803,630

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

Scotia Partners Growth Portfolio

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

1. The Fund (note 1)

The Fund's investment objective is to achieve a balance of current income and long-term capital appreciation, with a bias towards capital appreciation. It invests primarily in a diversified mix of equity and income mutual funds managed by other mutual fund managers and by us. The portfolio is an asset allocation fund that allocates investment between two asset classes: fixed income and equities.

The Fund invests primarily in mutual funds managed by the Manager and/or by the third party investment managers (the "Underlying Funds"). To ensure the Fund's composition meets the investment objectives of the Fund, the portfolio advisor monitors the Underlying Funds on an ongoing basis and rebalances the Fund's assets among the Underlying Funds.

2. Risks associated with financial instruments (note 4)

i) Interest rate risk

The Fund invests in Underlying Funds, which are exposed to interest rate risk. As at December 31, 2015, 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 $8,295,771 or approximately 0.3% (December 31, 2014 – $8,332,602 or approximately 0.3%). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

ii) Currency risk

The Fund could be exposed to indirect currency risk to the extent that the Underlying Funds held financial instruments that were denominated in a currency other than its functional currency.

iii) Price risk

Price risk is the risk that the carrying 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 price risk is mainly in equities, derivatives and commodities, if applicable. As at December 31, 2015, approximately 75.0% (December 31, 2014 – 75.6%) of the Fund's net assets were invested in Underlying Funds which were exposed to price risk. If prices of the Underlying Funds' investments had decreased or increased by 10%, with all other variables held constant, net assets of the Fund would have decreased or increased, respectively, by approximately $235,639,679 (December 31, 2014 – $221,193,769). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

iv) Credit risk

The Fund could be exposed to indirect credit risk to the extent that the Underlying Funds invested in bonds and debentures, preferred shares and derivatives.

v) Liquidity risk

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

	December 31, 2015		December 31, 2014	
	On demand ($)	Less than 3 months ($)	On demand ($)	Less than 3 months ($)
Current liabilities	–	4,768,999	–	2,118,178
Liability for written options	–	–	–	–
Unrealized loss on derivatives	–	–	–	–
Redeemable units	3,141,803,630	–	2,925,245,614	–
	3,141,803,630	4,768,999	2,925,245,614	2,118,178

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, geographical location, asset type or industry sector, as applicable. The table below is a summary of the Fund's concentration risk:

	Percentage of net assets (%)	
	December 31, 2015	December 31, 2014
Canadian Equity Funds	32.4	37.2
Fixed Income Funds	24.9	24.0
Foreign Equity Funds	42.6	38.4

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

vii) Fair value classification (note 2)

The tables below illustrate the classification of the Fund's financial instruments within the fair value hierarchy.

December 31, 2015	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Underlying funds	3,138,920,681	–	–	3,138,920,681
	3,138,920,681	–	–	3,138,920,681

December 31, 2014	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Underlying funds	2,914,596,016	–	–	2,914,596,016
	2,914,596,016	–	–	2,914,596,016

Transfers between levels

During the periods ended December 31, 2015 and 2014, there were no significant transfers between Level 1 and Level 2.

3. Offsetting of financial assets and liabilities (note 2)

As at December 31, 2015 or December 31, 2014, the Fund did not enter into any agreement whereby the financial instruments were eligible for offset.

4. Interest in Underlying Funds (note 2)

The following tables provide information about the Fund's interest in Underlying Funds.

	December 31, 2015	
Underlying Fund	Carrying value of the Underlying Fund ($)	Ownership percentage in Underlying Fund (%)
CI Global Small Companies Fund Class I	104,626,588	37.5
Trimark Canadian Small Companies Fund Series I	155,229,213	34.5
Dynamic Global Equity Fund Series O	175,871,853	34.4
Invesco International Growth Fund Series I	135,670,808	26.9
CI Canadian Dividend Fund Series I	45,549,038	26.4
Scotia Global Growth Fund Series I	199,898,333	23.6
Dynamic Value Fund of Canada Series O	254,218,332	12.5
Mackenzie US Mid Cap Growth Class Series O	174,758,948	12.4
Mackenzie Emerging Markets Class Series O	113,672,548	12.2
Mawer U.S. Equity Fund Class O	192,874,253	9.1
Dynamic Small Business Fund Series O	53,836,632	8.0
Dynamic High Yield Bond Fund Series O	36,916,400	7.2
CI Cambridge Canadian Equity Corporate Class I	254,711,307	6.2
Trimark Global Endeavour Fund Series I	72,189,830	5.5
Mawer International Equity Fund Class O	170,085,878	5.2
Scotia Canadian Income Fund Series I	316,081,066	5.2
Scotia Private Canadian Corporate Bond Pool Series I	197,155,919	3.9
Scotia Canadian Dividend Fund Series I	253,203,226	3.7
CI Signature Corporate Bond Fund Class I	115,958,009	3.5
PIMCO Monthly Income Fund (Canada) Class I	116,412,500	1.5
	3,138,920,681	

	December 31, 2014	
Underlying Fund	Carrying value of the Underlying Fund ($)	Ownership percentage in Underlying Fund (%)
Mackenzie US Mid Cap Growth Class Series O	167,982,604	45.4
CI Global Small Companies Fund Class I	90,106,542	44.7
Dynamic Global Equity Fund Series O	136,915,298	36.7
Trimark Canadian Small Companies Fund Series I	216,225,454	31.6
Mackenzie Emerging Markets Class Series O	133,043,410	31.1
Invesco International Growth Fund Series I	109,312,670	28.3
Scotia Global Growth Fund Series I	115,036,048	19.0
Dynamic Value Fund of Canada Series O	323,344,780	14.3
Mawer U.S. Equity Fund Class O	178,108,651	9.1
Dynamic High Yield Bond Fund Series O	55,404,558	6.5
CI Cambridge Canadian Equity Corporate Class I	221,821,670	6.0
Trimark Global Endeavour Fund Series I	59,042,376	5.7
Scotia Private Canadian Corporate Bond Pool Series I	211,058,425	5.1
Scotia Canadian Income Fund Series I	282,916,788	4.7
Scotia Canadian Dividend Fund Series I	328,102,999	4.5
Mawer International Equity Fund Class O	132,895,190	4.2
CI Signature Corporate Bond Fund Class I	49,164,541	1.8
PIMCO Monthly Income Fund (Canada) Class I	104,114,012	1.6
	2,914,596,016	

5. Comparison of net asset value per unit and net assets per unit (note 2)

The table below provides a comparison of the net asset value per unit and net assets per unit. The primary reason for the difference between the net asset value per unit and net assets per unit, if any, is described in note 2.

	December 31, 2015		December 31, 2014	
	Net asset value per unit ($)	Net assets per unit ($)	Net asset value per unit ($)	Net assets per unit ($)
Series A	19.61	19.61	19.27	19.27
Series F	21.56	21.56	21.16	21.16

Scotia Partners Maximum Growth Portfolio

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars except per unit amounts)	December 31, 2015	December 31, 2014
ASSETS		
Current assets		
Investments		
Non-derivative financial assets	785,535,345	710,192,107
Cash	1,661,689	2,294,073
Subscriptions receivable	809,432	808,285
Accrued investment income and other	1,127	3,116
	788,007,593	713,297,581
LIABILITIES		
Current liabilities		
Redemptions payable	396,409	472,904
Distributions payable	–	4,467
	396,409	477,371
Net assets attributable to holders of redeemable units	787,611,184	712,820,210
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series A	787,091,534	712,380,091
Series F	519,650	440,119
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series A	21.39	20.59
Series F	23.72	22.62

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except per unit amounts)	2015	2014
INCOME		
Net gain (loss) on investments (note 2)		
Dividends	15,169,596	5,119,902
Interest for distribution purposes	3,365,161	3,051,070
Capital gains distributions received	19,149,944	20,063,293
Net realized gain (loss) on non-derivative financial assets	15,698,993	33,209,070
Change in unrealized gain (loss) on non-derivative financial assets	(5,762,185)	15,631,646
Net gain (loss) on investments	47,621,509	77,074,981
Other income	10,076	9,255
Total income (loss)	47,631,585	77,084,236
EXPENSES		
Management fees (note 5)	18,301,372	15,430,323
Fixed administration fees (note 6)	390,062	125,372
Independent Review Committee fees	1,065	1,333
Foreign withholding taxes/tax reclaims	182,691	109,811
Audit fees	–	14,048
Custodian fees	–	2,283
Filing fees	–	24,155
Legal fees	–	2,037
Unitholder administration costs	–	106,179
Unitholder reporting costs	–	20,310
Other fund costs	991	–
Harmonized Sales Tax/Goods and Services Tax	1,854,725	1,568,419
Total expenses	20,730,906	17,404,270
Expenses absorbed by the Manager	–	(1,085)
Net expenses	20,730,906	17,403,185
Increase (decrease) in net assets attributable to holders of redeemable units from operations	26,900,679	59,681,051
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A	26,890,295	59,636,695
Series F	10,384	44,356
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT†		
Series A	0.74	1.83
Series F	0.39	2.23
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series A	36,114,114	32,622,068
Series F	26,858	199,903

† The increase (decrease) in net assets attributable to holders of redeemable units from operations 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 number of units per series.

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the periods ended December 31 (note 1),

(in dollars)	2015	2014
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series A	712,380,091	561,684,989
Series F	440,119	438,226
	712,820,210	562,123,215
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A	26,890,295	59,636,695
Series F	10,384	44,356
	26,900,679	59,681,051
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net realized gains on investments		
Series A	–	(11,503,076)
Series F	–	(8,405)
	–	(11,511,481)
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A	152,218,101	172,885,362
Series F	488,800	27,540
Reinvested distributions		
Series A	–	11,498,610
Series F	–	8,405
Payments on redemption		
Series A	(104,396,953)	(81,822,489)
Series F	(419,653)	(70,003)
	47,890,295	102,527,425
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A	74,711,443	150,695,102
Series F	79,531	1,893
	74,790,974	150,696,995
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series A	787,091,534	712,380,091
Series F	519,650	440,119
	787,611,184	712,820,210

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	26,900,679	59,681,051
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(15,698,993)	(33,209,070)
Change in unrealized (gain) loss on non-derivative financial assets	5,762,185	(15,631,646)
Purchases of non-derivative financial assets	(175,749,173)	(264,726,742)
Proceeds from sale of non-derivative financial assets	110,342,742	161,246,038
Accrued investment income and other	1,989	(438)
Net cash provided by (used in) operating activities	(48,440,571)	(92,640,807)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	152,705,755	172,945,381
Amounts paid on redemption of redeemable units	(104,893,101)	(81,690,470)
Distributions to unitholders of redeemable units	(4,467)	1
Net cash provided by (used in) financing activities	47,808,187	91,254,912
Net increase (decrease) in cash	(632,384)	(1,385,895)
Cash (bank overdraft), beginning of period	2,294,073	3,679,968
CASH (BANK OVERDRAFT), END OF PERIOD	1,661,689	2,294,073
Interest received(1)	3,367,149	3,050,632
Dividends received, net of withholding taxes(1)	14,986,905	5,010,091

(1) Classified as operating items.

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

Scotia Partners Maximum Growth Portfolio (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2015

Number of Units	Issuer	Average Cost ($)	Carrying Value ($)
FIXED INCOME FUNDS – 9.9%			
1,122,159	CI Signature Corporate Bond Fund Class I	11,880,513	11,580,681
2,365,696	Dynamic High Yield Bond Fund Series O	8,240,648	7,428,285
1,115,871	PIMCO Monthly Income Fund (Canada) Class I	16,288,526	15,516,515
2,004,083	Scotia Canadian Income Fund Series I	27,211,352	27,640,520
1,462,863	Scotia Private Canadian Corporate Bond Pool Series I	15,813,218	15,763,955
		79,434,257	77,929,956
CANADIAN EQUITY FUNDS – 38.8%			
3,974,200	CI Cambridge Canadian Equity Corporate Class I	47,770,181	76,781,539
922,260	CI Canadian Dividend Fund Series I	15,904,705	15,097,393
1,038,820	Dynamic Small Business Fund Series O	15,632,343	15,135,613
8,893,536	Dynamic Value Fund of Canada Series O	90,816,683	92,403,842
1,158,129	Scotia Canadian Dividend Fund Series I	49,567,803	59,861,622
4,252,116	Trimark Canadian Small Companies Fund Series I	57,105,005	46,556,415
		276,796,720	305,836,424
FOREIGN EQUITY FUNDS – 51.0%			
946,044	CI Global Small Companies Fund Class I	22,940,446	32,165,491
4,042,286	Dynamic Global Equity Fund Series O	44,205,402	53,964,522
4,381,537	Invesco International Growth Fund Series I	29,915,570	40,520,453
1,084,632	Mackenzie Emerging Markets Class Series O	29,946,778	34,335,759
1,367,812	Mackenzie US Mid Cap Growth Class Series O	31,598,390	52,967,958
912,118	Mawer International Equity Fund Class O	37,928,444	49,003,286
1,534,952	Mawer U.S. Equity Fund Class O	42,137,121	58,360,106
964,539	Scotia Global Growth Fund Series I	53,277,933	60,430,465
618,101	Trimark Global Endeavour Fund Series I	11,775,386	20,020,925
		303,725,470	401,768,965
	TOTAL INVESTMENT PORTFOLIO	659,956,447	785,535,345
	OTHER ASSETS, LESS LIABILITIES – 0.3%		2,075,839
	NET ASSETS – 100.0%		787,611,184

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

Scotia Partners Maximum Growth Portfolio

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

1. The Fund (note 1)

The Fund's investment objective is long-term capital appreciation. It invests primarily in a diversified mix of equity mutual funds, with additional stability derived from investments in income mutual funds, managed by other mutual fund managers and by us. The portfolio is an asset allocation fund that allocates investment between two asset classes: fixed income and equities.

The Fund invests primarily in mutual funds managed by the Manager and/or by the third party investment managers (the "Underlying Funds"). To ensure the Fund's composition meets the investment objectives of the Fund, the portfolio advisor monitors the Underlying Funds on an ongoing basis and rebalances the Fund's assets among the Underlying Funds.

2. Risks associated with financial instruments (note 4)

i) Interest rate risk

The Fund invests in Underlying Funds, which are exposed to interest rate risk. As at December 31, 2015, 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 $785,447 or approximately 0.1% (December 31, 2014 – $830,693 or approximately 0.1%). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

ii) Currency risk

The Fund could be exposed to indirect currency risk to the extent that the Underlying Funds held financial instruments that were denominated in a currency other than its functional currency.

iii) Price risk

Price risk is the risk that the carrying 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 price risk is mainly in equities, derivatives and commodities, if applicable. As at December 31, 2015, approximately 89.8% (December 31, 2014 – 89.9%) of the Fund's net assets were invested in Underlying Funds which were exposed to price risk. If prices of the Underlying Funds' investments had decreased or increased by 10%, with all other variables held constant, net assets of the Fund would have decreased or increased, respectively, by approximately $70,760,539 (December 31, 2014 – $64,077,409). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

iv) Credit risk

The Fund could be exposed to indirect credit risk to the extent that the Underlying Funds invested in bonds and debentures, preferred shares and derivatives.

v) Liquidity risk

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

	December 31, 2015		December 31, 2014	
	On demand ($)	Less than 3 months ($)	On demand ($)	Less than 3 months ($)
Current liabilities	–	396,409	–	477,371
Liability for written options	–	–	–	–
Unrealized loss on derivatives	–	–	–	–
Redeemable units	787,611,184	–	712,820,210	–
	787,611,184	396,409	712,820,210	477,371

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, geographical location, asset type or industry sector, as applicable. The table below is a summary of the Fund's concentration risk:

	Percentage of net assets (%)	
	December 31, 2015	December 31, 2014
Canadian Equity Funds	38.8	44.5
Fixed Income Funds	9.9	9.7
Foreign Equity Funds	51.0	45.4

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

vii) Fair value classification (note 2)

The tables below illustrate the classification of the Fund's financial instruments within the fair value hierarchy.

December 31, 2015	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Underlying funds	785,535,345	–	–	785,535,345
	785,535,345	–	–	785,535,345

December 31, 2014	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Underlying funds	710,192,107	–	–	710,192,107
	710,192,107	–	–	710,192,107

Transfers between levels

During the periods ended December 31, 2015 and 2014, there were no significant transfers between Level 1 and Level 2.

3. Offsetting of financial assets and liabilities (note 2)

As at December 31, 2015 or December 31, 2014, the Fund did not enter into any agreement whereby the financial instruments were eligible for offset.

4. Interest in Underlying Funds (note 2)

The following tables provide information about the Fund's interest in Underlying Funds.

	December 31, 2015	
Underlying Fund	Carrying value of the Underlying Fund ($)	Ownership percentage in Underlying Fund (%)
CI Global Small Companies Fund Class I	32,165,491	11.5
Dynamic Global Equity Fund Series O	53,964,522	10.6
Trimark Canadian Small Companies Fund Series I	46,556,415	10.3
CI Canadian Dividend Fund Series I	15,097,393	8.8
Invesco International Growth Fund Series I	40,520,453	8.0
Scotia Global Growth Fund Series I	60,430,465	7.1
Dynamic Value Fund of Canada Series O	92,403,842	4.5
Mackenzie US Mid Cap Growth Class Series O	52,967,958	3.8
Mackenzie Emerging Markets Class Series O	34,335,759	3.7
Mawer U.S. Equity Fund Class O	58,360,106	2.8
Dynamic Small Business Fund Series O	15,135,613	2.3
CI Cambridge Canadian Equity Corporate Class I	76,781,539	1.9
Trimark Global Endeavour Fund Series I	20,020,925	1.5
Mawer International Equity Fund Class O	49,003,286	1.5
Dynamic High Yield Bond Fund Series O	7,428,285	1.5
Scotia Canadian Dividend Fund Series I	59,861,622	0.9
Scotia Canadian Income Fund Series I	27,640,520	0.5
CI Signature Corporate Bond Fund Class I	11,580,681	0.3
Scotia Private Canadian Corporate Bond Pool Series I	15,763,955	0.3
PIMCO Monthly Income Fund (Canada) Class I	15,516,515	0.2
	785,535,345	

	December 31, 2014	
Underlying Fund	Carrying value of the Underlying Fund ($)	Ownership percentage in Underlying Fund (%)
Mackenzie US Mid Cap Growth Class Series O	48,159,596	13.0
CI Global Small Companies Fund Class I	25,585,419	12.7
Dynamic Global Equity Fund Series O	46,982,142	12.6
Mackenzie Emerging Markets Class Series O	39,460,469	9.2
Trimark Canadian Small Companies Fund Series I	62,754,397	9.2
Invesco International Growth Fund Series I	31,839,617	8.2
Dynamic Value Fund of Canada Series O	111,011,687	4.9
Scotia Global Growth Fund Series I	25,435,513	4.2
Mawer U.S. Equity Fund Class O	50,680,925	2.6
CI Cambridge Canadian Equity Corporate Class I	78,484,491	2.1
Trimark Global Endeavour Fund Series I	16,098,150	1.6
Mawer International Equity Fund Class O	39,246,122	1.2
Scotia Canadian Dividend Fund Series I	65,035,560	0.9
Dynamic High Yield Bond Fund Series O	6,867,323	0.8
Scotia Private Canadian Corporate Bond Pool Series I	20,847,293	0.5
Scotia Canadian Income Fund Series I	27,957,420	0.5
PIMCO Monthly Income Fund (Canada) Class I	13,745,983	0.2
	710,192,107	

5. Comparison of net asset value per unit and net assets per unit (note 2)

The table below provides a comparison of the net asset value per unit and net assets per unit. The primary reason for the difference between the net asset value per unit and net assets per unit, if any, is described in note 2.

	December 31, 2015		December 31, 2014	
	Net asset value per unit ($)	Net assets per unit ($)	Net asset value per unit ($)	Net assets per unit ($)
Series A	21.39	21.39	20.59	20.59
Series F	23.72	23.72	22.62	22.62

Scotia INNOVA Income Portfolio

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars except per unit amounts)	December 31, 2015	December 31, 2014
ASSETS		
Current assets		
Investments		
Non-derivative financial assets	1,963,596,764	1,926,296,112
Cash	1,231,103	10,376,508
Receivable for securities sold	3,250,000	–
Subscriptions receivable	972,258	2,970,032
Accrued investment income and other	1,558	9,180
	1,969,051,683	1,939,651,832
LIABILITIES		
Current liabilities		
Redemptions payable	1,197,440	793,743
Distributions payable	2,637,668	1,905,597
	3,835,108	2,699,340
Net assets attributable to holders of redeemable units	1,965,216,575	1,936,952,492
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series A	1,677,414,436	1,646,081,723
Series T	287,802,139	290,870,769
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series A	12.74	13.02
Series T	16.67	16.47

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except per unit amounts)	2015	2014
INCOME		
Net gain (loss) on investments (note 2)		
Dividends	12,378,122	7,343,659
Interest for distribution purposes	44,727,463	40,246,151
Capital gains distributions received	20,474,998	2,828,632
Net realized gain (loss) on non-derivative financial assets	48,468,172	49,813,274
Net realized gain (loss) on currency forward contracts	–	91,179
Net realized gain (loss) on futures contracts	–	(877,934)
Change in unrealized gain (loss) on non-derivative financial assets	(54,056,920)	56,846,916
Change in unrealized gain (loss) on currency forward contracts	–	(294,388)
Change in unrealized gain (loss) on futures contracts	–	182,902
Net gain (loss) on investments	71,991,835	156,180,391
Securities lending	–	2,190
Net realized and unrealized gain(loss) on foreign exchange	–	1,514
Other income	14,853	28,497
Total income (loss)	72,006,688	156,212,592
EXPENSES		
Management fees (note 5)	31,989,573	29,420,818
Fixed administration fees (note 6)	599,806	204,986
Independent Review Committee fees	1,023	3,773
Interest expense and bank overdraft charges	–	919
Foreign withholding taxes/tax reclaims	230,812	242,686
Audit fees	–	39,425
Custodian fees	–	6,943
Filing fees	–	76,417
Legal fees	–	5,839
Unitholder administration costs	–	189,888
Unitholder reporting costs	–	23,692
Other fund costs	262,373	–
Harmonized Sales Tax/Goods and Services Tax	3,446,843	3,148,160
Transaction costs	–	589
Total expenses	36,530,430	33,364,135
Expenses absorbed by the Manager	–	(61)
Net expenses	36,530,430	33,364,074
Increase (decrease) in net assets attributable to holders of redeemable units from operations	35,476,258	122,848,518
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A	22,504,300	101,959,136
Series T	12,971,958	20,889,382
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT†		
Series A	0.17	0.85
Series T	0.74	1.24
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series A	128,825,223	119,651,152
Series T	17,587,350	16,837,617

† The increase (decrease) in net assets attributable to holders of redeemable units from operations 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 number of units per series.

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

Scotia INNOVA Income Portfolio (Continued)

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the periods ended December 31 (note 1),

(in dollars)	2015	2014
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series A	1,646,081,723	1,503,721,240
Series T	290,870,769	253,904,018
	1,936,952,492	1,757,625,258
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A	22,504,300	101,959,136
Series T	12,971,958	20,889,382
	35,476,258	122,848,518
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net investment income		
Series A	(18,594,653)	(19,838,381)
Series T	(2,998,950)	(3,577,177)
From net realized gains on investments		
Series A	(39,935,896)	(30,814,167)
Series T	(6,656,554)	(5,466,457)
	(68,186,053)	(59,696,182)
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A	278,792,746	344,748,417
Series T	50,391,063	73,178,859
Reinvested distributions		
Series A	56,975,972	50,030,484
Series T	3,694,806	3,474,502
Payments on redemption		
Series A	(268,409,756)	(303,725,006)
Series T	(60,470,953)	(51,532,358)
	60,973,878	116,174,898
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A	31,332,713	142,360,483
Series T	(3,068,630)	36,966,751
	28,264,083	179,327,234
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series A	1,677,414,436	1,646,081,723
Series T	287,802,139	290,870,769
	1,965,216,575	1,936,952,492

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	35,476,258	122,848,518
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(48,468,172)	(49,813,274)
Unrealized (gain) loss on foreign exchange of cash	–	(1,514)
Change in unrealized (gain) loss on non-derivative financial assets	54,056,920	(56,846,916)
Change in unrealized (gain) loss on currency spot contracts	–	294,388
Change in unrealized (gain) loss on futures contracts	–	1,043,934
Purchases of non-derivative financial assets	(459,772,167)	(719,355,151)
Proceeds from sale of non-derivative financial assets	413,632,768	635,673,448
Accrued investment income and other	7,622	854,584
Net cash provided by (used in) operating activities	(5,066,771)	(65,301,983)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	331,181,583	416,555,162
Amounts paid on redemption of redeemable units	(328,477,013)	(355,769,276)
Distributions to unitholders of redeemable units	(6,783,204)	(4,941,000)
Net cash provided by (used in) financing activities	(4,078,634)	55,844,886
Unrealized gain (loss) on foreign exchange of cash	–	1,514
Net increase (decrease) in cash	(9,145,405)	(9,457,097)
Cash (bank overdraft), beginning of period	10,376,508	19,832,091
CASH (BANK OVERDRAFT), END OF PERIOD	1,231,103	10,376,508
Interest received[1]	44,735,085	41,099,302
Dividends received, net of withholding taxes[1]	12,147,310	7,100,973

[1] Classified as operating items.

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2015

Number of Units	Issuer	Average Cost ($)	Carrying Value ($)
FIXED INCOME FUNDS – 73.8%			
27,188,746	Scotia Canadian Income Fund Series I	369,183,598	374,989,907
22,711,023	Scotia Floating Rate Income Fund Series I	227,023,928	222,754,260
12,514,889	Scotia Private American Core-Plus Bond Pool Series I	115,457,527	118,050,446
28,409,980	Scotia Private Canadian Corporate Bond Pool Series I	304,032,399	306,148,787
6,489,419	Scotia Private High Yield Income Pool Series I	60,597,853	58,005,673
13,935,865	Scotia Private Short-Mid Government Bond Pool Series I	149,691,262	148,044,856
19,533,075	Scotia Total Return Bond LP Series I	217,478,008	222,089,111
		1,443,464,575	1,450,083,040
CANADIAN EQUITY FUNDS – 11.1%			
3,120,553	1832 AM Canadian Dividend LP Series I	31,425,346	27,669,007
2,900,568	1832 AM North American Preferred Share LP Series I	30,219,809	28,175,830
2,422,509	Scotia Canadian Dividend Fund Series I	95,810,221	125,215,103
1,545,945	Scotia Private Canadian Equity Pool Series I	17,576,310	18,379,425
549,979	Scotia Private Canadian Small Cap Pool Series I	13,783,601	19,018,049
		188,815,287	218,457,414
FOREIGN EQUITY FUNDS – 15.0%			
3,031,362	1832 AM Global Completion LP Series I	33,013,364	39,148,227
5,571,097	Scotia Global Low Volatility Equity LP Series I	66,601,358	79,051,643
3,079,303	Scotia Private International Equity Pool Series I	30,686,127	39,376,899
5,907,940	Scotia Private Options Income Pool Series I	59,440,162	58,080,953
6,224,557	Scotia U.S. Low Volatility Equity LP Series I	78,510,332	79,398,588
		268,251,343	295,056,310
	TOTAL INVESTMENT PORTFOLIO	1,900,531,205	1,963,596,764
	OTHER ASSETS, LESS LIABILITIES – 0.1%		1,619,811
	NET ASSETS – 100.0%		1,965,216,575

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

Scotia INNOVA Income Portfolio

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

1. The Fund (note 1)

The Fund's investment objective is to achieve a balance of current income and long-term capital appreciation, with a significant bias towards income. It invests primarily in a diversified mix of mutual funds, and/or equity securities and/or fixed income securities located anywhere in the world. The portfolio is an asset allocation fund that allocates investment between two asset classes: fixed income and equities.

The Fund invests primarily in mutual funds managed by the Manager and/or by the third party investment managers (the "Underlying Funds"). To ensure the Fund's composition meets the investment objectives of the Fund, the portfolio advisor monitors the Underlying Funds on an ongoing basis and rebalances the Fund's assets among the Underlying Funds.

2. Risks associated with financial instruments (note 4)

i) Interest rate risk

The Fund invests in Underlying Funds, which are exposed to interest rate risk. As at December 31, 2015, 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 $18,502,198 or approximately 0.9% (December 31, 2014 – $19,061,057 or approximately 1.0%). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

ii) Currency risk

The Fund could be exposed to indirect currency risk to the extent that the Underlying Funds held financial instruments that were denominated in a currency other than its functional currency.

iii) Price risk

Price risk is the risk that the carrying 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 price risk is mainly in equities, derivatives and commodities, if applicable. As at December 31, 2015, approximately 26.1% (December 31, 2014 – 29.4%) of the Fund's net assets were invested in Underlying Funds which were exposed to price risk. If prices of the Underlying Funds' investments had decreased or increased by 10%, with all other variables held constant, net assets of the Fund would have decreased or increased, respectively, by approximately $51,351,372 (December 31, 2014 – $56,878,296). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

iv) Credit risk

The Fund could be exposed to indirect credit risk to the extent that the Underlying Funds invested in bonds and debentures, preferred shares and derivatives.

v) Liquidity risk

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

	December 31, 2015		December 31, 2014	
	On demand ($)	Less than 3 months ($)	On demand ($)	Less than 3 months ($)
Current liabilities	–	3,835,108	–	2,699,340
Liability for written options	–	–	–	–
Unrealized loss on derivatives	–	–	–	–
Redeemable units	1,965,216,575	–	1,936,952,492	–
	1,965,216,575	3,835,108	1,936,952,492	2,699,340

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, geographical location, asset type or industry sector, as applicable. The table below is a summary of the Fund's concentration risk:

	Percentage of net assets (%)	
	December 31, 2015	December 31, 2014
Canadian Equity Funds	11.1	13.9
Fixed Income Funds	73.8	70.1
Foreign Equity Funds	15.0	15.5

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

vii) Fair value classification (note 2)

The tables below illustrate the classification of the Fund's financial instruments within the fair value hierarchy.

December 31, 2015	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Underlying funds	1,963,596,764	–	–	1,963,596,764
	1,963,596,764	–	–	1,963,596,764

December 31, 2014	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Underlying funds	1,926,296,112	–	–	1,926,296,112
	1,926,296,112	–	–	1,926,296,112

Transfers between levels

During the periods ended December 31, 2015 and 2014, there were no significant transfers between Level 1 and Level 2.

3. Offsetting of financial assets and liabilities (note 2)

As at December 31, 2015 or December 31, 2014, the Fund did not enter into any agreement whereby the financial instruments were eligible for offset.

4. Interest in Underlying Funds (note 2)

The following tables provide information about the Fund's interest in Underlying Funds.

	December 31, 2015	
Underlying Fund	Carrying value of the Underlying Fund ($)	Ownership percentage in Underlying Fund (%)
Scotia Total Return Bond LP Series I	222,089,111	26.1
Scotia Floating Rate Income Fund Series I	222,754,260	20.3
Scotia Private American Core-Plus Bond Pool Series I	118,050,446	16.1
1832 AM North American Preferred Share LP Series I	28,175,830	13.2
Scotia Private Short-Mid Government Bond Pool Series I	148,044,856	11.8
1832 AM Global Completion LP Series I	39,148,227	9.9
Scotia U.S. Low Volatility Equity LP Series I	79,398,588	9.1
Scotia Global Low Volatility Equity LP Series I	79,051,643	8.9
Scotia Private Options Income Pool Series I	58,080,953	7.5
Scotia Canadian Income Fund Series I	374,989,907	6.1
Scotia Private Canadian Corporate Bond Pool Series I	306,148,787	6.0
1832 AM Canadian Dividend LP Series I	27,669,007	5.6
Scotia Private High Yield Income Pool Series I	58,005,673	5.2
Scotia Private International Equity Pool Series I	39,376,899	4.1
Scotia Private Canadian Small Cap Pool Series I	19,018,049	3.4
Scotia Private Canadian Equity Pool Series I	18,379,425	3.0
Scotia Canadian Dividend Fund Series I	125,215,103	1.8
	1,963,596,764	

	December 31, 2014	
Underlying Fund	Carrying value of the Underlying Fund ($)	Ownership percentage in Underlying Fund (%)
Scotia Total Return Bond LP Series I	144,001,276	40.1
Scotia Floating Rate Income Fund Series I	150,099,805	23.2
1832 AM North American Preferred Share LP Series I	73,105,476	19.8
Scotia Private American Core-Plus Bond Pool Series I	114,258,900	18.2
1832 AM Global Completion LP Series I	40,192,058	13.9
Scotia Private High Yield Income Pool Series I	105,446,071	11.6
Scotia Private Short-Mid Government Bond Pool Series I	185,742,947	11.3
Scotia U.S. Low Volatility Equity LP Series I	98,668,634	10.8
Scotia Private Global Equity Pool Series I	40,367,186	8.8
Scotia Global Low Volatility Equity LP Series I	51,094,534	8.5
Scotia Private International Equity Pool Series I	44,647,228	7.4
Scotia Canadian Income Fund Series I	429,057,767	7.2
Scotia Private Canadian Corporate Bond Pool Series I	228,906,387	5.5
Scotia Private Canadian Equity Pool Series I	38,745,253	3.8
Scotia Private Canadian Small Cap Pool Series I	19,412,726	3.6
Scotia Private U.S. Dividend Pool Series I	25,315,596	2.1
Scotia Canadian Dividend Fund Series I	137,234,268	1.9
	1,926,296,112	

5. Comparison of net asset value per unit and net assets per unit (note 2)

The table below provides a comparison of the net asset value per unit and net assets per unit. The primary reason for the difference between the net asset value per unit and net assets per unit, if any, is described in note 2.

	December 31, 2015		December 31, 2014	
	Net asset value per unit ($)	Net assets per unit ($)	Net asset value per unit ($)	Net assets per unit ($)
Series A	12.74	12.74	13.02	13.02
Series T	16.67	16.67	16.47	16.47

Scotia INNOVA Balanced Income Portfolio

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars except per unit amounts)	December 31, 2015	December 31, 2014
ASSETS		
Current assets		
Investments		
Non-derivative financial assets	2,649,829,840	2,406,950,884
Cash	12,327,635	13,229,797
Subscriptions receivable	1,957,864	2,213,303
Accrued investment income and other	4,667	11,990
	2,664,120,006	2,422,405,974
LIABILITIES		
Current liabilities		
Redemptions payable	1,602,348	1,795,380
Distributions payable	4,785,208	1,312,204
	6,387,556	3,107,584
Net assets attributable to holders of redeemable units	2,657,732,450	2,419,298,390
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series A	2,273,248,403	2,040,895,340
Series T	384,484,047	378,403,050
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series A	13.83	14.08
Series T	16.13	16.39

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except per unit amounts)	2015	2014
INCOME		
Net gain (loss) on investments (note 2)		
Dividends	25,919,117	15,139,162
Interest for distribution purposes	47,699,470	37,196,904
Capital gains distributions received	40,665,640	10,501,185
Net realized gain (loss) on non-derivative financial assets	86,642,666	58,053,657
Net realized gain (loss) on currency forward contracts	–	65,048
Net realized gain (loss) on futures contracts	–	(574,755)
Change in unrealized gain (loss) on non-derivative financial assets	(81,646,021)	76,989,896
Change in unrealized gain (loss) on currency forward contracts	–	(210,020)
Change in unrealized gain (loss) on futures contracts	–	41,848
Net gain (loss) on investments	119,280,872	197,202,925
Securities lending	–	803
Net realized and unrealized gain(loss) on foreign exchange	–	34,756
Other income	28,335	27,464
Total income (loss)	119,309,207	197,265,948
EXPENSES		
Management fees (note 5)	44,117,364	37,049,369
Fixed administration fees (note 6)	778,541	254,562
Independent Review Committee fees	831	4,381
Interest expense and bank overdraft charges	–	189
Foreign withholding taxes/tax reclaims	585,457	602,249
Audit fees	–	46,342
Custodian fees	–	5,961
Filing fees	–	85,031
Legal fees	–	6,636
Unitholder administration costs	–	207,906
Unitholder reporting costs	–	26,289
Other fund costs	508,089	–
Harmonized Sales Tax/Goods and Services Tax	4,824,701	4,005,308
Transaction costs	–	451
Total expenses	50,814,983	42,294,674
Increase (decrease) in net assets attributable to holders of redeemable units from operations	68,494,224	154,971,274
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A	57,737,974	128,715,999
Series T	10,756,250	26,255,275
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT†		
Series A	0.38	0.99
Series T	0.46	1.22
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series A	152,946,662	129,730,670
Series T	23,468,496	21,479,828

† The increase (decrease) in net assets attributable to holders of redeemable units from operations 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 number of units per series.

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

Scotia INNOVA Balanced Income Portfolio (Continued)

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the periods ended December 31 (note 1),

(in dollars)	2015	2014
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series A	2,040,895,340	1,543,733,614
Series T	378,403,050	288,593,271
	2,419,298,390	1,832,326,885
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A	57,737,974	128,715,999
Series T	10,756,250	26,255,275
	68,494,224	154,971,274
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net investment income		
Series A	(20,586,000)	(19,170,675)
Series T	(3,249,700)	(3,383,945)
From net realized gains on investments		
Series A	(81,297,954)	(45,602,637)
Series T	(13,823,514)	(8,448,495)
From return of capital		
Series T	–	(1,153,162)
	(118,957,168)	(77,758,914)
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A	471,366,920	623,132,157
Series T	76,748,657	139,653,283
Reinvested distributions		
Series A	99,295,401	64,300,870
Series T	4,874,544	3,516,590
Payments on redemption		
Series A	(294,163,278)	(254,213,988)
Series T	(69,225,240)	(66,629,767)
	288,897,004	509,759,145
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A	232,353,063	497,161,726
Series T	6,080,997	89,809,779
	238,434,060	586,971,505
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series A	2,273,248,403	2,040,895,340
Series T	384,484,047	378,403,050
	2,657,732,450	2,419,298,390

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	68,494,224	154,971,274
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(86,642,666)	(58,053,657)
Unrealized (gain) loss on foreign exchange of cash	–	(34,756)
Change in unrealized (gain) loss on non-derivative financial assets	81,646,021	(76,989,896)
Change in unrealized (gain) loss on currency forward contracts	–	210,020
Purchases of non-derivative financial assets	(787,296,278)	(1,130,361,411)
Proceeds from sale of non-derivative financial assets	549,413,967	665,391,627
Accrued investment income and other	7,323	617,229
Accrued expenses	–	587,754
Net cash provided by (used in) operating activities	(174,377,409)	(443,661,816)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	548,371,016	764,170,881
Amounts paid on redemption of redeemable units	(363,581,550)	(319,506,883)
Distributions to unitholders of redeemable units	(11,314,219)	(9,382,105)
Net cash provided by (used in) financing activities	173,475,247	435,281,893
Unrealized gain (loss) on foreign exchange of cash	–	34,756
Net increase (decrease) in cash	(902,162)	(8,379,923)
Cash (bank overdraft), beginning of period	13,229,797	21,574,964
CASH (BANK OVERDRAFT), END OF PERIOD	12,327,635	13,229,797
Interest received[1]	47,706,793	37,813,352
Dividends received, net of withholding taxes[1]	25,333,660	14,536,913

[1] Classified as operating items.

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

Scotia INNOVA Balanced Income Portfolio (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2015

Number of Units	Issuer	Average Cost ($)	Carrying Value ($)
FIXED INCOME FUNDS – 57.8%			
26,978,155	Scotia Canadian Income Fund Series I	367,134,040	372,085,409
19,471,952	Scotia Floating Rate Income Fund Series I	194,714,416	190,984,804
16,834,781	Scotia Private American Core-Plus Bond Pool Series I	155,367,996	158,799,124
28,132,609	Scotia Private Canadian Corporate Bond Pool Series I	303,185,056	303,159,807
11,612,738	Scotia Private High Yield Income Pool Series I	109,162,702	103,800,459
14,966,801	Scotia Private Short-Mid Government Bond Pool Series I	159,329,489	158,996,802
21,894,856	Scotia Total Return Bond LP Series I	245,779,011	248,942,328
		1,534,672,710	1,536,768,733
CANADIAN EQUITY FUNDS – 16.4%			
8,550,969	1832 AM Canadian Dividend LP Series I	86,476,032	75,818,876
5,477,227	1832 AM North American Preferred Share LP Series I	57,439,732	53,205,234
3,709,950	Scotia Canadian Dividend Fund Series I	154,771,049	191,760,642
4,763,949	Scotia Private Canadian Equity Pool Series I	55,044,433	56,637,637
1,696,373	Scotia Private Canadian Small Cap Pool Series I	45,132,325	58,659,915
		398,863,571	436,082,304
FOREIGN EQUITY FUNDS – 25.5%			
5,640,399	1832 AM Global Completion LP Series I	63,162,217	72,842,368
12,559,589	Scotia Global Low Volatility Equity LP Series I	150,143,739	178,215,540
9,625,368	Scotia Private International Equity Pool Series I	102,526,251	123,085,354
10,048,065	Scotia Private Options Income Pool Series I	100,668,372	98,782,524
4,440,502	Scotia U.S. Dividend Growers LP Series I	60,911,473	66,973,876
10,746,501	Scotia U.S. Low Volatility Equity LP Series I	135,744,681	137,079,141
		613,156,733	676,978,803
	TOTAL INVESTMENT PORTFOLIO	2,546,693,014	2,649,829,840
	OTHER ASSETS, LESS LIABILITIES – 0.3%		7,902,610
	NET ASSETS – 100.0%		2,657,732,450

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

Scotia INNOVA Balanced Income Portfolio

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

1. The Fund (note 1)

The Fund's investment objective is to achieve a balance of current income and long-term capital appreciation, with a bias towards income. It invests primarily in a diversified mix of mutual funds, and/or equity securities and/or fixed income securities located anywhere in the world. The portfolio is an asset allocation fund that allocates investment between two asset classes: fixed income and equities.

The Fund invests primarily in mutual funds managed by the Manager and/or by the third party investment managers (the "Underlying Funds"). To ensure the Fund's composition meets the investment objectives of the Fund, the portfolio advisor monitors the Underlying Funds on an ongoing basis and rebalances the Fund's assets among the Underlying Funds.

2. Risks associated with financial instruments (note 4)

i) Interest rate risk

The Fund invests in Underlying Funds, which are exposed to interest rate risk. As at December 31, 2015, 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 $20,119,169 or approximately 0.8% (December 31, 2014 – $18,938,706 or approximately 0.8%). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

ii) Currency risk

The Fund could be exposed to indirect currency risk to the extent that the Underlying Funds held financial instruments that were denominated in a currency other than its functional currency.

iii) Price risk

Price risk is the risk that the carrying 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 price risk is mainly in equities, derivatives and commodities, if applicable. As at December 31, 2015, approximately 41.9% (December 31, 2014 – 45.4%) of the Fund's net assets were invested in Underlying Funds which were exposed to price risk. If prices of the Underlying Funds' investments had decreased or increased by 10%, with all other variables held constant, net assets of the Fund would have decreased or increased, respectively, by approximately $111,306,111 (December 31, 2014 – $109,789,398). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

iv) Credit risk

The Fund could be exposed to indirect credit risk to the extent that the Underlying Funds invested in bonds and debentures, preferred shares and derivatives.

v) Liquidity risk

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

	December 31, 2015		December 31, 2014	
	On demand ($)	Less than 3 months ($)	On demand ($)	Less than 3 months ($)
Current liabilities	–	6,387,556	–	3,107,584
Liability for written options	–	–	–	–
Unrealized loss on derivatives	–	–	–	–
Redeemable units	2,657,732,450	–	2,419,298,390	–
	2,657,732,450	6,387,556	2,419,298,390	3,107,584

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, geographical location, asset type or industry sector, as applicable. The table below is a summary of the Fund's concentration risk:

	Percentage of net assets (%)	
	December 31, 2015	December 31, 2014
Canadian Equity Funds	16.4	20.9
Fixed Income Funds	57.8	54.1
Foreign Equity Funds	25.5	24.5

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

vii) Fair value classification (note 2)

The tables below illustrate the classification of the Fund's financial instruments within the fair value hierarchy.

December 31, 2015	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Underlying funds	2,649,829,840	–	–	2,649,829,840
	2,649,829,840	–	–	2,649,829,840

December 31, 2014	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Underlying funds	2,406,950,884	–	–	2,406,950,884
	2,406,950,884	–	–	2,406,950,884

Transfers between levels

During the periods ended December 31, 2015 and 2014, there were no significant transfers between Level 1 and Level 2.

3. Offsetting of financial assets and liabilities (note 2)

As at December 31, 2015 or December 31, 2014, the Fund did not enter into any agreement whereby the financial instruments were eligible for offset.

4. Interest in Underlying Funds (note 2)

The following tables provide information about the Fund's interest in Underlying Funds.

	December 31, 2015	
Underlying Fund	Carrying value of the Underlying Fund ($)	Ownership percentage in Underlying Fund (%)
Scotia Total Return Bond LP Series I	248,942,328	29.2
1832 AM North American Preferred Share LP Series I	53,205,234	25.0
Scotia Private American Core-Plus Bond Pool Series I	158,799,124	21.7
Scotia Global Low Volatility Equity LP Series I	178,215,540	20.1
1832 AM Global Completion LP Series I	72,842,368	18.3
Scotia Floating Rate Income Fund Series I	190,984,804	17.4
Scotia U.S. Low Volatility Equity LP Series I	137,079,141	15.7
1832 AM Canadian Dividend LP Series I	75,818,876	15.4
Scotia U.S. Dividend Growers LP Series I	66,973,876	13.6
Scotia Private International Equity Pool Series I	123,085,354	12.8
Scotia Private Options Income Pool Series I	98,782,524	12.7
Scotia Private Short-Mid Government Bond Pool Series I	158,996,802	12.6
Scotia Private Canadian Small Cap Pool Series I	58,659,915	10.4
Scotia Private Canadian Equity Pool Series I	56,637,637	9.4
Scotia Private High Yield Income Pool Series I	103,800,459	9.3
Scotia Canadian Income Fund Series I	372,085,409	6.1
Scotia Private Canadian Corporate Bond Pool Series I	303,159,807	5.9
Scotia Canadian Dividend Fund Series I	191,760,642	2.8
	2,649,829,840	

	December 31, 2014	
Underlying Fund	Carrying value of the Underlying Fund ($)	Ownership percentage in Underlying Fund (%)
Scotia Total Return Bond LP Series I	131,262,622	36.5
1832 AM North American Preferred Share LP Series I	114,815,406	31.2
Scotia Floating Rate Income Fund Series I	169,317,664	26.2
Scotia Private American Core-Plus Bond Pool Series I	142,602,921	22.7
1832 AM Global Completion LP Series I	61,754,376	21.3
Scotia U.S. Low Volatility Equity LP Series I	176,201,021	19.3
Scotia Global Low Volatility Equity LP Series I	107,930,893	17.9
Scotia Private U.S. Value Pool Series I	50,303,037	17.4
Scotia Private International Equity Pool Series I	98,034,359	16.3
Scotia Private Global Equity Pool Series I	67,688,784	14.7
Scotia Private High Yield Income Pool Series I	124,826,254	13.7
Scotia Private Canadian Small Cap Pool Series I	61,274,687	11.4
Scotia Private Canadian Equity Pool Series I	115,229,090	11.4
Scotia Private Short-Mid Government Bond Pool Series I	154,527,509	9.4
Scotia Canadian Income Fund Series I	426,635,117	7.1
Scotia Private Canadian Corporate Bond Pool Series I	159,884,819	3.9
Scotia Canadian Dividend Fund Series I	213,698,473	2.9
Scotia Private U.S. Dividend Pool Series I	30,963,852	2.6
	2,406,950,884	

5. Comparison of net asset value per unit and net assets per unit (note 2)

The table below provides a comparison of the net asset value per unit and net assets per unit. The primary reason for the difference between the net asset value per unit and net assets per unit, if any, is described in note 2.

	December 31, 2015		December 31, 2014	
	Net asset value per unit ($)	Net assets per unit ($)	Net asset value per unit ($)	Net assets per unit ($)
Series A	13.83	13.83	14.08	14.08
Series T	16.13	16.13	16.39	16.39

Scotia INNOVA Balanced Growth Portfolio

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars except per unit amounts)	December 31, 2015	December 31, 2014
ASSETS		
Current assets		
Investments		
Non-derivative financial assets	3,261,990,080	2,810,502,954
Cash	16,182,852	16,203,881
Subscriptions receivable	3,117,149	2,764,696
Accrued investment income and other	7,030	14,260
	3,281,297,111	2,829,485,791
LIABILITIES		
Current liabilities		
Payable for securities purchased	1,700,000	3,800,000
Redemptions payable	1,142,543	1,009,454
Distributions payable	10,758,617	1,237,029
	13,601,160	6,046,483
Net assets attributable to holders of redeemable units	3,267,695,951	2,823,439,308
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series A	2,915,552,134	2,483,601,633
Series T	352,143,817	339,837,675
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series A	14.97	15.23
Series T	15.90	16.13

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except per unit amounts)	2015	2014
INCOME		
Net gain (loss) on investments (note 2)		
Dividends	44,069,907	26,659,602
Interest for distribution purposes	41,499,682	31,264,164
Capital gains distributions received	79,848,262	20,091,318
Net realized gain (loss) on non-derivative financial assets	145,825,901	79,148,440
Change in unrealized gain (loss) on non-derivative financial assets	(108,419,458)	102,538,476
Net gain (loss) on investments	202,824,294	259,702,000
Other income	26,578	22,739
Total income (loss)	202,850,872	259,724,739
EXPENSES		
Management fees (note 5)	56,320,912	45,394,133
Fixed administration fees (note 6)	938,681	297,052
Independent Review Committee fees	666	5,056
Foreign withholding taxes/tax reclaims	1,597,063	1,227,689
Audit fees	–	53,666
Custodian fees	–	4,549
Filing fees	–	95,520
Legal fees	–	7,638
Unitholder administration costs	–	237,217
Unitholder reporting costs	–	29,925
Other fund costs	742,292	–
Harmonized Sales Tax/Goods and Services Tax	6,029,601	4,783,130
Total expenses	65,629,215	52,135,575
Increase (decrease) in net assets attributable to holders of redeemable units from operations	137,221,657	207,589,164
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A	120,889,239	181,145,652
Series T	16,332,418	26,443,512
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT†		
Series A	0.69	1.25
Series T	0.75	1.31
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series A	175,388,997	144,590,735
Series T	21,784,810	20,143,265

† The increase (decrease) in net assets attributable to holders of redeemable units from operations 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 number of units per series.

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the periods ended December 31 (note 1),

(in dollars)	2015	2014
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series A	2,483,601,633	1,805,417,072
Series T	339,837,675	259,473,249
	2,823,439,308	2,064,890,321
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A	120,889,239	181,145,652
Series T	16,332,418	26,443,512
	137,221,657	207,589,164
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net investment income		
Series A	(19,059,055)	(15,422,572)
Series T	(2,000,560)	(1,759,115)
From net realized gains on investments		
Series A	(161,636,056)	(71,406,032)
Series T	(19,774,653)	(9,780,780)
From return of capital		
Series T	–	(3,683,844)
	(202,470,324)	(102,052,343)
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A	630,655,709	733,520,052
Series T	68,264,711	125,711,326
Reinvested distributions		
Series A	174,384,123	86,599,724
Series T	5,162,046	3,607,523
Payments on redemption		
Series A	(313,283,459)	(236,252,263)
Series T	(55,677,820)	(60,174,196)
	509,505,310	653,012,166
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A	431,950,501	678,184,561
Series T	12,306,142	80,364,426
	444,256,643	758,548,987
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series A	2,915,552,134	2,483,601,633
Series T	352,143,817	339,837,675
	3,267,695,951	2,823,439,308

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	137,221,657	207,589,164
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(145,825,901)	(79,148,440)
Change in unrealized (gain) loss on non-derivative financial assets	108,419,458	(102,538,476)
Purchases of non-derivative financial assets	(1,329,619,985)	(1,331,053,639)
Proceeds from sale of non-derivative financial assets	913,439,303	753,278,364
Accrued investment income and other	7,230	(2,856)
Net cash provided by (used in) operating activities	(316,358,238)	(551,875,883)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	698,567,966	860,329,568
Amounts paid on redemption of redeemable units	(368,828,190)	(296,088,860)
Distributions to unitholders of redeemable units	(13,402,567)	(11,422,737)
Net cash provided by (used in) financing activities	316,337,209	552,817,971
Net increase (decrease) in cash	(21,029)	942,088
Cash (bank overdraft), beginning of period	16,203,881	15,261,793
CASH (BANK OVERDRAFT), END OF PERIOD	16,182,852	16,203,881
Interest received[1]	41,506,911	31,261,308
Dividends received, net of withholding taxes[1]	42,472,844	25,431,913

[1] Classified as operating items.

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

Scotia INNOVA Balanced Growth Portfolio (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2015

Number of Units	Issuer	Average Cost ($)	Carrying Value ($)
FIXED INCOME FUNDS – 37.7%			
26,535,398	Scotia Canadian Income Fund Series I	362,003,698	365,978,863
6,703,013	Scotia Floating Rate Income Fund Series I	67,000,020	65,744,493
20,541,216	Scotia Private American Core-Plus Bond Pool Series I	190,492,936	193,761,180
26,225,899	Scotia Private Canadian Corporate Bond Pool Series I	284,007,197	282,612,906
14,463,551	Scotia Private High Yield Income Pool Series I	136,021,209	129,282,448
17,138,356	Scotia Total Return Bond LP Series I	194,554,887	194,861,398
		1,234,079,947	1,232,241,288
CANADIAN EQUITY FUNDS – 21.4%			
12,531,214	1832 AM Canadian Dividend LP Series I	126,317,170	111,110,511
6,452,866	1832 AM Canadian Growth LP Series I	65,024,404	63,304,553
6,613,807	1832 AM North American Preferred Share LP Series I	69,141,192	64,245,860
4,268,103	Scotia Canadian Dividend Fund Series I	181,842,194	220,610,557
9,264,212	Scotia Private Canadian Equity Pool Series I	108,980,990	110,140,363
3,731,289	Scotia Private Canadian Small Cap Pool Series I	101,515,173	129,026,478
		652,821,123	698,438,322
FOREIGN EQUITY FUNDS – 40.7%			
6,923,521	1832 AM Global Completion LP Series I	78,029,922	89,413,114
15,443,912	Scotia Global Low Volatility Equity LP Series I	175,419,072	219,142,935
5,017,002	Scotia Private Emerging Markets Pool Series I	47,203,773	46,547,740
4,402,478	Scotia Private Global Equity Pool Series I	65,026,635	107,574,119
1,670,747	Scotia Private Global Real Estate Pool Series I	24,499,492	33,478,927
20,847,030	Scotia Private International Equity Pool Series I	240,349,714	266,583,475
13,267,671	Scotia Private Options Income Pool Series I	132,943,825	130,434,470
11,164,693	Scotia U.S. Dividend Growers LP Series I	151,960,041	168,391,482
21,146,955	Scotia U.S. Low Volatility Equity LP Series I	267,914,813	269,744,208
		1,183,347,287	1,331,310,470
	TOTAL INVESTMENT PORTFOLIO	3,070,248,357	3,261,990,080
	OTHER ASSETS, LESS LIABILITIES – 0.2%		5,705,871
	NET ASSETS – 100.0%		3,267,695,951

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

Scotia INNOVA Balanced Growth Portfolio

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

1. The Fund (note 1)

The Fund's investment objective is to achieve a balance of current income and long-term capital appreciation, with a bias towards capital appreciation. It invests primarily in a diversified mix of mutual funds, and/or equity securities and/or fixed income securities located anywhere in the world. The portfolio is an asset allocation fund that allocates investment between two asset classes: fixed income and equities.

The Fund invests primarily in mutual funds managed by the Manager and/or by the third party investment managers (the "Underlying Funds"). To ensure the Fund's composition meets the investment objectives of the Fund, the portfolio advisor monitors the Underlying Funds on an ongoing basis and rebalances the Fund's assets among the Underlying Funds.

2. Risks associated with financial instruments (note 4)

i) Interest rate risk

The Fund invests in Underlying Funds, which are exposed to interest rate risk. As at December 31, 2015, 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 $17,132,516 or approximately 0.5% (December 31, 2014 – $15,479,513 or approximately 0.5%). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

ii) Currency risk

The Fund could be exposed to indirect currency risk to the extent that the Underlying Funds held financial instruments that were denominated in a currency other than its functional currency.

iii) Price risk

Price risk is the risk that the carrying 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 price risk is mainly in equities, derivatives and commodities, if applicable. As at December 31, 2015, approximately 62.1% (December 31, 2014 – 65.1%) of the Fund's net assets were invested in Underlying Funds which were exposed to price risk. If prices of the Underlying Funds' investments had decreased or increased by 10%, with all other variables held constant, net assets of the Fund would have decreased or increased, respectively, by approximately $202,974,879 (December 31, 2014 – $183,859,966). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

iv) Credit risk

The Fund could be exposed to indirect credit risk to the extent that the Underlying Funds invested in bonds and debentures, preferred shares and derivatives.

v) Liquidity risk

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

	December 31, 2015		December 31, 2014	
	On demand ($)	Less than 3 months ($)	On demand ($)	Less than 3 months ($)
Current liabilities	–	13,601,160	–	6,046,483
Liability for written options	–	–	–	–
Unrealized loss on derivatives	–	–	–	–
Redeemable units	3,267,695,951	–	2,823,439,308	–
	3,267,695,951	13,601,160	2,823,439,308	6,046,483

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, geographical location, asset type or industry sector, as applicable. The table below is a summary of the Fund's concentration risk:

	Percentage of net assets (%)	
	December 31, 2015	December 31, 2014
Canadian Equity Funds	21.4	28.4
Fixed Income Funds	37.7	34.4
Foreign Equity Funds	40.7	36.7

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

vii) Fair value classification (note 2)

The tables below illustrate the classification of the Fund's financial instruments within the fair value hierarchy.

December 31, 2015	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Underlying funds	3,261,990,080	–	–	3,261,990,080
	3,261,990,080	–	–	3,261,990,080

December 31, 2014	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Underlying funds	2,810,502,954	–	–	2,810,502,954
	2,810,502,954	–	–	2,810,502,954

Transfers between levels

During the periods ended December 31, 2015 and 2014, there were no significant transfers between Level 1 and Level 2.

3. Offsetting of financial assets and liabilities (note 2)

As at December 31, 2015 or December 31, 2014, the Fund did not enter into any agreement whereby the financial instruments were eligible for offset.

4. Interest in Underlying Funds (note 2)

The following tables provide information about the Fund's interest in Underlying Funds.

	December 31, 2015	
Underlying Fund	Carrying value of the Underlying Fund ($)	Ownership percentage in Underlying Fund (%)
Scotia U.S. Dividend Growers LP Series I	168,391,482	34.3
1832 AM Canadian Growth LP Ser I	63,304,553	32.8
Scotia U.S. Low Volatility Equity LP Series I	269,744,208	30.9
1832 AM North American Preferred Share LP Series I	64,245,860	30.2
Scotia Private International Equity Pool Series I	266,583,475	27.7
Scotia Private Global Equity Pool Series I	107,574,119	27.6
Scotia Private American Core-Plus Bond Pool Series I	193,761,180	26.5
Scotia Global Low Volatility Equity LP Series I	219,142,935	24.7
Scotia Private Canadian Small Cap Pool Series I	129,026,478	23.0
Scotia Total Return Bond LP Series I	194,861,398	22.9
1832 AM Canadian Dividend LP Ser I	111,110,511	22.6
1832 AM Global Completion LP Series I	89,413,114	22.5
Scotia Private Emerging Markets Pool Series I	46,547,740	22.2
Scotia Private Canadian Equity Pool Series I	110,140,363	18.3
Scotia Private Options Income Pool Series I	130,434,470	16.8
Scotia Private High Yield Income Pool Series I	129,282,448	11.6
Scotia Private Global Real Estate Pool Series I	33,478,927	9.7
Scotia Floating Rate Income Fund Series I	65,744,493	6.0
Scotia Canadian Income Fund Series I	365,978,863	6.0
Scotia Private Canadian Corporate Bond Pool Series I	282,612,906	5.5
Scotia Canadian Dividend Fund Series I	220,610,557	3.2
	3,261,990,080	

	December 31, 2014	
Underlying Fund	Carrying value of the Underlying Fund ($)	Ownership percentage in Underlying Fund (%)
1832 AM North American Preferred Share LP Series I	125,192,126	34.0
Scotia U.S. Low Volatility Equity LP Series I	273,993,515	30.1
Scotia Private U.S. Mid Cap Growth Pool Series I	51,554,878	29.6
Scotia Global Low Volatility Equity LP Series I	177,482,991	29.4
Scotia Private American Core-Plus Bond Pool Series I	164,577,452	26.2
Scotia Private Canadian Small Cap Pool Series I	140,162,242	26.0
Scotia Private Global Equity Pool Series I	116,160,554	25.3
Scotia Private U.S. Value Pool Series I	72,861,975	25.2
Scotia Private International Equity Pool Series I	150,557,906	25.1
1832 AM Global Completion LP Series I	71,437,921	24.7
Scotia Private Emerging Markets Pool Series I	42,327,573	24.5
Scotia Private Canadian Equity Pool Series I	174,091,406	17.2
Scotia Private Canadian Growth Pool Series I	56,002,072	16.9
Scotia Floating Rate Income Fund Series I	107,512,650	16.6
Scotia Private High Yield Income Pool Series I	109,718,875	12.1
Scotia Private Global Real Estate Pool Series I	29,359,392	10.7
Scotia Canadian Income Fund Series I	466,227,811	7.8
Scotia Private U.S. Dividend Pool Series I	51,498,998	4.3
Scotia Canadian Dividend Fund Series I	305,916,104	4.2
Scotia Private Canadian Corporate Bond Pool Series I	123,866,513	3.0
	2,810,502,954	

5. Comparison of net asset value per unit and net assets per unit (note 2)

The table below provides a comparison of the net asset value per unit and net assets per unit. The primary reason for the difference between the net asset value per unit and net assets per unit, if any, is described in note 2.

	December 31, 2015		December 31, 2014	
	Net asset value per unit ($)	Net assets per unit ($)	Net asset value per unit ($)	Net assets per unit ($)
Series A	14.97	14.97	15.23	15.23
Series T	15.90	15.90	16.13	16.13

Scotia INNOVA Growth Portfolio

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars except per unit amounts)	December 31, 2015	December 31, 2014
ASSETS		
Current assets		
Investments		
Non-derivative financial assets	1,830,663,923	1,452,928,054
Cash	10,970,307	9,381,667
Subscriptions receivable	1,234,584	1,768,449
Accrued investment income and other	4,385	7,907
	1,842,873,199	1,464,086,077
LIABILITIES		
Current liabilities		
Payable for securities purchased	1,800,000	2,900,000
Redemptions payable	1,102,308	960,575
Distributions payable	5,412,760	65,294
	8,315,068	3,925,869
Net assets attributable to holders of redeemable units	1,834,558,131	1,460,160,208
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series A	1,834,558,131	1,460,160,208
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series A	16.40	16.58

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except per unit amounts)	2015	2014
INCOME		
Net gain (loss) on investments (note 2)		
Dividends	31,003,435	17,508,780
Interest for distribution purposes	14,937,699	9,837,897
Capital gains distributions received	48,748,430	15,245,867
Net realized gain (loss) on non-derivative financial assets	91,690,301	41,199,326
Change in unrealized gain (loss) on non-derivative financial assets	(58,976,280)	52,789,036
Net gain (loss) on investments	127,403,585	136,580,906
Other income	8,431	7,977
Total income (loss)	127,412,016	136,588,883
EXPENSES		
Management fees (note 5)	32,511,125	23,737,217
Fixed administration fees (note 6)	513,333	150,871
Independent Review Committee fees	799	2,471
Foreign withholding taxes/tax reclaims	1,307,867	927,618
Audit fees	–	26,402
Custodian fees	–	4,331
Filing fees	–	44,778
Legal fees	–	3,683
Unitholder administration costs	–	115,397
Unitholder reporting costs	–	16,709
Other fund costs	463,913	–
Harmonized Sales Tax/Goods and Services Tax	3,256,394	2,343,815
Total expenses	38,053,431	27,373,292
Increase (decrease) in net assets attributable to holders of redeemable units from operations	89,358,585	109,215,591
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A	89,358,585	109,215,591
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT†		
Series A	0.91	1.45
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series A	98,590,586	75,396,444

† The increase (decrease) in net assets attributable to holders of redeemable units from operations 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 number of units per series.

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the periods ended December 31 (note 1),

(in dollars)	2015	2014
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series A	1,460,160,208	953,081,184
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A	89,358,585	109,215,591
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net investment income		
Series A	(6,803,572)	(4,398,772)
From net realized gains on investments		
Series A	(115,448,082)	(49,836,619)
	(122,251,654)	(54,235,391)
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A	461,499,842	521,760,945
Reinvested distributions		
Series A	116,841,995	54,170,453
Payments on redemption		
Series A	(171,050,845)	(123,832,574)
	407,290,992	452,098,824
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A	374,397,923	507,079,024
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series A	1,834,558,131	1,460,160,208

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	89,358,585	109,215,591
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(91,690,301)	(41,199,326)
Change in unrealized (gain) loss on non-derivative financial assets	58,976,280	(52,789,036)
Purchases of non-derivative financial assets	(911,337,102)	(693,001,581)
Proceeds from sale of non-derivative financial assets	565,215,254	280,266,965
Accrued investment income and other	3,522	(2,462)
Net cash provided by (used in) operating activities	(289,473,762)	(397,509,849)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	462,033,707	522,124,639
Amounts paid on redemption of redeemable units	(170,909,112)	(123,216,276)
Distributions to unitholders of redeemable units	(62,193)	(5,208)
Net cash provided by (used in) financing activities	291,062,402	398,903,155
Net increase (decrease) in cash	1,588,640	1,393,306
Cash (bank overdraft), beginning of period	9,381,667	7,988,361
CASH (BANK OVERDRAFT), END OF PERIOD	10,970,307	9,381,667
Interest received[1]	14,941,221	9,835,435
Dividends received, net of withholding taxes[1]	29,695,568	16,581,162

[1] Classified as operating items.

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

Scotia INNOVA Growth Portfolio (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2015

Number of Units	Issuer	Average Cost ($)	Carrying Value ($)
FIXED INCOME FUNDS – 22.6%			
9,038,778	Scotia Canadian Income Fund Series I	123,504,128	124,663,724
2,329,344	Scotia Floating Rate Income Fund Series I	23,248,232	22,846,670
7,301,935	Scotia Private American Core-Plus Bond Pool Series I	68,152,218	68,877,696
9,769,568	Scotia Private Canadian Corporate Bond Pool Series I	106,670,410	105,277,839
7,687,915	Scotia Private High Yield Income Pool Series I	73,102,579	68,718,433
2,150,931	Scotia Total Return Bond LP Series I	24,517,948	24,455,872
		419,195,515	414,840,234
CANADIAN EQUITY FUNDS – 26.6%			
14,000,285	1832 AM Canadian Dividend LP Series I	140,329,476	124,136,330
6,759,380	1832 AM Canadian Growth LP Series I	68,114,867	66,311,541
4,663,879	1832 AM North American Preferred Share LP Series I	48,553,268	45,304,459
2,558,719	Scotia Canadian Dividend Fund Series I	113,407,540	132,255,583
3,487,114	Scotia Private Canadian Small Cap Pool Series I	99,546,401	120,583,021
		469,951,552	488,590,934
FOREIGN EQUITY FUNDS – 50.6%			
5,622,618	1832 AM Global Completion LP Series I	64,321,253	72,612,732
10,613,191	Scotia Global Low Volatility Equity LP Series I	122,535,906	150,596,938
6,533,413	Scotia Private Emerging Markets Pool Series I	61,988,662	60,617,008
3,782,957	Scotia Private Global Equity Pool Series I	57,900,009	92,436,185
3,200,134	Scotia Private Global Real Estate Pool Series I	52,178,955	64,125,251
14,261,505	Scotia Private International Equity Pool Series I	172,046,825	182,370,420
7,051,081	Scotia Private Options Income Pool Series I	70,646,998	69,319,175
6,207,755	Scotia U.S. Dividend Growers LP Series I	85,645,979	93,628,465
11,095,164	Scotia U.S. Low Volatility Equity LP Series I	142,600,843	141,526,581
		829,865,430	927,232,755
	TOTAL INVESTMENT PORTFOLIO	1,719,012,497	1,830,663,923
	OTHER ASSETS, LESS LIABILITIES – 0.2%		3,894,208
	NET ASSETS – 100.0%		1,834,558,131

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

Scotia INNOVA Growth Portfolio

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

1. The Fund (note 1)

The Fund's investment objective is to achieve a balance of long-term capital appreciation and current income, with a significant bias towards capital appreciation. It invests primarily in a diversified mix of mutual funds, and/or equity securities and/or fixed income securities located anywhere in the world. The portfolio is an asset allocation fund that allocates investment between two asset classes: fixed income and equities.

The Fund invests primarily in mutual funds managed by the Manager and/or by the third party investment managers (the "Underlying Funds"). To ensure the Fund's composition meets the investment objectives of the Fund, the portfolio advisor monitors the Underlying Funds on an ongoing basis and rebalances the Fund's assets among the Underlying Funds.

2. Risks associated with financial instruments (note 4)

i) Interest rate risk

The Fund invests in Underlying Funds, which are exposed to interest rate risk. As at December 31, 2015, 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 $6,173,102 or approximately 0.3% (December 31, 2014 – $4,886,428 or approximately 0.3%). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

ii) Currency risk

The Fund could be exposed to indirect currency risk to the extent that the Underlying Funds held financial instruments that were denominated in a currency other than its functional currency.

iii) Price risk

Price risk is the risk that the carrying 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 price risk is mainly in equities, derivatives and commodities, if applicable. As at December 31, 2015, approximately 77.2% (December 31, 2014 – 78.7%) of the Fund's net assets were invested in Underlying Funds which were exposed to price risk. If prices of the Underlying Funds' investments had decreased or increased by 10%, with all other variables held constant, net assets of the Fund would have decreased or increased, respectively, by approximately $141,582,369 (December 31, 2014 – $114,890,947). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

iv) Credit risk

The Fund could be exposed to indirect credit risk to the extent that the Underlying Funds invested in bonds and debentures, preferred shares and derivatives.

v) Liquidity risk

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

	December 31, 2015		December 31, 2014	
	On demand ($)	Less than 3 months ($)	On demand ($)	Less than 3 months ($)
Current liabilities	–	8,315,068	–	3,925,869
Liability for written options	–	–	–	–
Unrealized loss on derivatives	–	–	–	–
Redeemable units	1,834,558,131	–	1,460,160,208	–
	1,834,558,131	8,315,068	1,460,160,208	3,925,869

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, geographical location, asset type or industry sector, as applicable. The table below is a summary of the Fund's concentration risk:

	Percentage of net assets (%)	
	December 31, 2015	December 31, 2014
Canadian Equity Funds	26.6	32.9
Fixed Income Funds	22.6	20.8
Foreign Equity Funds	50.6	45.8

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

vii) Fair value classification (note 2)

The tables below illustrate the classification of the Fund's financial instruments within the fair value hierarchy.

December 31, 2015	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Underlying funds	1,830,663,923	–	–	1,830,663,923
	1,830,663,923	–	–	1,830,663,923

December 31, 2014	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Underlying funds	1,452,928,054	–	–	1,452,928,054
	1,452,928,054	–	–	1,452,928,054

Transfers between levels

During the periods ended December 31, 2015 and 2014, there were no significant transfers between Level 1 and Level 2.

3. Offsetting of financial assets and liabilities (note 2)

As at December 31, 2015 or December 31, 2014, the Fund did not enter into any agreement whereby the financial instruments were eligible for offset.

4. Interest in Underlying Funds (note 2)

The following tables provide information about the Fund's interest in Underlying Funds.

	December 31, 2015	
Underlying Fund	Carrying value of the Underlying Fund ($)	Ownership percentage in Underlying Fund (%)
1832 AM Canadian Growth LP Series I	66,311,541	34.3
Scotia Private Emerging Markets Pool Series I	60,617,008	28.9
1832 AM Canadian Dividend LP Series I	124,136,330	25.2
Scotia Private Global Equity Pool Series I	92,436,185	23.7
Scotia Private Canadian Small Cap Pool Series I	120,583,021	21.5
1832 AM North American Preferred Share LP Series I	45,304,459	21.3
Scotia U.S. Dividend Growers LP Series I	93,628,465	19.1
Scotia Private International Equity Pool Series I	182,370,420	19.0
Scotia Private Global Real Estate Pool Series I	64,125,251	18.6
1832 AM Global Completion LP Series I	72,612,732	18.3
Scotia Global Low Volatility Equity LP Series I	150,596,938	17.0
Scotia U.S. Low Volatility Equity LP Series I	141,526,581	16.2
Scotia Private American Core-Plus Bond Pool Series I	68,877,696	9.4
Scotia Private Options Income Pool Series I	69,319,175	8.9
Scotia Private High Yield Income Pool Series I	68,718,433	6.2
Scotia Total Return Bond LP Series I	24,455,872	2.9
Scotia Floating Rate Income Fund Series I	22,846,670	2.1
Scotia Private Canadian Corporate Bond Pool Series I	105,277,839	2.1
Scotia Canadian Income Fund Series I	124,663,724	2.0
Scotia Canadian Dividend Fund Series I	132,255,583	1.9
	1,830,663,923	

	December 31, 2014	
Underlying Fund	Carrying value of the Underlying Fund ($)	Ownership percentage in Underlying Fund (%)
Scotia Private Emerging Markets Pool Series I	51,188,450	29.7
Scotia Private U.S. Mid Cap Growth Pool Series I	45,904,310	26.4
Scotia Private U.S. Value Pool Series I	60,625,799	21.0
Scotia Private Canadian Growth Pool Series I	68,899,226	20.8
Scotia Private Canadian Small Cap Pool Series I	108,561,019	20.2
1832 AM Global Completion LP Series I	55,273,588	19.1
Scotia Global Low Volatility Equity LP Series I	113,445,869	18.8
Scotia Private Global Equity Pool Series I	74,736,325	16.3
Scotia U.S. Low Volatility Equity LP Series I	145,095,795	15.9
Scotia Private International Equity Pool Series I	84,616,360	14.1
Scotia Private Global Real Estate Pool Series I	37,666,384	13.8
1832 AM North American Preferred Share LP Series I	46,325,184	12.6
Scotia Private American Core-Plus Bond Pool Series I	66,634,211	10.6
Scotia Private Canadian Equity Pool Series I	101,745,520	10.0
Scotia Private High Yield Income Pool Series I	56,115,986	6.2
Scotia Floating Rate Income Fund Series I	34,324,377	5.3
Scotia Canadian Income Fund Series I	146,944,006	2.5
Scotia Canadian Dividend Fund Series I	154,825,645	2.1
	1,452,928,054	

5. Comparison of net asset value per unit and net assets per unit (note 2)

The table below provides a comparison of the net asset value per unit and net assets per unit. The primary reason for the difference between the net asset value per unit and net assets per unit, if any, is described in note 2.

	December 31, 2015		December 31, 2014	
	Net asset value per unit ($)	Net assets per unit ($)	Net asset value per unit ($)	Net assets per unit ($)
Series A	16.40	16.40	16.58	16.58

Scotia INNOVA Maximum Growth Portfolio

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars except per unit amounts)	December 31, 2015	December 31, 2014
ASSETS		
Current assets		
Investments		
Non-derivative financial assets	551,721,203	393,534,970
Cash	3,141,889	3,553,271
Subscriptions receivable	1,032,968	1,341,991
Accrued investment income and other	1,432	2,383
	555,897,492	398,432,615
LIABILITIES		
Current liabilities		
Payable for securities purchased	1,160,000	2,000,000
Redemptions payable	220,237	128,454
Distributions payable	2,016,212	18,480
	3,396,449	2,146,934
Net assets attributable to holders of redeemable units	552,501,043	396,285,681
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series A	552,501,043	396,285,681
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series A	18.03	17.95

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except per unit amounts)	2015	2014
INCOME		
Net gain (loss) on investments (note 2)		
Dividends	10,500,881	5,984,017
Interest for distribution purposes	1,857,156	989,097
Capital gains distributions received	17,469,848	5,435,243
Net realized gain (loss) on non-derivative financial assets	28,388,966	13,778,393
Change in unrealized gain (loss) on non-derivative financial assets	(14,250,218)	10,458,248
Net gain (loss) on investments	43,966,633	36,644,998
Other income	4,259	5,755
Total income (loss)	43,970,892	36,650,753
EXPENSES		
Management fees (note 5)	9,895,193	6,499,005
Fixed administration fees (note 6)	197,902	53,656
Independent Review Committee fees	1,012	636
Foreign withholding taxes/tax reclaims	460,532	361,315
Audit fees	–	6,812
Custodian fees	–	3,167
Filing fees	–	16,519
Legal fees	–	936
Unitholder administration costs	–	29,699
Unitholder reporting costs	–	6,835
Other fund costs	158,481	–
Harmonized Sales Tax/Goods and Services Tax	947,866	614,242
Total expenses	11,660,986	7,592,822
Increase (decrease) in net assets attributable to holders of redeemable units from operations	32,309,906	29,057,931
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A	32,309,906	29,057,931
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT†		
Series A	1.24	1.61
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series A	25,999,300	18,075,963

† The increase (decrease) in net assets attributable to holders of redeemable units from operations 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 number of units per series.

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the periods ended December 31 (note 1),

(in dollars)	2015	2014
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series A	396,285,681	233,548,583
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A	32,309,906	29,057,931
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net realized gains on investments		
Series A	(37,577,400)	(16,362,811)
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A	179,220,329	170,355,276
Reinvested distributions		
Series A	35,561,551	16,344,331
Payments on redemption		
Series A	(53,299,024)	(36,657,629)
	161,482,856	150,041,978
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A	156,215,362	162,737,098
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series A	552,501,043	396,285,681

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	32,309,906	29,057,931
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(28,388,966)	(13,778,393)
Change in unrealized (gain) loss on non-derivative financial assets	14,250,218	(10,458,248)
Purchases of non-derivative financial assets	(310,183,472)	(209,355,777)
Proceeds from sale of non-derivative financial assets	165,295,987	72,870,188
Accrued investment income and other	951	(800)
Net cash provided by (used in) operating activities	(126,715,376)	(131,665,099)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	179,529,352	169,779,192
Amounts paid on redemption of redeemable units	(53,207,241)	(36,757,987)
Distributions to unitholders of redeemable units	(18,117)	–
Net cash provided by (used in) financing activities	126,303,994	133,021,205
Net increase (decrease) in cash	(411,382)	1,356,106
Cash (bank overdraft), beginning of period	3,553,271	2,197,165
CASH (BANK OVERDRAFT), END OF PERIOD	3,141,889	3,553,271
Interest received[1]	1,858,109	988,297
Dividends received, net of withholding taxes[1]	10,040,349	5,622,702

[1] Classified as operating items.

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

Scotia INNOVA Maximum Growth Portfolio (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2015

Number of Units	Issuer	Average Cost ($)	Carrying Value ($)
FIXED INCOME FUNDS – 8.5%			
1,099,709	Scotia Canadian Income Fund Series I	15,119,389	15,167,297
878,241	Scotia Private American Core-Plus Bond Pool Series I	8,289,035	8,284,268
1,399,443	Scotia Private Canadian Corporate Bond Pool Series I	15,278,528	15,080,535
928,347	Scotia Private High Yield Income Pool Series I	8,980,813	8,298,033
		47,667,765	46,830,133
CANADIAN EQUITY FUNDS – 30.6%			
5,424,650	1832 AM Canadian Dividend LP Series I	54,086,063	48,098,748
2,739,017	1832 AM Canadian Growth LP Series I	27,558,586	26,870,581
838,308	1832 AM North American Preferred Share LP Series I	8,706,626	8,143,238
770,880	Scotia Canadian Dividend Fund Series I	35,405,552	39,845,409
1,326,651	Scotia Private Canadian Small Cap Pool Series I	39,979,193	45,875,050
		165,736,020	168,833,026
FOREIGN EQUITY FUNDS – 60.8%			
2,351,455	1832 AM Global Completion LP Series I	27,427,529	30,367,625
3,601,000	Scotia Global Low Volatility Equity LP Series I	44,358,282	51,096,748
3,031,109	Scotia Private Emerging Markets Pool Series I	29,132,853	28,122,633
1,369,804	Scotia Private Global Equity Pool Series I	22,619,723	33,471,027
1,180,695	Scotia Private Global Real Estate Pool Series I	18,856,538	23,659,128
4,608,057	Scotia Private International Equity Pool Series I	53,147,229	58,925,987
2,567,590	Scotia Private Options Income Pool Series I	25,709,557	25,241,980
2,243,449	Scotia U.S. Dividend Growers LP Series I	30,735,428	33,836,812
4,024,562	Scotia U.S. Low Volatility Equity LP Series I	52,326,626	51,336,104
		304,313,765	336,058,044
	TOTAL INVESTMENT PORTFOLIO	517,717,550	551,721,203
	OTHER ASSETS, LESS LIABILITIES – 0.1%		779,840
	NET ASSETS – 100.0%		552,501,043

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

Scotia INNOVA Maximum Growth Portfolio

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

1. The Fund (note 1)

The Fund's investment objective is long-term capital appreciation. It invests primarily in a diversified mix of mutual funds and/or equity securities located anywhere in the world. The portfolio is an asset allocation fund that allocates investment between two asset classes: fixed income and equities.

The Fund invests primarily in mutual funds managed by the Manager and/or by the third party investment managers (the "Underlying Funds"). To ensure the Fund's composition meets the investment objectives of the Fund, the portfolio advisor monitors the Underlying Funds on an ongoing basis and rebalances the Fund's assets among the Underlying Funds.

2. Risks associated with financial instruments (note 4)

i) Interest rate risk

The Fund invests in Underlying Funds, which are exposed to interest rate risk. As at December 31, 2015, 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 $772,283 or approximately 0.1% (December 31, 2014 – $519,486 or approximately 0.1%). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

ii) Currency risk

The Fund could be exposed to indirect currency risk to the extent that the Underlying Funds held financial instruments that were denominated in a currency other than its functional currency.

iii) Price risk

Price risk is the risk that the carrying 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 price risk is mainly in equities, derivatives and commodities, if applicable. As at December 31, 2015, approximately 91.4% (December 31, 2014 – 91.6%) of the Fund's net assets were invested in Underlying Funds which were exposed to price risk. If prices of the Underlying Funds' investments had decreased or increased by 10%, with all other variables held constant, net assets of the Fund would have decreased or increased, respectively, by approximately $50,489,107 (December 31, 2014 – $36,312,501). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

iv) Credit risk

The Fund could be exposed to indirect credit risk to the extent that the Underlying Funds invested in bonds and debentures, preferred shares and derivatives.

v) Liquidity risk

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

	December 31, 2015		December 31, 2014	
	On demand ($)	Less than 3 months ($)	On demand ($)	Less than 3 months ($)
Current liabilities	–	3,396,449	–	2,146,934
Liability for written options	–	–	–	–
Unrealized loss on derivatives	–	–	–	–
Redeemable units	552,501,043	–	396,285,681	–
	552,501,043	3,396,449	396,285,681	2,146,934

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, geographical location, asset type or industry sector, as applicable. The table below is a summary of the Fund's concentration risk:

	Percentage of net assets (%)	
	December 31, 2015	December 31, 2014
Canadian Equity Funds	30.6	37.3
Fixed Income Funds	8.5	7.7
Foreign Equity Funds	60.8	54.3

vii) Fair value classification (note 2)

The tables below illustrate the classification of the Fund's financial instruments within the fair value hierarchy.

December 31, 2015	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Underlying funds	551,721,203	–	–	551,721,203
	551,721,203	–	–	551,721,203

December 31, 2014	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Underlying funds	393,534,970	–	–	393,534,970
	393,534,970	–	–	393,534,970

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

Transfers between levels

During the periods ended December 31, 2015 and December 31, 2014, there were no significant transfers between Level 1 and Level 2.

3. Offsetting of financial assets and liabilities (note 2)

As at December 31, 2015 or December 31, 2014, the Fund did not enter into any agreement whereby the financial instruments were eligible for offset.

4. Interest in Underlying Funds (note 2)

The following tables provide information about the Fund's interest in Underlying Funds.

	December 31, 2015	
Underlying Fund	Carrying value of the Underlying Fund ($)	Ownership percentage in Underlying Fund (%)
1832 AM Canadian Growth LP Series I	26,870,581	13.9
Scotia Private Emerging Markets Pool Series I	28,122,633	13.4
1832 AM Canadian Dividend LP Series I	48,098,748	9.8
Scotia Private Global Equity Pool Series I	33,471,027	8.6
Scotia Private Canadian Small Cap Pool Series I	45,875,050	8.2
1832 AM Global Completion LP Series I	30,367,625	7.6
Scotia U.S. Dividend Growers LP Series I	33,836,812	6.9
Scotia Private Global Real Estate Pool Series I	23,659,128	6.9
Scotia Private International Equity Pool Series I	58,925,987	6.1
Scotia U.S. Low Volatility Equity LP Series I	51,336,104	5.9
Scotia Global Low Volatility Equity LP Series I	51,096,748	5.8
1832 AM North American Preferred Share LP Series I	8,143,238	3.8
Scotia Private Options Income Pool Series I	25,241,980	3.2
Scotia Private American Core-Plus Bond Pool Series I	8,284,268	1.1
Scotia Private High Yield Income Pool Series I	8,298,033	0.7
Scotia Canadian Dividend Fund Series I	39,845,409	0.6
Scotia Private Canadian Corporate Bond Pool Series I	15,080,535	0.3
Scotia Canadian Income Fund Series I	15,167,297	0.2
	551,721,203	

	December 31, 2014	
Underlying Fund	Carrying value of the Underlying Fund ($)	Ownership percentage in Underlying Fund (%)
Scotia Private Emerging Markets Pool Series I	19,811,054	11.5
Scotia Private Canadian Growth Pool Series I	33,795,924	10.2
Scotia Private U.S. Mid Cap Growth Pool Series I	16,205,264	9.3
Scotia Private U.S. Value Pool Series I	22,324,358	7.7
Scotia Private Canadian Small Cap Pool Series I	39,072,405	7.3
1832 AM Global Completion LP Series I	19,748,340	6.8
Scotia Private International Equity Pool Series I	37,677,575	6.3
Scotia Private Global Real Estate Pool Series I	16,008,949	5.9
Scotia Private Global Equity Pool Series I	23,908,987	5.2
Scotia Global Low Volatility Equity LP Series I	24,053,775	4.0
Scotia U.S. Low Volatility Equity LP Series I	35,751,016	3.9
1832 AM North American Preferred Share LP Series I	7,707,223	2.1
Scotia Private Canadian Equity Pool Series I	19,623,650	1.9
Scotia Private American Core-Plus Bond Pool Series I	10,470,588	1.7
Scotia Private High Yield Income Pool Series I	8,564,243	0.9
Scotia Canadian Dividend Fund Series I	47,436,492	0.6
Scotia Canadian Income Fund Series I	11,375,127	0.2
	393,534,970	

5. Comparison of net asset value per unit and net assets per unit (note 2)

The table below provides a comparison of the net asset value per unit and net assets per unit. The primary reason for the difference between the net asset value per unit and net assets per unit, if any, is described in note 2.

	December 31, 2015		December 31, 2014	
	Net asset value per unit ($)	Net assets per unit ($)	Net asset value per unit ($)	Net assets per unit ($)
Series A	18.03	18.03	17.95	17.95

Scotia Aria Conservative Build Portfolio

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars except per unit amounts)	December 31, 2015	December 31, 2014
ASSETS		
Current assets		
Investments		
Non-derivative financial assets	12,900,236	1,557,957
Cash	273,613	26,620
Subscriptions receivable	545	225,000
Accrued investment income and other	125	62
	13,174,519	1,809,639
LIABILITIES		
Current liabilities		
Payable for securities purchased	–	219,918
Distributions payable	12,484	–
	12,484	219,918
Net assets attributable to holders of redeemable units	13,162,035	1,589,721
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series A	8,055,735	944,088
Premium Series	5,106,300	645,633
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series A	9.83	9.90
Premium Series	9.86	9.92

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except per unit amounts)	2015	2014**
INCOME		
Net gain (loss) on investments (note 2)		
Dividends	72,690	1,583
Interest for distribution purposes	247,163	4,799
Capital gains distributions received	128,637	13,607
Net realized gain (loss) on non-derivative financial assets	16,227	–
Change in unrealized gain (loss) on non-derivative financial assets	(380,959)	(10,085)
Total income (loss)	83,758	9,904
EXPENSES		
Management fees (note 5)	129,189	1,324
Fixed administration fees (note 6)	8,839	90
Independent Review Committee fees	1,134	–
Interest expense and bank overdraft charges	6	–
Foreign withholding taxes/tax reclaims	3,039	75
Other fund costs	16	–
Harmonized Sales Tax/Goods and Services Tax	15,024	182
Total expenses	157,247	1,671
Increase (decrease) in net assets attributable to holders of redeemable units from operations	(73,489)	8,233
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A	(44,172)	4,455
Premium Series	(29,317)	3,778
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT†		
Series A	(0.08)	0.06
Premium Series	(0.09)	0.17
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series A	541,518	70,336
Premium Series	333,682	21,985

† The increase (decrease) in net assets attributable to holders of redeemable units from operations 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 number of units per series.

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the periods ended December 31 (note 1),

(in dollars)	2015	2014**
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series A	944,088	–
Premium Series	645,633	–
	1,589,721	–
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A	(44,172)	4,455
Premium Series	(29,317)	3,778
	(73,489)	8,233
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net investment income		
Series A	(95,854)	(5,370)
Premium Series	(66,044)	(4,181)
From net realized gains on investments		
Series A	(82,589)	(7,923)
Premium Series	(52,270)	(5,423)
	(296,757)	(22,897)
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A	7,747,552	939,633
Premium Series	4,869,819	641,855
Reinvested distributions		
Series A	165,960	13,293
Premium Series	118,314	9,604
Payments on redemption		
Series A	(579,250)	–
Premium Series	(379,835)	–
	11,942,560	1,604,385
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A	7,111,647	944,088
Premium Series	4,460,667	645,633
	11,572,314	1,589,721
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series A	8,055,735	944,088
Premium Series	5,106,300	645,633
	13,162,035	1,589,721

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2015	2014**
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	(73,489)	8,233
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(16,227)	–
Change in unrealized (gain) loss on non-derivative financial assets	380,959	10,085
Purchases of non-derivative financial assets	(12,774,548)	(1,348,124)
Proceeds from sale of non-derivative financial assets	847,619	–
Accrued investment income and other	(63)	(62)
Net cash provided by (used in) operating activities	(11,635,749)	(1,329,868)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	12,841,827	1,356,488
Amounts paid on redemption of redeemable units	(959,085)	–
Net cash provided by (used in) financing activities	11,882,742	1,356,488
Net increase (decrease) in cash	246,993	26,620
Cash (bank overdraft), beginning of period	26,620	–
CASH (BANK OVERDRAFT), END OF PERIOD	273,613	26,620
Interest paid[1]	6	–
Interest received[1]	247,099	4,737
Dividends received, net of withholding taxes[1]	69,651	1,508

[1] Classified as operating items.
** Fund's inception date was November 19, 2014.

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

Scotia Aria Conservative Build Portfolio (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2015

Number of Units	Issuer	Average Cost ($)	Carrying Value ($)
FIXED INCOME FUNDS – 61.2%			
96,686	PIMCO Monthly Income Fund (Canada) Class I	1,397,710	1,344,445
161,766	Scotia Canadian Income Fund Series I	2,258,814	2,231,091
94,991	Scotia Private American Core-Plus Bond Pool Series I	916,270	896,029
124,830	Scotia Private Canadian Corporate Bond Pool Series I	1,367,564	1,345,181
150,088	Scotia Private High Yield Income Pool Series I	1,437,449	1,341,557
84,517	Scotia Private Short-Mid Government Bond Pool Series I	903,463	897,848
		8,281,270	8,056,151
CANADIAN EQUITY FUNDS – 24.8%			
48,124	CI Cambridge Canadian Equity Corporate Class I	950,299	929,747
76,404	Dynamic Value Fund of Canada Series O	912,725	793,839
11,779	Scotia Private Canadian Mid Cap Pool Series I	242,445	224,938
124,702	Scotia Private Canadian Preferred Share Pool Series I	1,064,646	965,159
10,219	Scotia Private Canadian Small Cap Pool Series I	348,538	353,378
		3,518,653	3,267,061
FOREIGN EQUITY FUNDS – 12.0%			
10,472	CI Black Creek International Equity Corp Class I	212,589	230,589
15,199	Scotia Global Growth Fund Series I	876,450	952,253
26,942	Scotia U.S. Dividend Fund Series I	402,318	394,182
		1,491,357	1,577,024
	TOTAL INVESTMENT PORTFOLIO	13,291,280	12,900,236
	OTHER ASSETS, LESS LIABILITIES – 2.0%		261,799
	NET ASSETS – 100.0%		13,162,035

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

Scotia Aria Conservative Build Portfolio

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

1. The Fund (note 1)

The Fund invests primarily in a diversified mix of mutual funds, equity securities and/or fixed income securities located anywhere in the world and aims to achieve modest long-term capital appreciation with a secondary focus on income generation using a balanced approach to investing. The majority of the portfolio's assets will be held in fixed income securities. The portfolio is an asset allocation fund that allocates investment between two asset classes: fixed income and equities.

The Fund invests primarily in mutual funds managed by the Manager and/or by the third party investment managers (the "Underlying Funds"). To ensure the Fund's composition meets the investment objectives of the Fund, the portfolio advisor monitors the Underlying Funds on an ongoing basis and rebalances the Fund's assets among the Underlying Funds.

2. Risks associated with financial instruments (note 4)

i) Interest rate risk

The Fund invests in Underlying Funds, which are exposed to interest rate risk. As at December 31, 2015, 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 $90,024 or approximately 0.7% (December 31, 2014 – $11,235 or approximately 0.7%). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

ii) Currency risk

The Fund could be exposed to indirect currency risk to the extent that the Underlying Funds held financial instruments that were denominated in a currency other than its functional currency.

iii) Price risk

Price risk is the risk that the carrying 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 price risk is mainly in equities, derivatives and commodities, if applicable. As at December 31, 2015, approximately 36.8% (December 31, 2014 – 36.6%) of the Fund's net assets were invested in Underlying Funds which were exposed to price risk. If prices of the Underlying Funds' investments had decreased or increased by 10%, with all other variables held constant, net assets of the Fund would have decreased or increased, respectively, by approximately $484,409 (December 31, 2014 – $58,122). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

iv) Credit risk

The Fund could be exposed to indirect credit risk to the extent that the Underlying Funds invested in bonds and debentures, preferred shares and derivatives.

v) Liquidity risk

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

	December 31, 2015		December 31, 2014	
	On demand ($)	Less than 3 months ($)	On demand ($)	Less than 3 months ($)
Current liabilities	–	12,484	–	219,918
Liability for written options	–	–	–	–
Unrealized loss on derivatives	–	–	–	–
Redeemable units	13,162,035	–	1,589,721	–
	13,162,035	12,484	1,589,721	219,918

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, geographical location, asset type or industry sector, as applicable. The table below is a summary of the Fund's concentration risk:

	Percentage of net assets (%)	
	December 31, 2015	December 31, 2014
Canadian Equity Funds	24.8	24.8
Fixed Income Funds	61.2	61.4
Foreign Equity Funds	12.0	11.8

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

vii) Fair value classification (note 2)

The tables below illustrate the classification of the Fund's financial instruments within the fair value hierarchy.

December 31, 2015	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Underlying funds	12,900,236	–	–	12,900,236
	12,900,236	–	–	12,900,236

December 31, 2014	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Underlying funds	1,557,957	–	–	1,557,957
	1,557,957	–	–	1,557,957

Transfers between levels

During the periods ended December 31, 2015 and 2014, there were no significant transfers between Level 1 and Level 2.

3. Offsetting of financial assets and liabilities (note 2)

As at December 31, 2015 or December 31, 2014, the Fund did not enter into any agreement whereby the financial instruments were eligible for offset.

4. Interest in Underlying Funds (note 2)

The following tables provide information about the Fund's interest in Underlying Funds.

	December 31, 2015	
Underlying Fund	Carrying value of the Underlying Fund ($)	Ownership percentage in Underlying Fund (%)
Scotia Private Canadian Mid Cap Pool Series I	224,938	0.3
Scotia Private Canadian Preferred Share Pool Series I	965,159	0.2
Scotia U.S. Dividend Fund Series I	394,182	0.2
Scotia Private American Core-Plus Bond Pool Series I	896,029	0.1
Scotia Private High Yield Income Pool Series I	1,341,557	0.1
Scotia Global Growth Fund Series I	952,253	0.1
Scotia Private Short-Mid Government Bond Pool Series I	897,848	0.1
Scotia Private Canadian Small Cap Pool Series I	353,378	0.1
Dynamic Value Fund of Canada Series O	793,839	0.0
Scotia Canadian Income Fund Series I	2,231,091	0.0
Scotia Private Canadian Corporate Bond Pool Series I	1,345,181	0.0
CI Cambridge Canadian Equity Corporate Class I	929,747	0.0
CI Black Creek International Equity Corp Class I	230,589	0.0
PIMCO Monthly Income Fund (Canada) Class I	1,344,445	0.0
	12,900,236	

	December 31, 2014	
Underlying Fund	Carrying value of the Underlying Fund ($)	Ownership percentage in Underlying Fund (%)
Scotia Private Canadian Mid Cap Pool Series I	27,826	0.1
Scotia U.S. Dividend Growers LP Series I	46,943	0.0
1832 AM North American Preferred Share LP Series I	109,047	0.0
Scotia Private High Yield Income Pool Series I	162,383	0.0
Scotia Private American Core-Plus Bond Pool Series I	108,357	0.0
1832 AM Global Completion LP Series I	39,184	0.0
Scotia Global Growth Fund Series I	74,095	0.0
Scotia Private Canadian Small Cap Pool Series I	43,857	0.0
Scotia Private Short-Mid Government Bond Pool Series I	108,529	0.0
Scotia Canadian Income Fund Series I	271,486	0.0
Dynamic Value Fund of Canada Series O	98,568	0.0
CI Black Creek International Equity Corp Class I	27,465	0.0
Scotia Private Canadian Corporate Bond Pool Series I	162,925	0.0
CI Cambridge Canadian Equity Corporate Class I	114,238	0.0
PIMCO Monthly Income Fund (Canada) Class I	163,054	0.0
	1,557,957	

5. Comparison of net asset value per unit and net assets per unit (note 2)

The table below provides a comparison of the net asset value per unit and net assets per unit. The primary reason for the difference between the net asset value per unit and net assets per unit, if any, is described in note 2.

	December 31, 2015		December 31, 2014	
	Net asset value per unit ($)	Net assets per unit ($)	Net asset value per unit ($)	Net assets per unit ($)
Series A	9.83	9.83	9.90	9.90
Premium Series	9.86	9.86	9.92	9.92

Scotia Aria Conservative Core Portfolio

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars except per unit amounts)	December 31, 2015	December 31, 2014
ASSETS		
Current assets		
Investments		
Non-derivative financial assets	58,510,586	5,334,766
Cash	1,203,225	730,230
Receivable for securities sold	60,000	–
Subscriptions receivable	105	515,000
Accrued investment income and other	524	245
	59,774,440	6,580,241
LIABILITIES		
Current liabilities		
Payable for securities purchased	72,000	1,136,000
Distributions payable	29,564	2,969
	101,564	1,138,969
Net assets attributable to holders of redeemable units	59,672,876	5,441,272
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series A	29,003,981	2,598,938
Series T	1,012,251	111,079
Series TH	2,077,721	123,402
Series TL	410,612	5,020
Premium Series	21,995,117	2,183,062
Premium T Series	2,310,960	224,748
Premium TH Series	1,672,566	5,022
Premium TL Series	1,189,668	190,001
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series A	9.87	9.96
Series T	14.61	14.99
Series TH	14.36	14.96
Series TL	14.63	14.98
Premium Series	9.89	9.95
Premium T Series	14.62	14.99
Premium TH Series	14.41	14.95
Premium TL Series	14.80	14.91

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except per unit amounts)	2015	2014**
INCOME		
Net gain (loss) on investments (note 2)		
Dividends	220,254	4,257
Interest for distribution purposes	999,608	10,025
Capital gains distributions received	548,788	15,713
Net realized gain (loss) on non-derivative financial assets	2,723	–
Change in unrealized gain (loss) on non-derivative financial assets	(1,434,754)	1,603
Net gain (loss) on investments	336,619	31,598
Other income	146	–
Total income (loss)	336,765	31,598
EXPENSES		
Management fees (note 5)	571,277	3,477
Fixed administration fees (note 6)	39,295	238
Independent Review Committee fees	1,098	–
Foreign withholding taxes/tax reclaims	2,216	111
Other fund costs	2,156	–
Harmonized Sales Tax/Goods and Services Tax	64,260	482
Total expenses	680,302	4,308
Increase (decrease) in net assets attributable to holders of redeemable units from operations	(343,537)	27,290
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A	(155,040)	10,245
Series T	(9,069)	1,760
Series TH	(16,567)	801
Series TL	1,560	20
Premium Series	(113,797)	10,679
Premium T Series	(14,315)	2,711
Premium TH Series	(21,595)	22
Premium TL Series	(14,714)	1,052
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT†		
Series A	(0.08)	0.07
Series T	(0.17)	0.52
Series TH	(0.19)	0.35
Series TL	0.14	0.06
Premium Series	(0.08)	0.12
Premium T Series	(0.13)	0.46
Premium TH Series	(0.29)	0.07
Premium TL Series	(0.23)	0.21
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series A	1,873,864	137,332
Series T	51,970	3,394
Series TH	86,872	2,258
Series TL	10,796	334
Premium Series	1,443,447	86,251
Premium T Series	110,020	5,880
Premium TH Series	73,810	334
Premium TL Series	65,091	4,999

† The increase (decrease) in net assets attributable to holders of redeemable units from operations 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 number of units per series.

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

Scotia Aria Conservative Core Portfolio (Continued)

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the periods ended December 31 (note 1),

(in dollars)	2015	2014**
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series A	2,598,938	–
Series T	111,079	–
Series TH	123,402	–
Series TL	5,020	–
Premium Series	2,183,062	–
Premium T Series	224,748	–
Premium TH Series	5,022	–
Premium TL Series	190,001	–
	5,441,272	–
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A	(155,040)	10,245
Series T	(9,069)	1,760
Series TH	(16,567)	801
Series TL	1,560	20
Premium Series	(113,797)	10,679
Premium T Series	(14,315)	2,711
Premium TH Series	(21,595)	22
Premium TL Series	(14,714)	1,052
	(343,537)	27,290
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net investment income		
Series A	(282,536)	(5,753)
Series T	(7,735)	(261)
Series TH	(21,345)	(331)
Series TL	(5,961)	(7)
Premium Series	(209,946)	(5,475)
Premium T Series	(21,703)	(565)
Premium TH Series	(17,909)	(19)
Premium TL Series	(9,089)	(477)
From net realized gains on investments		
Series A	(264,853)	(10,868)
Series T	(9,156)	(465)
Series TH	(18,821)	(516)
Series TL	(3,773)	(21)
Premium Series	(193,567)	(9,132)
Premium T Series	(20,894)	(940)
Premium TH Series	(15,135)	(21)
Premium TL Series	(10,758)	(795)
From return of capital		
Series T	(7,455)	–
Series TH	(21,465)	–
Premium T Series	(10,191)	–
Premium TH Series	(21,703)	–
	(1,173,995)	(35,646)
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A	29,835,299	2,588,693
Series T	1,326,582	110,000
Series TH	2,142,084	123,396
Series TL	413,492	5,000
Premium Series	21,953,228	2,172,417
Premium T Series	2,899,825	223,496
Premium TH Series	2,306,257	5,000
Premium TL Series	1,207,500	188,950
Reinvested distributions		
Series A	543,301	16,621
Series T	3,526	45
Series TH	14,813	52
Series TL	274	28
Premium Series	403,513	14,573
Premium T Series	21,297	46
Premium TH Series	14,410	40
Premium TL Series	13,322	1,271
Payments on redemption		
Series A	(3,271,128)	–
Series T	(395,521)	–
Series TH	(124,380)	–
Premium Series	(2,027,376)	–
Premium T Series	(767,807)	–
Premium TH Series	(576,781)	–
Premium TL Series	(186,594)	–
	55,749,136	5,449,628
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A	26,405,043	2,598,938
Series T	901,172	111,079
Series TH	1,954,319	123,402
Series TL	405,592	5,020
Premium Series	19,812,055	2,183,062
Premium T Series	2,086,212	224,748
Premium TH Series	1,667,544	5,022
Premium TL Series	999,667	190,001
	54,231,604	5,441,272
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series A	29,003,981	2,598,938
Series T	1,012,251	111,079
Series TH	2,077,721	123,402
Series TL	410,612	5,020
Premium Series	21,995,117	2,183,062
Premium T Series	2,310,960	224,748
Premium TH Series	1,672,566	5,022
Premium TL Series	1,189,668	190,001
	59,672,876	5,441,272

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2015	2014**
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	(343,537)	27,290
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(2,723)	–
Change in unrealized (gain) loss on non-derivative financial assets	1,434,754	(1,603)
Purchases of non-derivative financial assets	(55,721,372)	(4,197,163)
Proceeds from sale of non-derivative financial assets	(10,479)	–
Accrued investment income and other	(279)	(245)
Net cash provided by (used in) operating activities	(54,643,636)	(4,171,721)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	62,599,162	4,901,951
Amounts paid on redemption of redeemable units	(7,349,586)	–
Distributions to unitholders of redeemable units	(132,945)	–
Net cash provided by (used in) financing activities	55,116,631	4,901,951
Net increase (decrease) in cash	472,995	730,230
Cash (bank overdraft), beginning of period	730,230	–
CASH (BANK OVERDRAFT), END OF PERIOD	1,203,225	730,230
Interest received[1]	999,330	9,780
Dividends received, net of withholding taxes[1]	218,038	4,146

** Fund's inception date was November 19, 2014.
(1) Classified as operating items.

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

Scotia Aria Conservative Core Portfolio (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2015

Number of Units	Issuer	Average Cost ($)	Carrying Value ($)
FIXED INCOME FUNDS – 73.8%			
426,941	CI Signature Corporate Bond Fund Class I	4,616,254	4,406,035
1,609,378	Dynamic Canadian Bond Fund Series O	8,917,551	8,787,206
316,793	PIMCO Monthly Income Fund (Canada) Class I	4,586,402	4,405,105
1,119,690	Scotia Floating Rate Income Fund Series I	11,132,984	10,982,142
411,024	Scotia Private Canadian Corporate Bond Pool Series I	4,508,434	4,429,232
1,034,589	Scotia Private Short-Mid Government Bond Pool Series I	11,064,356	10,990,746
		44,825,981	44,000,466
CANADIAN EQUITY FUNDS – 16.4%			
149,535	CI Cambridge Canadian Equity Corporate Class I	2,956,186	2,889,017
300,561	Dynamic Dividend Advantage Fund Series O	2,570,097	2,323,340
88,975	Scotia Canadian Dividend Fund Series I	4,727,977	4,598,941
		10,254,260	9,811,298
FOREIGN EQUITY FUNDS – 7.9%			
157,541	Dynamic Alternative Yield Fund Series O	1,821,002	1,739,248
83,686	Scotia Global Low Volatility Equity LP Series I	1,142,957	1,187,472
45,706	Scotia Private International Equity Pool Series I	609,322	584,475
93,106	Scotia U.S. Low Volatility Equity LP Series I	1,300,694	1,187,627
		4,873,975	4,698,822
	TOTAL INVESTMENT PORTFOLIO	59,954,216	58,510,586
	OTHER ASSETS, LESS LIABILITIES – 1.9%		1,162,290
	NET ASSETS – 100.0%		59,672,876

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

Scotia Aria Conservative Core Portfolio

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

1. The Fund (note 1)

The Fund invests primarily in a diversified mix of mutual funds, equity securities and/or fixed income securities located anywhere in the world and aims to achieve modest long-term capital appreciation using a balanced approach to investing through investments that the portfolio advisor assesses to be less volatile than that of broad markets. The majority of the portfolio's assets will be held in fixed income securities. The portfolio is an asset allocation fund that allocates investment between two asset classes: fixed income and equities.

The Fund invests primarily in mutual funds managed by the Manager and/or by the third party investment managers (the "Underlying Funds"). To ensure the Fund's composition meets the investment objectives of the Fund, the portfolio advisor monitors the Underlying Funds on an ongoing basis and rebalances the Fund's assets among the Underlying Funds.

2. Risks associated with financial instruments (note 4)

i) Interest rate risk

The Fund invests in Underlying Funds, which are exposed to interest rate risk. As at December 31, 2015, 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 $446,881 or approximately 0.7% (December 31, 2014 – $36,053 or approximately 0.7%). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

ii) Currency risk

The Fund could be exposed to indirect currency risk to the extent that the Underlying Funds held financial instruments that were denominated in a currency other than its functional currency.

iii) Price risk

Price risk is the risk that the carrying 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 price risk is mainly in equities, derivatives and commodities, if applicable. As at December 31, 2015, approximately 24.3% (December 31, 2014 – 24.7%) of the Fund's net assets were invested in Underlying Funds which were exposed to price risk. If prices of the Underlying Funds' investments had decreased or increased by 10%, with all other variables held constant, net assets of the Fund would have decreased or increased, respectively, by approximately $1,451,012 (December 31, 2014 – $134,665). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

iv) Credit risk

The Fund could be exposed to indirect credit risk to the extent that the Underlying Funds invested in bonds and debentures, preferred shares and derivatives.

v) Liquidity risk

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

	December 31, 2015		December 31, 2014	
	On demand ($)	Less than 3 months ($)	On demand ($)	Less than 3 months ($)
Current liabilities	–	101,564	–	1,138,969
Liability for written options	–	–	–	–
Unrealized loss on derivatives	–	–	–	–
Redeemable units	59,672,876	–	5,441,272	–
	59,672,876	101,564	5,441,272	1,138,969

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, geographical location, asset type or industry sector, as applicable. The table below is a summary of the Fund's concentration risk:

	Percentage of net assets (%)	
	December 31, 2015	December 31, 2014
Canadian Equity Funds	16.4	16.8
Fixed Income Funds	73.8	73.3
Foreign Equity Funds	7.9	7.9

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

vii) Fair value classification (note 2)

The tables below illustrate the classification of the Fund's financial instruments within the fair value hierarchy.

December 31, 2015	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Underlying funds	58,510,586	–	–	58,510,586
	58,510,586	–	–	58,510,586

December 31, 2014	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Underlying funds	5,334,766	–	–	5,334,766
	5,334,766	–	–	5,334,766

Transfers between levels

During the periods ended December 31, 2015 and 2014, there were no significant transfers between Level 1 and Level 2.

3. Offsetting of financial assets and liabilities (note 2)

As at December 31, 2015 or December 31, 2014, the Fund did not enter into any agreement whereby the financial instruments were eligible for offset.

4. Interest in Underlying Funds (note 2)

The following tables provide information about the Fund's interest in Underlying Funds.

	December 31, 2015	
Underlying Fund	Carrying value of the Underlying Fund ($)	Ownership percentage in Underlying Fund (%)
Scotia Floating Rate Income Fund Series I	10,982,142	1.0
Scotia Private Short-Mid Government Bond Pool Series I	10,990,746	0.9
Dynamic Canadian Bond Fund Series O	8,787,206	0.5
Dynamic Dividend Advantage Fund Series O	2,323,340	0.3
Scotia U.S. Low Volatility Equity LP Series I	1,187,627	0.1
Scotia Global Low Volatility Equity LP Series I	1,187,472	0.1
CI Signature Corporate Bond Fund Class I	4,406,035	0.1
Dynamic Alternative Yield Fund Series O	1,739,248	0.1
Scotia Private Canadian Corporate Bond Pool Series I	4,429,232	0.1
CI Cambridge Canadian Equity Corporate Class I	2,889,017	0.1
Scotia Canadian Dividend Fund Series I	4,598,941	0.1
Scotia Private International Equity Pool Series I	584,475	0.1
PIMCO Monthly Income Fund (Canada) Class I	4,405,105	0.1
	58,510,586	

	December 31, 2014	
Underlying Fund	Carrying value of the Underlying Fund ($)	Ownership percentage in Underlying Fund (%)
Scotia Floating Rate Income Fund Series I	995,955	0.2
Scotia Private Short-Mid Government Bond Pool Series I	997,469	0.1
Dynamic Canadian Bond Fund Series O	798,201	0.1
Dynamic Dividend Advantage Fund Series O	216,386	0.0
Scotia Global Low Volatility Equity LP Series I	106,689	0.0
Dynamic Alternative Yield Fund Series O	162,495	0.0
CI Signature Corporate Bond Fund Class I	398,760	0.0
Scotia U.S. Low Volatility Equity LP Series I	106,293	0.0
Scotia Private Canadian Corporate Bond Pool Series I	398,964	0.0
Scotia Private International Equity Pool Series I	53,435	0.0
CI Cambridge Canadian Equity Corporate Class I	269,561	0.0
PIMCO Monthly Income Fund (Canada) Class I	398,772	0.0
Scotia Canadian Dividend Fund Series I	431,786	0.0
	5,334,766	

5. Comparison of net asset value per unit and net assets per unit (note 2)

The table below provides a comparison of the net asset value per unit and net assets per unit. The primary reason for the difference between the net asset value per unit and net assets per unit, if any, is described in note 2.

	December 31, 2015		December 31, 2014	
	Net asset value per unit ($)	Net assets per unit ($)	Net asset value per unit ($)	Net assets per unit ($)
Series A	9.87	9.87	9.96	9.96
Series T	14.61	14.61	14.99	14.99
Series TH	14.36	14.36	14.96	14.96
Series TL	14.63	14.63	14.98	14.98
Premium Series	9.89	9.89	9.95	9.95
Premium T Series	14.62	14.62	14.99	14.99
Premium TH Series	14.41	14.41	14.95	14.95
Premium TL Series	14.80	14.80	14.91	14.91

Scotia Aria Conservative Pay Portfolio

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars except per unit amounts)	December 31, 2015	December 31, 2014
ASSETS		
Current assets		
Investments		
Non-derivative financial assets	53,223,416	4,613,694
Cash	845,129	136,007
Subscriptions receivable	802,535	561,015
Accrued investment income and other	384	193
	54,871,464	5,310,909
LIABILITIES		
Current liabilities		
Payable for securities purchased	–	401,000
Redemptions payable	–	660
Distributions payable	105,813	18,620
	105,813	420,280
Net assets attributable to holders of redeemable units	54,765,651	4,890,629
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series A	17,340,424	2,289,296
Series T	2,991,223	431,908
Series TH	3,083,165	55,590
Series TL	973,868	5,023
Premium Series	19,940,160	894,508
Premium T Series	3,046,792	99,506
Premium TH Series	6,092,997	605,608
Premium TL Series	1,297,022	509,190
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series A	9.77	9.86
Series T	14.53	14.86
Series TH	14.28	14.92
Series TL	14.59	14.89
Premium Series	9.79	9.83
Premium T Series	14.50	14.95
Premium TH Series	14.31	14.94
Premium TL Series	14.58	14.75

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except per unit amounts)	2015	2014**
INCOME		
Net gain (loss) on investments (note 2)		
Dividends	519,055	6,762
Interest for distribution purposes	1,048,796	10,498
Capital gains distributions received	302,526	18,424
Net realized gain (loss) on non-derivative financial assets	(12,154)	–
Change in unrealized gain (loss) on non-derivative financial assets	(1,450,349)	(665)
Net gain (loss) on investments	407,874	35,019
Other income	832	–
Total income (loss)	408,706	35,019
EXPENSES		
Management fees (note 5)	516,462	3,217
Fixed administration fees (note 6)	35,729	219
Independent Review Committee fees	1,100	–
Foreign withholding taxes/tax reclaims	12,973	657
Other fund costs	8,648	–
Harmonized Sales Tax/Goods and Services Tax	60,241	447
Total expenses	635,153	4,540
Increase (decrease) in net assets attributable to holders of redeemable units from operations	(226,447)	30,479
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A	(34,624)	10,153
Series T	(25,997)	5,735
Series TH	(27,967)	681
Series TL	(1,142)	23
Premium Series	(96,030)	1,262
Premium T Series	(20,184)	2,057
Premium TH Series	(30,525)	9,104
Premium TL Series	10,022	1,464
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT†		
Series A	(0.03)	0.09
Series T	(0.15)	0.38
Series TH	(0.20)	0.59
Series TL	(0.03)	0.00
Premium Series	(0.08)	0.05
Premium T Series	(0.15)	0.75
Premium TH Series	(0.11)	0.42
Premium TL Series	0.18	0.12
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series A	1,136,501	112,413
Series T	169,054	14,920
Series TH	139,757	1,158
Series TL	35,380	7,612
Premium Series	1,252,846	26,670
Premium T Series	135,907	2,728
Premium TH Series	272,512	21,555
Premium TL Series	57,249	12,174

† The increase (decrease) in net assets attributable to holders of redeemable units from operations 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 number of units per series.

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

Scotia Aria Conservative Pay Portfolio (Continued)

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the periods ended December 31 (note 1),

(in dollars)	2015	2014**
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series A	2,289,296	–
Series T	431,908	–
Series TH	55,590	–
Series TL	5,023	–
Premium Series	894,508	–
Premium T Series	99,506	–
Premium TH Series	605,608	–
Premium TL Series	509,190	–
	4,890,629	–
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A	(34,624)	10,153
Series T	(25,997)	5,735
Series TH	(27,967)	681
Series TL	(1,142)	23
Premium Series	(96,030)	1,262
Premium T Series	(20,184)	2,057
Premium TH Series	(30,525)	9,104
Premium TL Series	10,022	1,464
	(226,447)	30,479
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net investment income		
Series A	(327,759)	(19,507)
Series T	(44,717)	(4,052)
Series TH	(51,673)	(542)
Series TL	(19,759)	(28)
Premium Series	(335,039)	(8,783)
Premium T Series	(57,405)	(958)
Premium TH Series	(117,274)	(5,701)
Premium TL Series	(24,410)	(4,760)
From net realized gains on investments		
Series A	(94,595)	(12,988)
Series T	(15,836)	(2,686)
Series TH	(15,198)	(346)
Series TL	(5,204)	(31)
Premium Series	(96,995)	(5,566)
Premium T Series	(16,178)	(619)
Premium TH Series	(33,126)	(3,767)
Premium TL Series	(6,893)	(3,167)
From return of capital		
Series T	(18,351)	–
Series TH	(32,563)	–
Premium TH Series	(45,238)	–
	(1,358,213)	(73,501)
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A	18,093,440	2,282,947
Series T	3,535,228	430,000
Series TH	4,032,990	55,700
Series TL	1,180,667	5,000
Premium Series	22,952,613	893,246
Premium T Series	4,046,455	98,935
Premium TH Series	6,892,214	605,875
Premium TL Series	1,913,987	507,726
Reinvested distributions		
Series A	397,361	29,351
Series T	20,974	2,911
Series TH	34,733	97
Series TL	8,292	59
Premium Series	416,857	14,349
Premium T Series	14,912	91
Premium TH Series	27,640	97
Premium TL Series	22,632	7,927
Payments on redemption		
Series A	(2,982,695)	(660)
Series T	(891,986)	–
Series TH	(912,747)	–
Series TL	(194,009)	–
Premium Series	(3,795,754)	–
Premium T Series	(1,020,314)	–
Premium TH Series	(1,206,302)	–
Premium TL Series	(1,127,506)	–
	51,459,682	4,933,651
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A	15,051,128	2,289,296
Series T	2,559,315	431,908
Series TH	3,027,575	55,590
Series TL	968,845	5,023
Premium Series	19,045,652	894,508
Premium T Series	2,947,286	99,506
Premium TH Series	5,487,389	605,608
Premium TL Series	787,832	509,190
	49,875,022	4,890,629
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series A	17,340,424	2,289,296
Series T	2,991,223	431,908
Series TH	3,083,165	55,590
Series TL	973,868	5,023
Premium Series	19,940,160	894,508
Premium T Series	3,046,792	99,506
Premium TH Series	6,092,997	605,608
Premium TL Series	1,297,022	509,190
	54,765,651	4,890,629

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2015	2014**
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	(226,447)	30,479
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	12,154	–
Change in unrealized (gain) loss on non-derivative financial assets	1,450,349	665
Purchases of non-derivative financial assets	(51,575,325)	(4,213,359)
Proceeds from sale of non-derivative financial assets	1,102,100	–
Accrued investment income and other	(191)	(193)
Net cash provided by (used in) operating activities	(49,237,360)	(4,182,408)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	62,406,076	4,318,414
Amounts paid on redemption of redeemable units	(12,131,974)	–
Distributions to unitholders of redeemable units	(327,620)	1
Net cash provided by (used in) financing activities	49,946,482	4,318,415
Net increase (decrease) in cash	709,122	136,007
Cash (bank overdraft), beginning of period	136,007	–
CASH (BANK OVERDRAFT), END OF PERIOD	845,129	136,007
Interest received[1]	1,048,606	10,305
Dividends received, net of withholding taxes[1]	506,082	6,105

** Fund's inception date was November 19, 2014.
[1] Classified as operating items.

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

Scotia Aria Conservative Pay Portfolio (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2015

Number of Units	Issuer	Average Cost ($)	Carrying Value ($)
FIXED INCOME FUNDS – 57.8%			
401,194	PIMCO Monthly Income Fund (Canada) Class I	5,808,441	5,578,730
197,017	Scotia Private American Core-Plus Bond Pool Series I	1,899,654	1,858,422
690,219	Scotia Private Canadian Corporate Bond Pool Series I	7,566,505	7,437,873
415,354	Scotia Private High Yield Income Pool Series I	3,979,391	3,712,638
526,204	Scotia Private Short-Mid Government Bond Pool Series I	5,623,948	5,590,027
654,598	Scotia Total Return Bond LP Series I	7,546,010	7,442,711
		32,423,949	31,620,401
CANADIAN EQUITY FUNDS – 25.9%			
601,868	1832 AM North American Preferred Share LP Series I	6,112,369	5,846,484
135,046	CI Cambridge Canadian Equity Corporate Class I	2,670,608	2,609,080
271,814	Dynamic Dividend Advantage Fund Series O	2,328,994	2,101,125
70,147	Scotia Canadian Dividend Fund Series I	3,730,015	3,625,779
		14,841,986	14,182,468
FOREIGN EQUITY FUNDS – 13.5%			
31,964	Dynamic Global Infrastructure Fund Series O	531,173	537,630
191,001	Dynamic Premium Yield Fund Series O	2,134,847	2,101,016
98,039	Scotia Private Real Estate Income Pool Series I	1,050,287	1,065,567
77,833	Scotia Global Dividend Fund Series I	1,349,967	1,324,527
83,425	Scotia Private International Equity Pool Series I	1,113,517	1,066,801
36,377	Scotia U.S. Dividend Fund Series I	538,609	532,232
52,562	Scotia U.S. Dividend Growers LP Series I	732,994	792,774
		7,451,394	7,420,547
	TOTAL INVESTMENT PORTFOLIO	54,717,329	53,223,416
	OTHER ASSETS, LESS LIABILITIES – 2.8%		1,542,235
	NET ASSETS – 100.0%		54,765,651

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

Scotia Aria Conservative Pay Portfolio

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

1. The Fund (note 1)

The Fund invests primarily in a diversified mix of mutual funds, equity securities and/or fixed income securities located anywhere in the world and aims to generate income and modest long-term capital appreciation using a balanced approach to investing through investments in income producing equity and fixed income securities. The majority of the portfolio's assets will be held in fixed income securities. The portfolio is an asset allocation fund that allocates investment between two asset classes: fixed income and equities.

The Fund invests primarily in mutual funds managed by the Manager and/or by the third party investment managers (the "Underlying Funds"). To ensure the Fund's composition meets the investment objectives of the Fund, the portfolio advisor monitors the Underlying Funds on an ongoing basis and rebalances the Fund's assets among the Underlying Funds.

2. Risks associated with financial instruments (note 4)

i) Interest rate risk

The Fund invests in Underlying Funds, which are exposed to interest rate risk. As at December 31, 2015, 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 $455,359 or approximately 0.8% (December 31, 2014 – $28,495 or approximately 0.6%). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

ii) Currency risk

The Fund could be exposed to indirect currency risk to the extent that the Underlying Funds held financial instruments that were denominated in a currency other than its functional currency.

iii) Price risk

Price risk is the risk that the carrying 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 price risk is mainly in equities, derivatives and commodities, if applicable. As at December 31, 2015, approximately 39.4% (December 31, 2014 – 36.1%) of the Fund's net assets were invested in Underlying Funds which were exposed to price risk. If prices of the Underlying Funds' investments had decreased or increased by 10%, with all other variables held constant, net assets of the Fund would have decreased or increased, respectively, by approximately $2,160,302 (December 31, 2014 – $169,108). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

iv) Credit risk

The Fund could be exposed to indirect credit risk to the extent that the Underlying Funds invested in bonds and debentures, preferred shares and derivatives.

v) Liquidity risk

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

	December 31, 2015		December 31, 2014	
	On demand ($)	Less than 3 months ($)	On demand ($)	Less than 3 months ($)
Current liabilities	–	105,813	–	420,280
Liability for written options	–	–	–	–
Unrealized loss on derivatives	–	–	–	–
Redeemable units	54,765,651	–	4,890,629	–
	54,765,651	105,813	4,890,629	420,280

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, geographical location, asset type or industry sector, as applicable. The table below is a summary of the Fund's concentration risk:

	Percentage of net assets (%)	
	December 31, 2015	December 31, 2014
Canadian Equity Funds	25.9	25.1
Fixed Income Funds	57.8	59.8
Foreign Equity Funds	13.5	9.4

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

vii) Fair value classification (note 2)

The tables below illustrate the classification of the Fund's financial instruments within the fair value hierarchy.

December 31, 2015	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Underlying funds	53,223,416	–	–	53,223,416
	53,223,416	–	–	53,223,416

December 31, 2014	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Underlying funds	4,613,694	–	–	4,613,694
	4,613,694	–	–	4,613,694

Transfers between levels

During the periods ended December 31, 2015 and 2014, there were no significant transfers between Level 1 and Level 2.

3. Offsetting of financial assets and liabilities (note 2)

As at December 31, 2015 or December 31, 2014, the Fund did not enter into any agreement whereby the financial instruments were eligible for offset.

4. Interest in Underlying Funds (note 2)

The following tables provide information about the Fund's interest in Underlying Funds.

	December 31, 2015	
Underlying Fund	Carrying value of the Underlying Fund ($)	Ownership percentage in Underlying Fund (%)
1832 AM North American Preferred Share LP Series I	5,846,484	2.7
Scotia Total Return Bond LP Series I	7,442,711	0.9
Scotia Private Real Estate Income Pool Series I	1,065,567	0.5
Scotia Private Short-Mid Government Bond Pool Series I	5,590,027	0.4
Scotia Private High Yield Income Pool Series I	3,712,638	0.3
Scotia U.S. Dividend Fund Series I	532,232	0.3
Scotia Private American Core-Plus Bond Pool Series I	1,858,422	0.3
Dynamic Dividend Advantage Fund Series O	2,101,125	0.3
Scotia Global Dividend Fund Series I	1,324,527	0.2
Scotia U.S. Dividend Growers LP Series I	792,774	0.2
Scotia Private Canadian Corporate Bond Pool Series I	7,437,873	0.1
Dynamic Premium Yield Fund Series O	2,101,016	0.1
Scotia Private International Equity Pool Series I	1,066,801	0.1
Dynamic Global Infrastructure Fund Series O	537,630	0.1
PIMCO Monthly Income Fund (Canada) Class I	5,578,730	0.1
CI Cambridge Canadian Equity Corporate Class I	2,609,080	0.1
Scotia Canadian Dividend Fund Series I	3,625,779	0.1
	53,223,416	

	December 31, 2014	
Underlying Fund	Carrying value of the Underlying Fund ($)	Ownership percentage in Underlying Fund (%)
Scotia Total Return Bond LP Series I	643,315	0.2
1832 AM North American Preferred Share LP Series I	483,777	0.1
Dynamic Premium Yield Fund Series O	186,436	0.1
Scotia U.S. Dividend Growers LP Series I	69,318	0.1
Scotia Private Real Estate Income Pool Series I	92,291	0.1
Scotia Private High Yield Income Pool Series I	321,646	0.0
Scotia Private Short-Mid Government Bond Pool Series I	483,253	0.0
Scotia Global Dividend Fund Series I	115,403	0.0
Scotia U.S. Dividend Fund Series I	46,169	0.0
Scotia Private American Core-Plus Bond Pool Series I	160,871	0.0
Dynamic Dividend Advantage Fund Series O	186,700	0.0
Scotia Private Canadian Corporate Bond Pool Series I	643,814	0.0
Scotia Private International Equity Pool Series I	92,475	0.0
Dynamic Global Infrastructure Fund Series O	46,344	0.0
PIMCO Monthly Income Fund (Canada) Class I	483,281	0.0
CI Cambridge Canadian Equity Corporate Class I	232,770	0.0
Scotia Canadian Dividend Fund Series I	325,831	0.0
	4,613,694	

5. Comparison of net asset value per unit and net assets per unit (note 2)

The table below provides a comparison of the net asset value per unit and net assets per unit. The primary reason for the difference between the net asset value per unit and net assets per unit, if any, is described in note 2.

	December 31, 2015		December 31, 2014	
	Net asset value per unit ($)	Net assets per unit ($)	Net asset value per unit ($)	Net assets per unit ($)
Series A	9.77	9.77	9.86	9.86
Series T	14.53	14.53	14.86	14.86
Series TH	14.28	14.28	14.92	14.92
Series TL	14.59	14.59	14.89	14.89
Premium Series	9.79	9.79	9.83	9.83
Premium T Series	14.50	14.50	14.95	14.95
Premium TH Series	14.31	14.31	14.94	14.94
Premium TL Series	14.58	14.58	14.75	14.75

Scotia Aria Moderate Build Portfolio

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars except per unit amounts)	December 31, 2015	December 31, 2014
ASSETS		
Current assets		
Investments		
Non-derivative financial assets	34,167,580	2,296,352
Cash	608,141	46,318
Subscriptions receivable	297,036	128,830
Accrued investment income and other	331	101
	35,073,088	2,471,601
LIABILITIES		
Current liabilities		
Payable for securities purchased	205,000	–
Distributions payable	36,203	–
	241,203	–
Net assets attributable to holders of redeemable units	34,831,885	2,471,601
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series A	22,061,338	1,762,323
Premium Series	12,770,547	709,278
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series A	9.97	9.83
Premium Series	9.98	9.83

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except per unit amounts)	2015	2014**
INCOME		
Net gain (loss) on investments (note 2)		
Dividends	284,361	5,988
Interest for distribution purposes	535,364	5,216
Capital gains distributions received	383,847	27,139
Net realized gain (loss) on non-derivative financial assets	447	(22,553)
Change in unrealized gain (loss) on non-derivative financial assets	(764,263)	–
Net gain (loss) on investments	439,756	15,790
Other income	95	–
Total income (loss)	439,851	15,790
EXPENSES		
Management fees (note 5)	352,556	1,922
Fixed administration fees (note 6)	22,525	122
Independent Review Committee fees	1,120	–
Foreign withholding taxes/tax reclaims	10,763	408
Other fund costs	3,423	–
Harmonized Sales Tax/Goods and Services Tax	36,925	267
Total expenses	427,312	2,719
Increase (decrease) in net assets attributable to holders of redeemable units from operations	12,539	13,071
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A	4,034	8,123
Premium Series	8,505	4,948
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT†		
Series A	0.00	0.09
Premium Series	0.01	0.15
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series A	1,439,616	93,769
Premium Series	773,274	33,243

† The increase (decrease) in net assets attributable to holders of redeemable units from operations 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 number of units per series.

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the periods ended December 31 (note 1),

(in dollars)	2015	2014**
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series A	1,762,323	–
Premium Series	709,278	–
	2,471,601	–
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A	4,034	8,123
Premium Series	8,505	4,948
	12,539	13,071
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net investment income		
Series A	(256,504)	(9,893)
Premium Series	(156,717)	(4,339)
From net realized gains on investments		
Series A	(241,720)	(19,493)
Premium Series	(134,259)	(8,230)
	(789,200)	(41,955)
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A	22,282,559	1,754,200
Premium Series	12,345,863	704,330
Reinvested distributions		
Series A	477,266	29,386
Premium Series	275,732	12,569
Payments on redemption		
Series A	(1,966,620)	–
Premium Series	(277,855)	–
	33,136,945	2,500,485
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A	20,299,015	1,762,323
Premium Series	12,061,269	709,278
	32,360,284	2,471,601
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series A	22,061,338	1,762,323
Premium Series	12,770,547	709,278
	34,831,885	2,471,601

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2015	2014**
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	12,539	13,071
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(447)	22,553
Change in unrealized (gain) loss on non-derivative financial assets	764,263	–
Purchases of non-derivative financial assets	(32,883,322)	(2,318,905)
Proceeds from sale of non-derivative financial assets	453,279	–
Accrued investment income and other	(230)	(101)
Net cash provided by (used in) operating activities	(31,653,918)	(2,283,382)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	34,460,215	2,329,700
Amounts paid on redemption of redeemable units	(2,244,474)	–
Net cash provided by (used in) financing activities	32,215,741	2,329,700
Net increase (decrease) in cash	561,823	–
Cash (bank overdraft), beginning of period	46,318	46,318
CASH (BANK OVERDRAFT), END OF PERIOD	608,141	46,318
Interest received(1)	535,134	5,115
Dividends received, net of withholding taxes(1)	273,598	5,580

** Fund's inception date was November 19, 2014.
(1) Classified as operating items.

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

Scotia Aria Moderate Build Portfolio (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2015

Number of Units	Issuer	Average Cost ($)	Carrying Value ($)
FIXED INCOME FUNDS – 43.7%			
183,142	PIMCO Monthly Income Fund (Canada) Class I	2,647,501	2,546,642
306,692	Scotia Canadian Income Fund Series I	4,280,441	4,229,931
179,648	Scotia Private American Core-Plus Bond Pool Series I	1,731,723	1,694,585
235,470	Scotia Private Canadian Corporate Bond Pool Series I	2,581,849	2,537,451
472,514	Scotia Private High Yield Income Pool Series I	4,533,661	4,223,571
		15,775,175	15,232,180
CANADIAN EQUITY FUNDS – 29.5%			
178,557	1832 AM North American Preferred Share LP Series I	1,813,556	1,734,484
154,683	CI Cambridge Canadian Equity Corporate Class I	3,062,274	2,988,475
245,564	Dynamic Value Fund of Canada Series O	2,934,664	2,551,413
67,182	Scotia Private Canadian Mid Cap Pool Series I	1,385,103	1,282,932
49,126	Scotia Private Canadian Small Cap Pool Series I	1,677,909	1,698,740
		10,873,506	10,256,044
FOREIGN EQUITY FUNDS – 24.9%			
66,814	1832 AM Global Completion LP Series I	871,766	862,859
79,822	CI Black Creek International Equity Corp Class I	1,635,216	1,757,684
34,526	Scotia Global Growth Fund Series I	1,991,481	2,163,142
93,921	Scotia Private Emerging Markets Pool Series I	955,878	871,397
43,067	Scotia Private Global Real Estate Pool Series I	846,951	862,983
26,733	Scotia Private U.S. Mid Cap Value Pool Series I	410,348	433,790
114,537	Scotia U.S. Dividend Growers LP Series I	1,600,797	1,727,501
		8,312,437	8,679,356
	TOTAL INVESTMENT PORTFOLIO	34,961,118	34,167,580
	OTHER ASSETS, LESS LIABILITIES – 1.9%		664,305
	NET ASSETS – 100.0%		34,831,885

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

Scotia Aria Moderate Build Portfolio

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

1. The Fund (note 1)

The Fund invests primarily in a diversified mix of mutual funds, equity securities and/or fixed income securities located anywhere in the world and aims to achieve moderate long-term capital appreciation with a secondary focus on income generation using a balanced approach to investing with a neutral asset mix of equity and fixed income securities. The portfolio is an asset allocation fund that allocates investment between two asset classes: fixed income and equities.

The Fund invests primarily in mutual funds managed by the Manager and/or by the third party investment managers (the "Underlying Funds"). To ensure the Fund's composition meets the investment objectives of the Fund, the portfolio advisor monitors the Underlying Funds on an ongoing basis and rebalances the Fund's assets among the Underlying Funds.

2. Risks associated with financial instruments (note 4)

i) Interest rate risk

The Fund invests in Underlying Funds, which are exposed to interest rate risk. As at December 31, 2015, 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 $195,930 or approximately 0.6% (December 31, 2014 – $11,749 or approximately 0.5%). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

ii) Currency risk

The Fund could be exposed to indirect currency risk to the extent that the Underlying Funds held financial instruments that were denominated in a currency other than its functional currency.

iii) Price risk

Price risk is the risk that the carrying 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 price risk is mainly in equities, derivatives and commodities, if applicable. As at December 31, 2015, approximately 54.4% (December 31, 2014 – 51.3%) of the Fund's net assets were invested in Underlying Funds which were exposed to price risk. If prices of the Underlying Funds' investments had decreased or increased by 10%, with all other variables held constant, net assets of the Fund would have decreased or increased, respectively, by approximately $1,893,540 (December 31, 2014 – $126,855). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

iv) Credit risk

The Fund could be exposed to indirect credit risk to the extent that the Underlying Funds invested in bonds and debentures, preferred shares and derivatives.

v) Liquidity risk

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

	December 31, 2015		December 31, 2014	
	On demand ($)	Less than 3 months ($)	On demand ($)	Less than 3 months ($)
Current liabilities	–	241,203	–	–
Liability for written options	–	–	–	–
Unrealized loss on derivatives	–	–	–	–
Redeemable units	34,831,885	–	2,471,601	–
	34,831,885	241,203	2,471,601	–

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, geographical location, asset type or industry sector, as applicable. The table below is a summary of the Fund's concentration risk:

	Percentage of net assets (%)	
	December 31, 2015	December 31, 2014
Canadian Equity Funds	29.5	28.1
Fixed Income Funds	43.7	41.6
Foreign Equity Funds	24.9	23.2

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

vii) Fair value classification (note 2)

The tables below illustrate the classification of the Fund's financial instruments within the fair value hierarchy.

December 31, 2015	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Underlying funds	34,167,580	–	–	34,167,580
	34,167,580	–	–	34,167,580

December 31, 2014	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Underlying funds	2,296,352	–	–	2,296,352
	2,296,352	–	–	2,296,352

Transfers between levels

During the periods ended December 31, 2015 and 2014, there were no significant transfers between Level 1 and Level 2.

3. Offsetting of financial assets and liabilities (note 2)

As at December 31, 2015 or December 31, 2014, the Fund did not enter into any agreement whereby the financial instruments were eligible for offset.

4. Interest in Underlying Funds (note 2)

The following tables provide information about the Fund's interest in Underlying Funds.

	December 31, 2015	
Underlying Fund	Carrying value of the Underlying Fund ($)	Ownership percentage in Underlying Fund (%)
Scotia Private Canadian Mid Cap Pool Series I	1,282,932	1.9
1832 AM North American Preferred Share LP Series I	1,734,484	0.8
Scotia Private U.S. Mid Cap Value Pool Series I	433,790	0.6
Scotia Private Emerging Markets Pool Series I	871,397	0.4
Scotia Private High Yield Income Pool Series I	4,223,571	0.4
Scotia U.S. Dividend Growers LP Series I	1,727,501	0.4
Scotia Private Canadian Small Cap Pool Series I	1,698,740	0.3
Scotia Global Growth Fund Series I	2,163,142	0.3
Scotia Private Global Real Estate Pool Series I	862,983	0.3
Scotia Private American Core-Plus Bond Pool Series I	1,694,585	0.2
1832 AM Global Completion LP Series I	862,859	0.2
CI Black Creek International Equity Corp Class I	1,757,684	0.2
Dynamic Value Fund of Canada Series O	2,551,413	0.1
CI Cambridge Canadian Equity Corporate Class I	2,988,475	0.1
Scotia Canadian Income Fund Series I	4,229,931	0.1
Scotia Private Canadian Corporate Bond Pool Series I	2,537,451	0.0
PIMCO Monthly Income Fund (Canada) Class I	2,546,642	0.0
	34,167,580	

	December 31, 2014	
Underlying Fund	Carrying value of the Underlying Fund ($)	Ownership percentage in Underlying Fund (%)
Scotia Private Canadian Mid Cap Pool Series I	87,258	0.2
Scotia Private U.S. Mid Cap Value Pool Series I	28,827	0.1
Scotia U.S. Dividend Growers LP Series I	114,944	0.1
Scotia Private Emerging Markets Pool Series I	57,986	0.0
1832 AM North American Preferred Share LP Series I	115,391	0.0
Scotia Private High Yield Income Pool Series I	284,866	0.0
Scotia Global Growth Fund Series I	143,024	0.0
Scotia Private Canadian Small Cap Pool Series I	117,518	0.0
Scotia Private Global Real Estate Pool Series I	57,339	0.0
1832 AM Global Completion LP Series I	57,445	0.0
Scotia Private American Core-Plus Bond Pool Series I	114,279	0.0
CI Black Creek International Equity Corp Class I	115,042	0.0
Dynamic Value Fund of Canada Series O	172,676	0.0
CI Cambridge Canadian Equity Corporate Class I	201,100	0.0
Scotia Canadian Income Fund Series I	286,056	0.0
Scotia Private Canadian Corporate Bond Pool Series I	171,678	0.0
PIMCO Monthly Income Fund (Canada) Class I	170,923	0.0
	2,296,352	

5. Comparison of net asset value per unit and net assets per unit (note 2)

The table below provides a comparison of the net asset value per unit and net assets per unit. The primary reason for the difference between the net asset value per unit and net assets per unit, if any, is described in note 2.

	December 31, 2015		December 31, 2014	
	Net asset value per unit ($)	Net assets per unit ($)	Net asset value per unit ($)	Net assets per unit ($)
Series A	9.97	9.97	9.83	9.83
Premium Series	9.98	9.98	9.83	9.83

Scotia Aria Moderate Core Portfolio

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars except per unit amounts)	December 31, 2015	December 31, 2014
ASSETS		
Current assets		
Investments		
Non-derivative financial assets	115,943,494	9,054,698
Cash	2,947,398	515,251
Subscriptions receivable	984,904	159,626
Accrued investment income and other	1,034	538
	119,876,830	9,730,113
LIABILITIES		
Current liabilities		
Payable for securities purchased	1,559,000	–
Redemptions payable	–	1,540
Distributions payable	137,906	13,809
	1,696,906	15,349
Net assets attributable to holders of redeemable units	118,179,924	9,714,764
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series A	60,445,928	5,131,860
Series T	2,039,351	195,196
Series TH	3,108,900	289,623
Series TL	321,868	50,339
Premium Series	43,650,109	3,081,660
Premium T Series	3,884,839	5,023
Premium TH Series	4,723,851	956,046
Premium TL Series	5,078	5,017
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series A	9.80	9.89
Series T	14.39	14.85
Series TH	14.07	14.82
Series TL	14.48	14.97
Premium Series	9.81	9.89
Premium T Series	14.42	14.90
Premium TH Series	14.09	14.95
Premium TL Series	14.77	14.89

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except per unit amounts)	2015	2014**
INCOME		
Net gain (loss) on investments (note 2)		
Dividends	706,440	19,766
Interest for distribution purposes	1,521,818	16,663
Capital gains distributions received	1,877,306	58,924
Net realized gain (loss) on non-derivative financial assets	6,227	–
Change in unrealized gain (loss) on non-derivative financial assets	(3,612,205)	(18,557)
Net gain (loss) on investments	499,586	76,796
Other income	1,578	–
Total income (loss)	501,164	76,796
EXPENSES		
Management fees (note 5)	1,162,448	7,601
Fixed administration fees (note 6)	74,632	488
Independent Review Committee fees	1,063	–
Foreign withholding taxes/tax reclaims	10,208	426
Other fund costs	7,266	–
Harmonized Sales Tax/Goods and Services Tax	124,376	1,055
Total expenses	1,379,993	9,570
Increase (decrease) in net assets attributable to holders of redeemable units from operations	(878,829)	67,226
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A	(495,686)	27,969
Series T	(22,640)	3,595
Series TH	(15,491)	2,211
Series TL	(2,320)	868
Premium Series	(264,255)	15,363
Premium T Series	(31,786)	23
Premium TH Series	(46,712)	17,180
Premium TL Series	61	17
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT†		
Series A	(0.12)	0.11
Series T	(0.31)	0.63
Series TH	(0.14)	0.35
Series TL	(0.22)	0.59
Premium Series	(0.10)	0.09
Premium T Series	(0.25)	0.07
Premium TH Series	(0.20)	0.50
Premium TL Series	0.18	0.05
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series A	3,981,950	261,784
Series T	72,503	5,710
Series TH	108,392	6,337
Series TL	10,585	1,478
Premium Series	2,637,990	174,657
Premium T Series	128,662	334
Premium TH Series	230,337	34,202
Premium TL Series	340	334

† The increase (decrease) in net assets attributable to holders of redeemable units from operations 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 number of units per series.

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

Scotia Aria Moderate Core Portfolio (Continued)

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the periods ended December 31 (note 1),

(in dollars)	2015	2014**
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series A	5,131,860	–
Series T	195,196	–
Series TH	289,623	–
Series TL	50,339	–
Premium Series	3,081,660	–
Premium T Series	5,023	–
Premium TH Series	956,046	–
Premium TL Series	5,017	–
	9,714,764	–
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A	(495,686)	27,969
Series T	(22,640)	3,595
Series TH	(15,491)	2,211
Series TL	(2,320)	868
Premium Series	(264,255)	15,363
Premium T Series	(31,786)	23
Premium TH Series	(46,712)	17,180
Premium TL Series	61	17
	(878,829)	67,226
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net investment income		
Series A	(445,253)	(18,958)
Series T	(17,454)	(748)
Series TH	(32,857)	(1,173)
Series TL	(3,562)	(192)
Premium Series	(354,394)	(11,241)
Premium T Series	(38,783)	(17)
Premium TH Series	(35,756)	(3,544)
Premium TL Series	(10)	(14)
From net realized gains on investments		
Series A	(956,296)	(41,191)
Series T	(29,808)	(1,567)
Series TH	(49,781)	(2,325)
Series TL	(5,194)	(404)
Premium Series	(657,675)	(24,734)
Premium T Series	(57,773)	(40)
Premium TH Series	(75,939)	(7,674)
Premium TL Series	(81)	(40)
From return of capital		
Series TH	(21,322)	–
Premium TH Series	(105,130)	–
Premium TL Series	(11)	–
	(2,887,079)	(113,862)
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A	62,144,805	5,106,831
Series T	2,094,813	192,407
Series TH	3,629,929	288,750
Series TL	279,381	50,000
Premium Series	42,892,333	3,066,297
Premium T Series	4,645,559	5,000
Premium TH Series	4,344,546	950,000
Premium TL Series	–	5,000
Reinvested distributions		
Series A	1,368,823	60,149
Series T	9,029	1,509
Series TH	20,343	2,160
Series TL	3,224	67
Premium Series	975,573	35,975
Premium T Series	20,807	57
Premium TH Series	2,305	84
Premium TL Series	102	54
Payments on redemption		
Series A	(6,302,325)	(2,940)
Series T	(189,785)	–
Series TH	(711,544)	–
Premium Series	(2,023,133)	–
Premium T Series	(658,208)	–
Premium TH Series	(315,509)	–
	112,231,068	9,761,400
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A	55,314,068	5,131,860
Series T	1,844,155	195,196
Series TH	2,819,277	289,623
Series TL	271,529	50,339
Premium Series	40,568,449	3,081,660
Premium T Series	3,879,816	5,023
Premium TH Series	3,767,805	956,046
Premium TL Series	61	5,017
	108,465,160	9,714,764
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series A	60,445,928	5,131,860
Series T	2,039,351	195,196
Series TH	3,108,900	289,623
Series TL	321,868	50,339
Premium Series	43,650,109	3,081,660
Premium T Series	3,884,839	5,023
Premium TH Series	4,723,851	956,046
Premium TL Series	5,078	5,017
	118,179,924	9,714,764

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2015	2014**
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	(878,829)	67,226
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(6,227)	–
Change in unrealized (gain) loss on non-derivative financial assets	3,612,205	18,557
Purchases of non-derivative financial assets	(109,066,084)	(9,073,255)
Proceeds from sale of non-derivative financial assets	130,309	–
Margin deposited on futures	–	(538)
Accrued investment income and other	(496)	–
Net cash provided by (used in) operating activities	(106,209,122)	(8,988,010)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	119,206,088	9,504,659
Amounts paid on redemption of redeemable units	(10,202,043)	(1,400)
Distributions to unitholders of redeemable units	(362,776)	2
Net cash provided by (used in) financing activities	108,641,269	9,503,261
Net increase (decrease) in cash	2,432,147	–
Cash (bank overdraft), beginning of period	515,251	515,251
CASH (BANK OVERDRAFT), END OF PERIOD	2,947,398	515,251
Interest received[1]	1,521,322	16,125
Dividends received, net of withholding taxes[1]	696,232	19,340

[1] Classified as operating items.
** Fund's inception date was November 19, 2014.

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2015

Number of Units	Issuer	Average Cost ($)	Carrying Value ($)
FIXED INCOME FUNDS – 54.6%			
624,955	CI Signature Corporate Bond Fund Class I	6,747,209	6,449,538
2,362,144	Dynamic Canadian Bond Fund Series O	13,078,927	12,897,308
698,804	PIMCO Monthly Income Fund (Canada) Class I	10,107,214	9,717,085
1,644,197	Scotia Floating Rate Income Fund Series I	16,334,971	16,126,607
898,449	Scotia Private Canadian Corporate Bond Pool Series I	9,844,856	9,681,774
911,109	Scotia Private Short-Mid Government Bond Pool Series I	9,737,519	9,678,986
		65,850,696	64,551,298
CANADIAN EQUITY FUNDS – 28.5%			
512,717	CI Cambridge Canadian Equity Corporate Class I	10,143,930	9,905,690
1,281,198	Dynamic Dividend Advantage Fund Series O	10,908,304	9,903,657
272,770	Dynamic Small Business Fund Series O	4,316,000	3,974,265
190,574	Scotia Canadian Dividend Fund Series I	10,125,582	9,850,401
		35,493,816	33,634,013
FOREIGN EQUITY FUNDS – 15.0%			
539,066	Dynamic Alternative Yield Fund Series O	6,218,293	5,951,291
108,895	Scotia Private Real Estate Income Pool Series I	1,167,517	1,183,559
333,152	Scotia Global Low Volatility Equity LP Series I	4,556,120	4,727,300
184,460	Scotia Private International Equity Pool Series I	2,463,134	2,358,798
277,306	Scotia U.S. Low Volatility Equity LP Series I	3,854,371	3,537,235
		18,259,435	17,758,183
	TOTAL INVESTMENT PORTFOLIO	119,603,947	115,943,494
	OTHER ASSETS, LESS LIABILITIES – 1.9%		2,236,430
	NET ASSETS – 100.0%		118,179,924

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

Scotia Aria Moderate Core Portfolio

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

1. The Fund (note 1)

The Fund invests primarily in a diversified mix of mutual funds, equity securities and/or fixed income securities located anywhere in the world and aims to achieve moderate long-term capital appreciation using a balanced approach to investing through investments that the portfolio advisor assesses to be less volatile than that of broad markets, with a neutral asset mix of equity and fixed income securities. The portfolio is an asset allocation fund that allocates investment between two asset classes: fixed income and equities.

The Fund invests primarily in mutual funds managed by the Manager and/or by the third party investment managers (the "Underlying Funds"). To ensure the Fund's composition meets the investment objectives of the Fund, the portfolio advisor monitors the Underlying Funds on an ongoing basis and rebalances the Fund's assets among the Underlying Funds.

2. Risks associated with financial instruments (note 4)

i) Interest rate risk

The Fund invests in Underlying Funds, which are exposed to interest rate risk. As at December 31, 2015, 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 $623,131 or approximately 0.5% (December 31, 2014 – $43,274 or approximately 0.4%). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

ii) Currency risk

The Fund could be exposed to indirect currency risk to the extent that the Underlying Funds held financial instruments that were denominated in a currency other than its functional currency.

iii) Price risk

Price risk is the risk that the carrying 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 price risk is mainly in equities, derivatives and commodities, if applicable. As at December 31, 2015, approximately 43.5% (December 31, 2014 – 42.3%) of the Fund's net assets were invested in Underlying Funds which were exposed to price risk. If prices of the Underlying Funds' investments had decreased or increased by 10%, with all other variables held constant, net assets of the Fund would have decreased or increased, respectively, by approximately $5,139,220 (December 31, 2014 – $410,359). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

iv) Credit risk

The Fund could be exposed to indirect credit risk to the extent that the Underlying Funds invested in bonds and debentures, preferred shares and derivatives.

v) Liquidity risk

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

	December 31, 2015		December 31, 2014	
	On demand ($)	Less than 3 months ($)	On demand ($)	Less than 3 months ($)
Current liabilities	–	1,696,906	–	15,349
Liability for written options	–	–	–	–
Unrealized loss on derivatives	–	–	–	–
Redeemable units	118,179,924	–	9,714,764	–
	118,179,924	1,696,906	9,714,764	15,349

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, geographical location, asset type or industry sector, as applicable. The table below is a summary of the Fund's concentration risk:

	Percentage of net assets (%)	
	December 31, 2015	December 31, 2014
Canadian Equity Funds	28.5	28.0
Fixed Income Funds	54.6	50.9
Foreign Equity Funds	15.0	14.3

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

vii) Fair value classification (note 2)

The tables below illustrate the classification of the Fund's financial instruments within the fair value hierarchy.

December 31, 2015	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Underlying funds	115,943,494	–	–	115,943,494
	115,943,494	–	–	115,943,494

December 31, 2014	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Underlying funds	9,054,698	–	–	9,054,698
	9,054,698	–	–	9,054,698

Transfers between levels

During the periods ended December 31, 2015 and 2014, there were no significant transfers between Level 1 and Level 2.

3. Offsetting of financial assets and liabilities (note 2)

As at December 31, 2015 or December 31, 2014, the Fund did not enter into any agreement whereby the financial instruments were eligible for offset.

4. Interest in Underlying Funds (note 2)

The following tables provide information about the Fund's interest in Underlying Funds.

	December 31, 2015	
Underlying Fund	Carrying value of the Underlying Fund ($)	Ownership percentage in Underlying Fund (%)
Scotia Floating Rate Income Fund Series I	16,126,607	1.5
Dynamic Dividend Advantage Fund Series O	9,903,657	1.2
Scotia Private Short-Mid Government Bond Pool Series I	9,678,986	0.8
Dynamic Canadian Bond Fund Series O	12,897,308	0.7
Dynamic Small Business Fund Series O	3,974,265	0.6
Scotia Global Low Volatility Equity LP Series I	4,727,300	0.5
Scotia Private Real Estate Income Pool Series I	1,183,559	0.5
Scotia U.S. Low Volatility Equity LP Series I	3,537,235	0.4
Dynamic Alternative Yield Fund Series O	5,951,291	0.3
Scotia Private International Equity Pool Series I	2,358,798	0.2
CI Cambridge Canadian Equity Corporate Class I	9,905,690	0.2
CI Signature Corporate Bond Fund Class I	6,449,538	0.2
Scotia Private Canadian Corporate Bond Pool Series I	9,681,774	0.2
Scotia Canadian Dividend Fund Series I	9,850,401	0.1
PIMCO Monthly Income Fund (Canada) Class I	9,717,085	0.1
	115,943,494	

	December 31, 2014	
Underlying Fund	Carrying value of the Underlying Fund ($)	Ownership percentage in Underlying Fund (%)
Scotia Floating Rate Income Fund Series I	1,235,656	0.2
Dynamic Dividend Advantage Fund Series O	800,419	0.1
Scotia Global Low Volatility Equity LP Series I	362,694	0.1
Dynamic Canadian Bond Fund Series O	990,535	0.1
Dynamic Small Business Fund Series O	321,123	0.1
Scotia Private Real Estate Income Pool Series I	91,102	0.1
Scotia Private Short-Mid Government Bond Pool Series I	743,308	0.1
Dynamic Alternative Yield Fund Series O	482,213	0.0
Scotia Private International Equity Pool Series I	180,554	0.0
Scotia U.S. Low Volatility Equity LP Series I	269,414	0.0
CI Cambridge Canadian Equity Corporate Class I	795,944	0.0
Scotia Private Canadian Corporate Bond Pool Series I	743,481	0.0
CI Signature Corporate Bond Fund Class I	496,194	0.0
PIMCO Monthly Income Fund (Canada) Class I	741,939	0.0
Scotia Canadian Dividend Fund Series I	800,122	0.0
	9,054,698	

5. Comparison of net asset value per unit and net assets per unit (note 2)

The table below provides a comparison of the net asset value per unit and net assets per unit. The primary reason for the difference between the net asset value per unit and net assets per unit, if any, is described in note 2.

	December 31, 2015		December 31, 2014	
	Net asset value per unit ($)	Net assets per unit ($)	Net asset value per unit ($)	Net assets per unit ($)
Series A	9.80	9.80	9.89	9.89
Series T	14.39	14.39	14.85	14.85
Series TH	14.07	14.07	14.82	14.82
Series TL	14.48	14.48	14.97	14.97
Premium Series	9.81	9.81	9.89	9.89
Premium T Series	14.42	14.42	14.90	14.90
Premium TH Series	14.09	14.09	14.94	14.95
Premium TL Series	14.77	14.77	14.89	14.89

Scotia Aria Moderate Pay Portfolio

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars except per unit amounts)	December 31, 2015	December 31, 2014
ASSETS		
Current assets		
Investments		
Non-derivative financial assets	54,265,863	6,771,599
Cash	1,592,004	651,676
Subscriptions receivable	105,000	117,497
Accrued investment income and other	562	367
	55,963,429	7,541,139
LIABILITIES		
Current liabilities		
Payable for securities purchased	684,000	631,000
Redemptions payable	60	–
Distributions payable	141,100	49,464
	825,160	680,464
Net assets attributable to holders of redeemable units	55,138,269	6,860,675
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series A	21,626,465	2,783,103
Series T	2,255,937	365,017
Series TH	2,576,589	252,688
Series TL	670,750	110,362
Premium Series	12,810,623	1,008,452
Premium T Series	6,354,293	510,141
Premium TH Series	7,339,168	1,825,933
Premium TL Series	1,504,444	4,979
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series A	9.77	9.73
Series T	14.39	14.71
Series TH	14.08	14.82
Series TL	14.48	14.86
Premium Series	9.79	9.73
Premium T Series	14.37	14.84
Premium TH Series	14.10	14.74
Premium TL Series	14.58	14.64

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except per unit amounts)	2015	2014**
INCOME		
Net gain (loss) on investments (note 2)		
Dividends	573,183	26,375
Interest for distribution purposes	802,184	16,191
Capital gains distributions received	773,979	65,074
Net realized gain (loss) on non-derivative financial assets	5,786	–
Change in unrealized gain (loss) on non-derivative financial assets	(1,509,165)	(45,909)
Net gain (loss) on investments	645,967	61,731
Other income	739	2,411
Total income (loss)	646,706	64,142
EXPENSES		
Management fees (note 5)	539,030	5,717
Fixed administration fees (note 6)	34,721	369
Independent Review Committee fees	1,105	–
Foreign withholding taxes/tax reclaims	25,443	2,493
Other fund costs	6,275	–
Harmonized Sales Tax/Goods and Services Tax	58,955	792
Total expenses	665,529	9,371
Increase (decrease) in net assets attributable to holders of redeemable units from operations	(18,823)	54,771
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A	(10,700)	320
Series T	(5,205)	5,593
Series TH	(8,341)	4,816
Series TL	(4,051)	2,576
Premium Series	1,705	(2,232)
Premium T Series	(18,035)	15,797
Premium TH Series	20,015	27,922
Premium TL Series	5,789	(21)
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT†		
Series A	(0.01)	0.00
Series T	(0.05)	0.65
Series TH	(0.08)	0.51
Series TL	(0.15)	0.85
Premium Series	0.00	(0.03)
Premium T Series	(0.07)	1.12
Premium TH Series	0.07	0.36
Premium TL Series	0.22	(0.06)
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series A	1,469,499	145,073
Series T	101,797	8,640
Series TH	109,418	9,419
Series TL	27,685	3,016
Premium Series	860,664	71,217
Premium T Series	244,204	14,129
Premium TH Series	271,322	77,165
Premium TL Series	25,822	334

† The increase (decrease) in net assets attributable to holders of redeemable units from operations 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 number of units per series.

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

Scotia Aria Moderate Pay Portfolio (Continued)

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the periods ended December 31 (note 1),

(in dollars)	2015	2014**
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series A	2,783,103	–
Series T	365,017	–
Series TH	252,688	–
Series TL	110,362	–
Premium Series	1,008,452	–
Premium T Series	510,141	–
Premium TH Series	1,825,933	–
Premium TL Series	4,979	–
	6,860,675	–
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A	(10,700)	320
Series T	(5,205)	5,593
Series TH	(8,341)	4,816
Series TL	(4,051)	2,576
Premium Series	1,705	(2,232)
Premium T Series	(18,035)	15,797
Premium TH Series	20,015	27,922
Premium TL Series	5,789	(21)
	(18,823)	54,771
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net investment income		
Series A	(274,699)	(27,598)
Series T	(32,151)	(3,739)
Series TH	(39,208)	(2,489)
Series TL	(10,219)	(1,118)
Premium Series	(165,049)	(9,717)
Premium T Series	(92,400)	(5,188)
Premium TH Series	(126,299)	(17,846)
Premium TL Series	(17,762)	(45)
From net realized gains on investments		
Series A	(293,523)	(30,486)
Series T	(31,851)	(4,000)
Series TH	(36,409)	(2,767)
Series TL	(9,594)	(1,209)
Premium Series	(168,500)	(11,043)
Premium T Series	(82,328)	(5,589)
Premium TH Series	(103,863)	(19,998)
Premium TL Series	(12,800)	(54)
From return of capital		
Series TH	(28,310)	–
Premium TH Series	(26,210)	–
	(1,551,175)	(142,886)
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A	21,024,781	2,783,383
Series T	2,318,173	363,889
Series TH	2,745,113	253,000
Series TL	582,758	110,000
Premium Series	13,820,152	1,131,243
Premium T Series	6,191,338	505,000
Premium TH Series	5,882,401	1,825,012
Premium TL Series	1,523,588	5,000
Reinvested distributions		
Series A	554,940	58,084
Series T	12,536	3,274
Series TH	10,661	128
Series TL	1,494	113
Premium Series	333,550	20,761
Premium T Series	13,501	121
Premium TH Series	3,365	10,843
Premium TL Series	650	99
Payments on redemption		
Series A	(2,157,437)	(600)
Series T	(370,582)	–
Series TH	(319,605)	–
Premium Series	(2,019,687)	(120,560)
Premium T Series	(167,924)	–
Premium TH Series	(136,174)	–
	49,847,592	6,948,790
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A	18,843,362	2,783,103
Series T	1,890,920	365,017
Series TH	2,323,901	252,688
Series TL	560,388	110,362
Premium Series	11,802,171	1,008,452
Premium T Series	5,844,152	510,141
Premium TH Series	5,513,235	1,825,933
Premium TL Series	1,499,465	4,979
	48,277,594	6,860,675
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series A	21,626,465	2,783,103
Series T	2,255,937	365,017
Series TH	2,576,589	252,688
Series TL	670,750	110,362
Premium Series	12,810,623	1,008,452
Premium T Series	6,354,293	510,141
Premium TH Series	7,339,168	1,825,933
Premium TL Series	1,504,444	4,979
	55,138,269	6,860,675

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2015	2014**
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	(18,823)	54,771
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(5,786)	–
Change in unrealized (gain) loss on non-derivative financial assets	1,509,165	45,909
Purchases of non-derivative financial assets	(49,261,766)	(6,186,508)
Proceeds from sale of non-derivative financial assets	317,124	–
Accrued investment income and other	(195)	(367)
Net cash provided by (used in) operating activities	(47,460,281)	(6,086,195)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	54,100,800	6,859,030
Amounts paid on redemption of redeemable units	(5,171,350)	(121,160)
Distributions to unitholders of redeemable units	(528,841)	1
Net cash provided by (used in) financing activities	48,400,609	6,737,871
Net increase (decrease) in cash	940,328	651,676
Cash (bank overdraft), beginning of period	651,676	–
CASH (BANK OVERDRAFT), END OF PERIOD	1,592,004	651,676
Interest received[1]	801,989	15,824
Dividends received, net of withholding taxes[1]	547,740	23,882

(1) Classified as operating items.
** Fund's inception date was November 19, 2014.

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

Scotia Aria Moderate Pay Portfolio (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2015

Number of Units	Issuer	Average Cost ($)	Carrying Value ($)
FIXED INCOME FUNDS – 41.9%			
391,189	PIMCO Monthly Income Fund (Canada) Class I	5,656,468	5,439,598
144,297	Scotia Private American Core-Plus Bond Pool Series I	1,389,253	1,361,121
504,387	Scotia Private Canadian Corporate Bond Pool Series I	5,518,591	5,435,323
456,723	Scotia Private High Yield Income Pool Series I	4,360,564	4,082,416
255,626	Scotia Private Short-Mid Government Bond Pool Series I	2,729,023	2,715,589
358,592	Scotia Total Return Bond LP Series I	4,135,170	4,077,154
		23,789,069	23,111,201
CANADIAN EQUITY FUNDS – 31.2%			
432,091	1832 AM North American Preferred Share LP Series I	4,395,609	4,197,288
209,811	CI Cambridge Canadian Equity Corporate Class I	4,132,846	4,053,550
526,169	Dynamic Dividend Advantage Fund Series O	4,469,057	4,067,286
112,059	Dynamic Small Business Fund Series O	1,767,608	1,632,697
62,450	Scotia Canadian Dividend Fund Series I	3,306,164	3,227,928
		18,071,284	17,178,749
FOREIGN EQUITY FUNDS – 25.3%			
63,911	Dynamic Global Infrastructure Fund Series O	1,059,608	1,074,986
296,597	Dynamic Premium Yield Fund Series O	3,304,717	3,262,567
99,240	Scotia Private Real Estate Income Pool Series I	1,059,974	1,078,616
156,818	Scotia Global Dividend Fund Series I	2,711,764	2,668,662
167,208	Scotia Private International Equity Pool Series I	2,217,941	2,138,195
146,664	Scotia U.S. Dividend Fund Series I	2,171,156	2,145,815
106,552	Scotia U.S. Dividend Growers LP Series I	1,478,302	1,607,072
		14,003,462	13,975,913
	TOTAL INVESTMENT PORTFOLIO	55,863,815	54,265,863
	OTHER ASSETS, LESS LIABILITIES – 1.6%		872,406
	NET ASSETS – 100.0%		55,138,269

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

Scotia Aria Moderate Pay Portfolio

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

1. The Fund (note 1)

The Fund invests primarily in a diversified mix of mutual funds, equity securities and/or fixed income securities located anywhere in the world and aims to generate income and moderate long-term capital appreciation using a balanced approach to investing through a neutral mix of investments in income producing equity and fixed income securities. The portfolio is an asset allocation fund that allocates investment between two asset classes: fixed income and equities.

The Fund invests primarily in mutual funds managed by the Manager and/or by the third party investment managers (the "Underlying Funds"). To ensure the Fund's composition meets the investment objectives of the Fund, the portfolio advisor monitors the Underlying Funds on an ongoing basis and rebalances the Fund's assets among the Underlying Funds.

2. Risks associated with financial instruments (note 4)

i) Interest rate risk

The Fund invests in Underlying Funds, which are exposed to interest rate risk. As at December 31, 2015, 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 $338,498 or approximately 0.6% (December 31, 2014 – $27,954 or approximately 0.4%). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

ii) Currency risk

The Fund could be exposed to indirect currency risk to the extent that the Underlying Funds held financial instruments that were denominated in a currency other than its functional currency.

iii) Price risk

Price risk is the risk that the carrying 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 price risk is mainly in equities, derivatives and commodities, if applicable. As at December 31, 2015, approximately 56.5% (December 31, 2014 – 51.0%) of the Fund's net assets were invested in Underlying Funds which were exposed to price risk. If prices of the Underlying Funds' investments had decreased or increased by 10%, with all other variables held constant, net assets of the Fund would have decreased or increased, respectively, by approximately $3,115,466 (December 31, 2014 – $350,080). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

iv) Credit risk

The Fund could be exposed to indirect credit risk to the extent that the Underlying Funds invested in bonds and debentures, preferred shares and derivatives.

v) Liquidity risk

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

	December 31, 2015		December 31, 2014	
	On demand ($)	Less than 3 months ($)	On demand ($)	Less than 3 months ($)
Current liabilities	–	825,160	–	680,464
Liability for written options	–	–	–	–
Unrealized loss on derivatives	–	–	–	–
Redeemable units	55,138,269	–	6,860,675	–
	55,138,269	825,160	6,860,675	680,464

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, geographical location, asset type or industry sector, as applicable. The table below is a summary of the Fund's concentration risk:

	Percentage of net assets (%)	
	December 31, 2015	December 31, 2014
Canadian Equity Funds	31.2	31.2
Fixed Income Funds	41.9	41.7
Foreign Equity Funds	25.3	25.8

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

vii) Fair value classification (note 2)

The tables below illustrate the classification of the Fund's financial instruments within the fair value hierarchy.

December 31, 2015	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Underlying funds	54,265,863	–	–	54,265,863
	54,265,863	–	–	54,265,863

December 31. 2014	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Underlying funds	6,771,599	–	–	6,771,599
	6,771,599	–	–	6,771,599

Transfers between levels

During the periods ended December 31, 2015 and 2014, there were no significant transfers between Level 1 and Level 2.

3. Offsetting of financial assets and liabilities (note 2)

As at December 31, 2015 or December 31, 2014, the Fund did not enter into any agreement whereby the financial instruments were eligible for offset.

4. Interest in Underlying Funds (note 2)

The following tables provide information about the Fund's interest in Underlying Funds.

	December 31, 2015	
Underlying Fund	Carrying value of the Underlying Fund ($)	Ownership percentage in Underlying Fund (%)
1832 AM North American Preferred Share LP Series I	4,197,288	2.0
Scotia U.S. Dividend Fund Series I	2,145,815	1.1
Scotia Global Dividend Fund Series I	2,668,662	0.5
Dynamic Dividend Advantage Fund Series O	4,067,286	0.5
Scotia Total Return Bond LP Series I	4,077,154	0.5
Scotia Private Real Estate Income Pool Series I	1,078,616	0.5
Scotia Private High Yield Income Pool Series I	4,082,416	0.4
Scotia U.S. Dividend Growers LP Series I	1,607,072	0.3
Dynamic Small Business Fund Series O	1,632,697	0.2
Scotia Private International Equity Pool Series I	2,138,195	0.2
Scotia Private Short-Mid Government Bond Pool Series I	2,715,589	0.2
Dynamic Premium Yield Fund Series O	3,262,567	0.2
Dynamic Global Infrastructure Fund Series O	1,074,986	0.2
Scotia Private American Core-Plus Bond Pool Series I	1,361,121	0.2
Scotia Private Canadian Corporate Bond Pool Series I	5,435,323	0.1
CI Cambridge Canadian Equity Corporate Class I	4,053,550	0.1
PIMCO Monthly Income Fund (Canada) Class I	5,439,598	0.1
Scotia Canadian Dividend Fund Series I	3,227,928	0.0
	54,265,863	

	December 31, 2014	
Underlying Fund	Carrying value of the Underlying Fund ($)	Ownership percentage in Underlying Fund (%)
Dynamic Premium Yield Fund Series O	409,388	0.2
Scotia U.S. Dividend Fund Series I	271,187	0.2
Scotia U.S. Dividend Growers LP Series I	203,827	0.1
Scotia Total Return Bond LP Series I	505,343	0.1
1832 AM North American Preferred Share LP Series I	507,087	0.1
Scotia Global Dividend Fund Series I	338,347	0.1
Scotia Private Real Estate Income Pool Series I	136,140	0.1
Scotia Private High Yield Income Pool Series I	503,897	0.1
Dynamic Dividend Advantage Fund Series O	512,307	0.1
Scotia Private International Equity Pool Series I	271,097	0.0
Dynamic Small Business Fund Series O	205,500	0.0
Scotia Private American Core-Plus Bond Pool Series I	168,148	0.0
Dynamic Global Infrastructure Fund Series O	135,772	0.0
Scotia Private Short-Mid Government Bond Pool Series I	336,734	0.0
Scotia Private Canadian Corporate Bond Pool Series I	673,321	0.0
CI Cambridge Canadian Equity Corporate Class I	510,696	0.0
PIMCO Monthly Income Fund (Canada) Class I	673,967	0.0
Scotia Canadian Dividend Fund Series I	408,841	0.0
	6,771,599	

5. Comparison of net asset value per unit and net assets per unit (note 2)

The table below provides a comparison of the net asset value per unit and net assets per unit. The primary reason for the difference between the net asset value per unit and net assets per unit, if any, is described in note 2.

	December 31, 2015		December 31, 2014	
	Net asset value per unit ($)	Net assets per unit ($)	Net asset value per unit ($)	Net assets per unit ($)
Series A	9.77	9.77	9.73	9.73
Series T	14.39	14.39	14.71	14.71
Series TH	14.08	14.08	14.82	14.82
Series TL	14.48	14.48	14.86	14.86
Premium Series	9.79	9.79	9.73	9.73
Premium T Series	14.37	14.37	14.84	14.84
Premium TH Series	14.10	14.10	14.74	14.74
Premium TL Series	14.58	14.58	14.64	14.64

Scotia Aria Progressive Build Portfolio

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars except per unit amounts)	December 31, 2015	December 31, 2014
ASSETS		
Current assets		
Investments		
Non-derivative financial assets	48,355,130	4,054,126
Cash	1,207,342	319,817
Subscriptions receivable	234,341	498,927
Accrued investment income and other	426	198
	49,797,239	4,873,068
LIABILITIES		
Current liabilities		
Payable for securities purchased	448,000	607,100
Distributions payable	52,524	–
	500,524	607,100
Net assets attributable to holders of redeemable units	49,296,715	4,265,968
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series A	32,774,595	2,658,030
Premium Series	16,522,120	1,607,938
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series A	10.28	9.80
Premium Series	10.29	9.80

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except per unit amounts)	2015	2014**
INCOME		
Net gain (loss) on investments (note 2)		
Dividends	513,834	17,871
Interest for distribution purposes	395,986	4,953
Capital gains distributions received	726,330	64,962
Net realized gain (loss) on non-derivative financial assets	12,048	–
Change in unrealized gain (loss) on non-derivative financial assets	(418,438)	(49,535)
Net gain (loss) on investments	1,229,760	38,251
Other income	502	–
Total income (loss)	1,230,262	38,251
EXPENSES		
Management fees (note 5)	519,596	3,431
Fixed administration fees (note 6)	31,180	206
Independent Review Committee fees	1,112	–
Foreign withholding taxes/tax reclaims	23,740	1,265
Other fund costs	5,891	–
Harmonized Sales Tax/Goods and Services Tax	56,222	474
Total expenses	637,741	5,376
Increase (decrease) in net assets attributable to holders of redeemable units from operations	592,521	32,875
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A	388,873	19,622
Premium Series	203,648	13,253
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT†		
Series A	0.19	0.14
Premium Series	0.20	0.17
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series A	2,000,299	136,751
Premium Series	1,005,851	78,553

† The increase (decrease) in net assets attributable to holders of redeemable units from operations 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 number of units per series.

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the periods ended December 31 (note 1),

(in dollars)	2015	2014**
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series A	2,658,030	–
Premium Series	1,607,938	–
	4,265,968	–
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A	388,873	19,622
Premium Series	203,648	13,253
	592,521	32,875
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net investment income		
Series A	(191,883)	(17,477)
Premium Series	(108,329)	(10,749)
From net realized gains on investments		
Series A	(445,469)	(42,790)
Premium Series	(223,800)	(25,888)
	(969,481)	(96,904)
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A	31,841,135	2,638,408
Premium Series	16,482,343	1,594,685
Reinvested distributions		
Series A	606,493	60,267
Premium Series	310,464	36,637
Payments on redemption		
Series A	(2,082,584)	–
Premium Series	(1,750,144)	–
	45,407,707	4,329,997
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A	30,116,565	2,658,030
Premium Series	14,914,182	1,607,938
	45,030,747	4,265,968
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series A	32,774,595	2,658,030
Premium Series	16,522,120	1,607,938
	49,296,715	4,265,968

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2015	2014**
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	592,521	32,875
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(12,048)	–
Change in unrealized (gain) loss on non-derivative financial assets	418,438	49,535
Purchases of non-derivative financial assets	(45,625,404)	(3,496,561)
Proceeds from sale of non-derivative financial assets	758,911	–
Accrued investment income and other	(228)	(198)
Net cash provided by (used in) operating activities	(43,867,810)	(3,414,349)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	48,588,064	3,734,166
Amounts paid on redemption of redeemable units	(3,832,729)	–
Net cash provided by (used in) financing activities	44,755,335	3,734,166
Net increase (decrease) in cash	887,525	319,817
Cash (bank overdraft), beginning of period	319,817	–
CASH (BANK OVERDRAFT), END OF PERIOD	1,207,342	319,817
Interest received[1]	395,758	4,755
Dividends received, net of withholding taxes[1]	490,094	16,606

[1] Classified as operating items.
** Fund's inception date was November 19, 2014.

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

Scotia Aria Progressive Build Portfolio (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2015

Number of Units	Issuer	Average Cost ($)	Carrying Value ($)
FIXED INCOME FUNDS – 20.9%			
131,181	PIMCO Monthly Income Fund (Canada) Class I	1,897,691	1,824,111
131,944	Scotia Canadian Income Fund Series I	1,837,416	1,819,785
128,754	Scotia Private American Core-Plus Bond Pool Series I	1,240,250	1,214,508
168,721	Scotia Private Canadian Corporate Bond Pool Series I	1,847,357	1,818,157
406,646	Scotia Private High Yield Income Pool Series I	3,892,265	3,634,808
		10,714,979	10,311,369
CANADIAN EQUITY FUNDS – 32.6%			
194,371	1832 AM North American Preferred Share LP Series I	1,982,465	1,888,103
220,457	CI Cambridge Canadian Equity Corporate Class I	4,369,935	4,259,235
340,306	Dynamic Value Fund of Canada Series O	4,073,461	3,535,782
148,557	Scotia Private Canadian Mid Cap Pool Series I	3,083,486	2,836,913
102,326	Scotia Private Canadian Small Cap Pool Series I	3,529,626	3,538,379
		17,038,973	16,058,412
FOREIGN EQUITY FUNDS – 44.6%			
170,364	1832 AM Global Completion LP Series I	2,222,678	2,200,147
200,054	CI Black Creek International Equity Corp Class I	4,108,329	4,405,184
87,595	Scotia Global Growth Fund Series I	5,061,213	5,488,034
238,365	Scotia Private Emerging Markets Pool Series I	2,440,306	2,211,550
109,728	Scotia Private Global Real Estate Pool Series I	2,154,965	2,198,766
67,803	Scotia Private U.S. Mid Cap Value Pool Series I	1,041,963	1,100,230
290,498	Scotia U.S. Dividend Growers LP Series I	4,055,286	4,381,438
		21,084,740	21,985,349
	TOTAL INVESTMENT PORTFOLIO	48,838,692	48,355,130
	OTHER ASSETS, LESS LIABILITIES – 1.9%		941,585
	NET ASSETS – 100.0%		49,296,715

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

Scotia Aria Progressive Build Portfolio

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

1. The Fund (note 1)

The Fund invests primarily in a diversified mix of mutual funds, equity securities and/or fixed income securities located anywhere in the world and aims to achieve long-term capital appreciation with a secondary focus on income generation using a balanced approach to investing. The majority of the portfolio's assets will be held in equity securities. The portfolio is an asset allocation fund that allocates investment between two asset classes: fixed income and equities.

The Fund invests primarily in mutual funds managed by the Manager and/or by the third party investment managers (the "Underlying Funds"). To ensure the Fund's composition meets the investment objectives of the Fund, the portfolio advisor monitors the Underlying Funds on an ongoing basis and rebalances the Fund's assets among the Underlying Funds.

2. Risks associated with financial instruments (note 4)

i) Interest rate risk

The Fund invests in Underlying Funds, which are exposed to interest rate risk. As at December 31, 2015, 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 $139,828 or approximately 0.3% (December 31, 2014 – $ 9,215 or approximately 0.2%). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

ii) Currency risk

The Fund could be exposed to indirect currency risk to the extent that the Underlying Funds held financial instruments that were denominated in a currency other than its functional currency.

iii) Price risk

Price risk is the risk that the carrying 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 price risk is mainly in equities, derivatives and commodities, if applicable. As at December 31, 2015, approximately 77.2% (December 31, 2014 – 75.0%) of the Fund's net assets were invested in Underlying Funds which were exposed to price risk. If prices of the Underlying Funds' investments had decreased or increased by 10%, with all other variables held constant, net assets of the Fund would have decreased or increased, respectively, by approximately $3,804,376 (December 31, 2014 – $319,839). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

iv) Credit risk

The Fund could be exposed to indirect credit risk to the extent that the Underlying Funds invested in bonds and debentures, preferred shares and derivatives.

v) Liquidity risk

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

	December 31, 2015		December 31, 2014	
	On demand ($)	Less than 3 months ($)	On demand ($)	Less than 3 months ($)
Current liabilities	–	500,524	–	607,100
Liability for written options	–	–	–	–
Unrealized loss on derivatives	–	–	–	–
Redeemable units	49,296,715	–	4,265,968	–
	49,296,715	500,524	4,265,968	607,100

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, geographical location, asset type or industry sector, as applicable. The table below is a summary of the Fund's concentration risk:

	Percentage of net assets (%)	
	December 31, 2015	December 31, 2014
Canadian Equity Funds	32.6	32.3
Fixed Income Funds	20.9	20.0
Foreign Equity Funds	44.6	42.7

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

vii) Fair value classification (note 2)

The tables below illustrate the classification of the Fund's financial instruments within the fair value hierarchy.

December 31, 2015	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Underlying funds	48,355,130	–	–	48,355,130
	48,355,130	–	–	48,355,130

December 31, 2014	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Underlying funds	4,054,126	–	–	4,054,126
	4,054,126	–	–	4,054,126

Transfers between levels

During the periods ended December 31, 2015 and 2014, there were no significant transfers between Level 1 and Level 2.

3. Offsetting of financial assets and liabilities (note 2)

As at December 31, 2015 or December 31, 2014, the Fund did not enter into any agreement whereby the financial instruments were eligible for offset.

4. Interest in Underlying Funds (note 2)

The following tables provide information about the Fund's interest in Underlying Funds.

	December 31, 2015	
Underlying Fund	Carrying value of the Underlying Fund ($)	Ownership percentage in Underlying Fund (%)
Scotia Private Canadian Mid Cap Pool Series I	2,836,913	4.1
Scotia Private U.S. Mid Cap Value Pool Series I	1,100,230	1.5
Scotia Private Emerging Markets Pool Series I	2,211,550	1.1
Scotia U.S. Dividend Growers LP Series I	4,381,438	0.9
1832 AM North American Preferred Share LP Series I	1,888,103	0.9
Scotia Global Growth Fund Series I	5,488,034	0.6
Scotia Private Global Real Estate Pool Series I	2,198,766	0.6
Scotia Private Canadian Small Cap Pool Series I	3,538,379	0.6
1832 AM Global Completion LP Series I	2,200,147	0.6
CI Black Creek International Equity Corp Class I	4,405,184	0.4
Scotia Private High Yield Income Pool Series I	3,634,808	0.3
Dynamic Value Fund of Canada Series O	3,535,782	0.2
Scotia Private American Core-Plus Bond Pool Series I	1,214,508	0.2
CI Cambridge Canadian Equity Corporate Class I	4,259,235	0.1
Scotia Private Canadian Corporate Bond Pool Series I	1,818,157	0.0
Scotia Canadian Income Fund Series I	1,819,785	0.0
PIMCO Monthly Income Fund (Canada) Class I	1,824,111	0.0
	48,355,130	

	December 31, 2014	
Underlying Fund	Carrying value of the Underlying Fund ($)	Ownership percentage in Underlying Fund (%)
Scotia Private Canadian Mid Cap Pool Series I	246,232	0.4
Scotia Private U.S. Mid Cap Value Pool Series I	91,159	0.3
Scotia U.S. Dividend Growers LP Series I	364,284	0.3
Scotia Private Emerging Markets Pool Series I	183,302	0.1
Scotia Global Growth Fund Series I	453,385	0.1
Scotia Private Global Real Estate Pool Series I	181,710	0.1
1832 AM Global Completion LP Series I	182,129	0.1
Scotia Private Canadian Small Cap Pool Series I	308,596	0.1
CI Black Creek International Equity Corp Class I	364,716	0.1
1832 AM North American Preferred Share LP Series I	151,692	0.0
Scotia Private High Yield Income Pool Series I	301,465	0.0
Scotia Private American Core-Plus Bond Pool Series I	100,647	0.0
Dynamic Value Fund of Canada Series O	305,206	0.0
CI Cambridge Canadian Equity Corporate Class I	365,980	0.0
Scotia Private Canadian Corporate Bond Pool Series I	151,217	0.0
Scotia Canadian Income Fund Series I	151,240	0.0
PIMCO Monthly Income Fund (Canada) Class I	151,166	0.0
	4,054,126	

5. Comparison of net asset value per unit and net assets per unit (note 2)

The table below provides a comparison of the net asset value per unit and net assets per unit. The primary reason for the difference between the net asset value per unit and net assets per unit, if any, is described in note 2.

	December 31, 2015		December 31, 2014	
	Net asset value per unit ($)	Net assets per unit ($)	Net asset value per unit ($)	Net assets per unit ($)
Series A	10.28	10.28	9.80	9.80
Premium Series	10.29	10.29	9.80	9.80

Scotia Aria Progressive Core Portfolio

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars except per unit amounts)	December 31, 2015	December 31, 2014
ASSETS		
Current assets		
Investments		
Non-derivative financial assets	82,215,563	6,885,025
Cash	2,115,252	869,608
Subscriptions receivable	190,810	894,852
Accrued investment income and other	801	390
	84,522,426	8,649,875
LIABILITIES		
Current liabilities		
Payable for securities purchased	611,000	1,348,400
Redemptions payable	9,229	–
Distributions payable	161,630	3,816
	781,859	1,352,216
Net assets attributable to holders of redeemable units	83,740,567	7,297,659
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series A	47,283,013	4,303,190
Series T	753,103	5,037
Series TH	1,846,389	5,037
Series TL	71,515	5,030
Premium Series	29,820,618	2,613,839
Premium T Series	1,648,355	5,037
Premium TH Series	2,223,786	355,459
Premium TL Series	93,788	5,030
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series A	9.80	9.88
Series T	14.43	14.88
Series TH	14.01	14.85
Series TL	14.57	14.87
Premium Series	9.81	9.88
Premium T Series	14.29	14.88
Premium TH Series	14.04	15.02
Premium TL Series	14.60	14.87

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except per unit amounts)	2015	2014**
INCOME		
Net gain (loss) on investments (note 2)		
Dividends	741,222	18,796
Interest for distribution purposes	720,790	7,784
Capital gains distributions received	2,191,539	50,772
Change in unrealized gain (loss) on non-derivative financial assets	(3,202,622)	(31,233)
Net gain (loss) on investments	450,929	46,119
Other income	2,083	–
Total income (loss)	453,012	46,119
EXPENSES		
Management fees (note 5)	882,297	5,414
Fixed administration fees (note 6)	53,174	327
Independent Review Committee fees	1,086	–
Foreign withholding taxes/tax reclaims	14,648	519
Other fund costs	10,275	–
Harmonized Sales Tax/Goods and Services Tax	95,261	744
Total expenses	1,056,741	7,004
Increase (decrease) in net assets attributable to holders of redeemable units from operations	(603,729)	39,115
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A	(342,590)	21,623
Series T	(15,989)	37
Series TH	(15,327)	37
Series TL	(3,014)	30
Premium Series	(174,288)	10,857
Premium T Series	(25,604)	37
Premium TH Series	(25,675)	6,464
Premium TL Series	(1,242)	30
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT†		
Series A	(0.12)	0.11
Series T	(0.41)	0.11
Series TH	(0.25)	0.11
Series TL	(1.04)	0.09
Premium Series	(0.09)	0.09
Premium T Series	(0.47)	0.11
Premium TH Series	(0.29)	0.27
Premium TL Series	(0.29)	0.09
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series A	2,965,667	189,418
Series T	38,824	335
Series TH	62,178	335
Series TL	2,901	334
Premium Series	1,923,234	125,011
Premium T Series	55,048	335
Premium TH Series	89,978	23,669
Premium TL Series	4,258	334

† The increase (decrease) in net assets attributable to holders of redeemable units from operations 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 number of units per series.

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

Scotia Aria Progressive Core Portfolio (Continued)

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the periods ended December 31 (note 1),

(in dollars)	2015	2014**
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series A	4,303,190	–
Series T	5,037	–
Series TH	5,037	–
Series TL	5,030	–
Premium Series	2,613,839	–
Premium T Series	5,037	–
Premium TH Series	355,459	–
Premium TL Series	5,030	–
	7,297,659	–
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A	(342,590)	21,623
Series T	(15,989)	37
Series TH	(15,327)	37
Series TL	(3,014)	30
Premium Series	(174,288)	10,857
Premium T Series	(25,604)	37
Premium TH Series	(25,675)	6,464
Premium TL Series	(1,242)	30
	(603,729)	39,115
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net investment income		
Series A	(248,116)	(19,331)
Series T	(2,732)	(21)
Series TH	(13,799)	(31)
Series TL	(439)	(17)
Premium Series	(162,798)	(11,632)
Premium T Series	(15,639)	(21)
Premium TH Series	(16,629)	(2,220)
Premium TL Series	(496)	(18)
From net realized gains on investments		
Series A	(1,206,166)	(47,069)
Series T	(19,866)	(55)
Series TH	(45,606)	(55)
Series TL	(1,879)	(55)
Premium Series	(756,167)	(28,590)
Premium T Series	(44,528)	(55)
Premium TH Series	(58,763)	(3,871)
Premium TL Series	(2,464)	(55)
From return of capital		
Series T	(7,001)	–
Series TH	(17,314)	–
Premium TH Series	(30,134)	–
	(2,650,536)	(113,096)
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A	47,489,898	4,281,567
Series T	793,394	5,000
Series TH	1,924,027	5,000
Series TL	105,000	5,000
Premium Series	30,075,013	2,602,983
Premium T Series	2,094,025	5,000
Premium TH Series	2,391,000	355,000
Premium TL Series	90,000	5,000
Reinvested distributions		
Series A	1,398,527	66,400
Series T	260	76
Series TH	15,371	86
Series TL	2,317	72
Premium Series	861,415	40,221
Premium T Series	5,314	76
Premium TH Series	5,594	86
Premium TL Series	2,960	73
Payments on redemption		
Series A	(4,111,730)	–
Series TH	(6,000)	–
Series TL	(35,500)	–
Premium Series	(2,636,396)	–
Premium T Series	(370,250)	–
Premium TH Series	(397,066)	–
	79,697,173	7,371,640
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A	42,979,823	4,303,190
Series T	748,066	5,037
Series TH	1,841,352	5,037
Series TL	66,485	5,030
Premium Series	27,206,779	2,613,839
Premium T Series	1,643,318	5,037
Premium TH Series	1,868,327	355,459
Premium TL Series	88,758	5,030
	76,442,908	7,297,659
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series A	47,283,013	4,303,190
Series T	753,103	5,037
Series TH	1,846,389	5,037
Series TL	71,515	5,030
Premium Series	29,820,618	2,613,839
Premium T Series	1,648,355	5,037
Premium TH Series	2,223,786	355,459
Premium TL Series	93,788	5,030
	83,740,567	7,297,659

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2015	2014**
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	(603,729)	39,115
Adjustments for:		
Change in unrealized (gain) loss on non-derivative financial assets	3,202,622	31,233
Purchases of non-derivative financial assets	(79,225,358)	(5,567,858)
Proceeds from sale of non-derivative financial assets	(45,201)	–
Accrued investment income and other	(411)	(390)
Net cash provided by (used in) operating activities	(76,672,077)	(5,497,900)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	85,666,399	6,369,698
Amounts paid on redemption of redeemable units	(7,547,713)	–
Distributions to unitholders of redeemable units	(200,965)	(2,190)
Net cash provided by (used in) financing activities	77,917,721	6,367,508
Net increase (decrease) in cash	1,245,644	869,608
Cash (bank overdraft), beginning of period	869,608	–
CASH (BANK OVERDRAFT), END OF PERIOD	2,115,252	869,608
Interest received[1]	720,379	7,394
Dividends received, net of withholding taxes[1]	726,574	18,277

[1] Classified as operating items.
** Fund's inception date was November 19, 2014.

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2015

Number of Units	Issuer	Average Cost ($)	Carrying Value ($)
FIXED INCOME FUNDS – 34.9%			
424,868	CI Signature Corporate Bond Fund Class I	4,590,689	4,384,634
1,070,606	Dynamic Canadian Bond Fund Series O	5,930,334	5,845,510
316,758	PIMCO Monthly Income Fund (Canada) Class I	4,582,810	4,404,616
744,860	Scotia Floating Rate Income Fund Series I	7,401,902	7,305,739
406,955	Scotia Private Canadian Corporate Bond Pool Series I	4,460,923	4,385,393
275,294	Scotia Private Short-Mid Government Bond Pool Series I	2,942,738	2,924,535
		29,909,396	29,250,427
CANADIAN EQUITY FUNDS – 36.6%			
466,350	CI Cambridge Canadian Equity Corporate Class I	9,250,078	9,009,886
1,397,842	Dynamic Dividend Advantage Fund Series O	11,944,952	10,805,323
372,214	Dynamic Small Business Fund Series O	5,914,701	5,423,152
103,964	Scotia Canadian Dividend Fund Series I	5,535,048	5,373,707
		32,644,779	30,612,068
FOREIGN EQUITY FUNDS – 26.7%			
490,093	Dynamic Alternative Yield Fund Series O	5,658,033	5,410,631
156,561	Scotia Private Real Estate Income Pool Series I	1,678,840	1,701,634
478,100	Scotia Global Low Volatility Equity LP Series I	6,540,460	6,784,049
264,683	Scotia Private International Equity Pool Series I	3,536,742	3,384,665
397,633	Scotia U.S. Low Volatility Equity LP Series I	5,526,368	5,072,089
		22,940,443	22,353,068
	TOTAL INVESTMENT PORTFOLIO	85,494,618	82,215,563
	OTHER ASSETS, LESS LIABILITIES – 1.8%		1,525,004
	NET ASSETS – 100.0%		83,740,567

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

Scotia Aria Progressive Core Portfolio

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

1. The Fund (note 1)

The Fund invests primarily in a diversified mix of mutual funds, equity securities and/or fixed income securities located anywhere in the world and aims to achieve long-term capital appreciation using a balanced approach to investing through investments that the portfolio advisor assesses to be less volatile than that of broad markets. The majority of the portfolio's assets will be held in equity securities. The portfolio is an asset allocation fund that allocates investment between two asset classes: fixed income and equities.

The Fund invests primarily in mutual funds managed by the Manager and/or by the third party investment managers (the "Underlying Funds"). To ensure the Fund's composition meets the investment objectives of the Fund, the portfolio advisor monitors the Underlying Funds on an ongoing basis and rebalances the Fund's assets among the Underlying Funds.

2. Risks associated with financial instruments (note 4)

i) Interest rate risk

The Fund invests in Underlying Funds, which are exposed to interest rate risk. As at December 31, 2015, 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 $267,596 or approximately 0.3% (December 31, 2014 – $20,369, or approximately 0.3%). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

ii) Currency risk

The Fund could be exposed to indirect currency risk to the extent that the Underlying Funds held financial instruments that were denominated in a currency other than its functional currency.

iii) Price risk

Price risk is the risk that the carrying 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 price risk is mainly in equities, derivatives and commodities, if applicable. As at December 31, 2015, approximately 63.2% (December 31, 2014 – 61.5%) of the Fund's net assets were invested in Underlying Funds which were exposed to price risk. If prices of the Underlying Funds' investments had decreased or increased by 10%, with all other variables held constant, net assets of the Fund would have decreased or increased, respectively, by approximately $5,296,514 (December 31, 2014 – $448,658). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

iv) Credit risk

The Fund could be exposed to indirect credit risk to the extent that the Underlying Funds invested in bonds and debentures, preferred shares and derivatives.

v) Liquidity risk

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

	December 31, 2015		December 31, 2014	
	On demand ($)	Less than 3 months ($)	On demand ($)	Less than 3 months ($)
Current liabilities	–	781,859	–	1,352,216
Liability for written options	–	–	–	–
Unrealized loss on derivatives	–	–	–	–
Redeemable units	83,740,567	–	7,297,659	–
	83,740,567	781,859	7,297,659	1,352,216

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, geographical location, asset type or industry sector, as applicable. The table below is a summary of the Fund's concentration risk:

	Percentage of net assets (%)	
	December 31, 2015	December 31, 2014
Canadian Equity Funds	36.6	36.2
Fixed Income Funds	34.9	32.9
Foreign Equity Funds	26.7	25.2

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

vii) Fair value classification (note 2)

The tables below illustrate the classification of the Fund's financial instruments within the fair value hierarchy.

December 31, 2015	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Underlying funds	82,215,563	–	–	82,215,563
	82,215,563	–	–	82,215,563

December 31, 2014	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Underlying funds	6,885,025	–	–	6,885,025
	6,885,025	–	–	6,885,025

Transfers between levels

During the periods ended December 31, 2015 and 2014, there were no significant transfers between Level 1 and Level 2.

3. Offsetting of financial assets and liabilities (note 2)

As at December 31, 2015 or December 31, 2014, the Fund did not enter into any agreement whereby the financial instruments were eligible for offset.

4. Interest in Underlying Funds (note 2)

The following tables provide information about the Fund's interest in Underlying Funds.

	December 31, 2015	
Underlying Fund	Carrying value of the Underlying Fund ($)	Ownership percentage in Underlying Fund (%)
Dynamic Dividend Advantage Fund Series O	10,805,323	1.3
Dynamic Small Business Fund Series O	5,423,152	0.8
Scotia Global Low Volatility Equity LP Series I	6,784,049	0.8
Scotia Private Real Estate Income Pool Series I	1,701,634	0.7
Scotia Floating Rate Income Fund Series I	7,305,739	0.7
Scotia U.S. Low Volatility Equity LP Series I	5,072,089	0.6
Scotia Private International Equity Pool Series I	3,384,665	0.4
Dynamic Alternative Yield Fund Series O	5,410,631	0.3
Dynamic Canadian Bond Fund Series O	5,845,510	0.3
Scotia Private Short-Mid Government Bond Pool Series I	2,924,534	0.2
CI Cambridge Canadian Equity Corporate Class I	9,009,886	0.2
CI Signature Corporate Bond Fund Class I	4,384,635	0.1
Scotia Private Canadian Corporate Bond Pool Series I	4,385,393	0.1
Scotia Canadian Dividend Fund Series I	5,373,707	0.1
PIMCO Monthly Income Fund (Canada) Class I	4,404,616	0.1
	82,215,563	

	December 31, 2014	
Underlying Fund	Carrying value of the Underlying Fund ($)	Ownership percentage in Underlying Fund (%)
Dynamic Dividend Advantage Fund Series O	934,013	0.1
Scotia Floating Rate Income Fund Series I	598,841	0.1
Scotia Global Low Volatility Equity LP Series I	550,164	0.1
Dynamic Small Business Fund Series O	468,371	0.1
Scotia Private Real Estate Income Pool Series I	138,259	0.1
Scotia Private International Equity Pool Series I	275,510	0.1
Scotia U.S. Low Volatility Equity LP Series I	411,184	0.1
Dynamic Alternative Yield Fund Series O	467,397	0.0
Dynamic Canadian Bond Fund Series O	479,924	0.0
CI Cambridge Canadian Equity Corporate Class I	775,938	0.0
Scotia Private Short-Mid Government Bond Pool Series I	240,015	0.0
CI Signature Corporate Bond Fund Class I	359,764	0.0
Scotia Private Canadian Corporate Bond Pool Series I	359,993	0.0
Scotia Canadian Dividend Fund Series I	465,748	0.0
PIMCO Monthly Income Fund (Canada) Class I	359,904	0.0
	6,885,025	

5. Comparison of net asset value per unit and net assets per unit (note 2)

The table below provides a comparison of the net asset value per unit and net assets per unit. The primary reason for the difference between the net asset value per unit and net assets per unit, if any, is described in note 2.

	December 31, 2015		December 31, 2014	
	Net asset value per unit ($)	Net assets per unit ($)	Net asset value per unit ($)	Net assets per unit ($)
Series A	9.80	9.80	9.88	9.88
Series T	14.43	14.43	14.88	14.88
Series TH	14.01	14.01	14.85	14.85
Series TL	14.57	14.57	14.87	14.87
Premium Series	9.81	9.81	9.88	9.88
Premium T Series	14.29	14.29	14.88	14.88
Premium TH Series	14.04	14.04	15.02	15.02
Premium TL Series	14.60	14.60	14.87	14.87

Scotia Aria Progressive Pay Portfolio

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars except per unit amounts)	December 31, 2015	December 31, 2014
ASSETS		
Current assets		
Investments		
Non-derivative financial assets	18,523,897	1,088,051
Cash	530,864	21,159
Subscriptions receivable	500	–
Accrued investment income and other	153	66
	19,055,414	1,109,276
LIABILITIES		
Current liabilities		
Distributions payable	59,168	6,823
	59,168	6,823
Net assets attributable to holders of redeemable units	18,996,246	1,102,453
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series A	6,277,549	516,550
Series T	984,634	5,038
Series TH	1,821,533	155,379
Series TL	337,158	5,529
Premium Series	5,106,497	254,334
Premium T Series	2,317,750	5,038
Premium TH Series	2,145,890	155,558
Premium TL Series	5,235	5,027
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series A	9.84	9.77
Series T	14.54	14.73
Series TH	13.94	14.94
Series TL	14.46	14.70
Premium Series	9.84	9.76
Premium T Series	14.55	14.73
Premium TH Series	14.18	15.04
Premium TL Series	14.93	14.70

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except per unit amounts)	2015	2014**
INCOME		
Net gain (loss) on investments (note 2)		
Dividends	238,196	6,998
Interest for distribution purposes	150,970	2,217
Capital gains distributions received	523,073	17,268
Net realized gain (loss) on non-derivative financial assets	21,212	–
Change in unrealized gain (loss) on non-derivative financial assets	(756,587)	(10,668)
Net gain (loss) on investments	176,864	15,815
Other income	575	–
Total income (loss)	177,439	15,815
EXPENSES		
Management fees (note 5)	202,565	1,317
Fixed administration fees (note 6)	12,282	79
Independent Review Committee fees	1,128	–
Foreign withholding taxes/tax reclaims	18,564	721
Other fund costs	23	–
Harmonized Sales Tax/Goods and Services Tax	24,180	179
Total expenses	258,742	2,296
Increase (decrease) in net assets attributable to holders of redeemable units from operations	(81,303)	13,519
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A	29,919	2,329
Series T	(13,690)	38
Series TH	(8,743)	4,300
Series TL	(4,840)	29
Premium Series	(33,518)	2,360
Premium T Series	(30,923)	38
Premium TH Series	(19,568)	4,398
Premium TL Series	60	27
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT†		
Series A	0.07	0.06
Series T	(0.20)	0.11
Series TH	(0.19)	0.63
Series TL	(0.53)	0.08
Premium Series	(0.10)	0.16
Premium T Series	(0.27)	0.11
Premium TH Series	(0.23)	0.43
Premium TL Series	0.14	0.08
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series A	408,949	37,987
Series T	68,368	335
Series TH	46,646	6,859
Series TL	9,123	365
Premium Series	328,153	14,814
Premium T Series	116,325	335
Premium TH Series	84,913	10,335
Premium TL Series	439	334

† The increase (decrease) in net assets attributable to holders of redeemable units from operations 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 number of units per series.

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

Scotia Aria Progressive Pay Portfolio (Continued)

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the periods ended December 31 (note 1),

(in dollars)	2015	2014**
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series A	516,550	–
Series T	5,038	–
Series TH	155,379	–
Series TL	5,529	–
Premium Series	254,334	–
Premium T Series	5,038	–
Premium TH Series	155,558	–
Premium TL Series	5,027	–
	1,102,453	–
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A	29,919	2,329
Series T	(13,690)	38
Series TH	(8,743)	4,300
Series TL	(4,840)	29
Premium Series	(33,518)	2,360
Premium T Series	(30,923)	38
Premium TH Series	(19,568)	4,398
Premium TL Series	60	27
	(81,303)	13,519
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net investment income		
Series A	(46,598)	(4,840)
Series T	(209)	(44)
Series TH	(24,096)	(1,483)
Series TL	(4,522)	(49)
Premium Series	(41,388)	(2,484)
Premium T Series	(14,858)	(45)
Premium TH Series	(21,846)	(1,384)
Premium TL Series	–	(45)
From net realized gains on investments		
Series A	(169,230)	(8,643)
Series T	(27,152)	(84)
Series TH	(49,247)	(2,600)
Series TL	(9,510)	(92)
Premium Series	(136,632)	(4,257)
Premium T Series	(62,882)	(84)
Premium TH Series	(59,295)	(2,585)
Premium TL Series	(130)	(84)
From return of capital		
Series T	(24,071)	–
Premium T Series	(13,740)	–
Premium TH Series	(17,591)	–
	(722,997)	(28,803)
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A	6,739,172	514,222
Series T	1,685,238	5,000
Series TH	1,735,578	155,000
Series TL	352,695	5,500
Premium Series	5,243,653	251,974
Premium T Series	3,235,215	5,000
Premium TH Series	2,473,491	155,000
Premium TL Series	148	5,000
Reinvested distributions		
Series A	215,828	13,482
Series T	6,988	128
Series TH	12,662	162
Series TL	2,306	141
Premium Series	178,020	6,741
Premium T Series	4,447	129
Premium TH Series	21,967	129
Premium TL Series	130	129
Payments on redemption		
Series A	(1,008,092)	–
Series T	(647,508)	–
Series TL	(4,500)	–
Premium Series	(357,972)	–
Premium T Series	(804,547)	–
Premium TH Series	(386,826)	–
	18,698,093	1,117,737
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A	5,760,999	516,550
Series T	979,596	5,038
Series TH	1,666,154	155,379
Series TL	331,629	5,529
Premium Series	4,852,163	254,334
Premium T Series	2,312,712	5,038
Premium TH Series	1,990,332	155,558
Premium TL Series	208	5,027
	17,893,793	1,102,453
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series A	6,277,549	516,550
Series T	984,634	5,038
Series TH	1,821,533	155,379
Series TL	337,158	5,529
Premium Series	5,106,497	254,334
Premium T Series	2,317,750	5,038
Premium TH Series	2,145,890	155,558
Premium TL Series	5,235	5,027
	18,996,246	1,102,453

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2015	2014**
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	(81,303)	13,519
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(21,212)	–
Change in unrealized (gain) loss on non-derivative financial assets	756,587	10,668
Purchases of non-derivative financial assets	(19,057,119)	(1,098,719)
Proceeds from sale of non-derivative financial assets	885,895	–
Accrued investment income and other	(87)	(66)
Net cash provided by (used in) operating activities	(17,517,239)	(1,074,598)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	21,464,693	1,096,696
Amounts paid on redemption of redeemable units	(3,209,445)	–
Distributions to unitholders of redeemable units	(228,304)	(939)
Net cash provided by (used in) financing activities	18,026,944	1,095,757
Net increase (decrease) in cash	509,705	21,159
Cash (bank overdraft), beginning of period	21,159	–
CASH (BANK OVERDRAFT), END OF PERIOD	530,864	21,159
Interest received[1]	150,881	2,151
Dividends received, net of withholding taxes[1]	219,632	6,277

[1] Classified as operating items.
** Fund's inception date was November 19, 2014.

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2015

Number of Units	Issuer	Average Cost ($)	Carrying Value ($)
FIXED INCOME FUNDS – 23.6%			
80,162	PIMCO Monthly Income Fund (Canada) Class I	1,161,175	1,114,674
39,835	Scotia Canadian Income Fund Series I	556,313	549,406
58,458	Scotia Private American Core-Plus Bond Pool Series I	563,698	551,418
106,059	Scotia Private Canadian Corporate Bond Pool Series I	1,163,069	1,142,903
124,897	Scotia Private High Yield Income Pool Series I	1,201,316	1,116,393
		4,645,571	4,474,794
CANADIAN EQUITY FUNDS – 32.9%			
81,682	CI Cambridge Canadian Equity Corporate Class I	1,617,864	1,578,095
246,712	Dynamic Dividend Advantage Fund Series O	2,118,150	1,907,086
43,818	Dynamic Small Business Fund Series O	699,230	638,426
18,587	Scotia Canadian Dividend Fund Series I	991,202	960,718
151,282	Scotia Private Canadian Preferred Share Pool Series I	1,294,897	1,170,876
		6,721,343	6,255,201
FOREIGN EQUITY FUNDS – 41.0%			
39,160	Dynamic Global Infrastructure Fund Series O	650,281	658,665
115,534	Dynamic Premium Yield Fund Series O	1,292,363	1,270,874
59,991	Scotia Private Real Estate Income Pool Series I	641,495	652,027
76,370	Scotia Global Dividend Fund Series I	1,328,945	1,299,636
102,236	Scotia Private International Equity Pool Series I	1,368,441	1,307,355
178,073	Scotia U.S. Dividend Fund Series I	2,642,713	2,605,345
		7,924,238	7,793,902
	TOTAL INVESTMENT PORTFOLIO	19,291,152	18,523,897
	OTHER ASSETS, LESS LIABILITIES – 2.5%		472,349
	NET ASSETS – 100.0%		18,996,246

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

Scotia Aria Progressive Pay Portfolio

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

1. The Fund (note 1)

The Fund invests primarily in a diversified mix of mutual funds, equity securities and/or fixed income securities located anywhere in the world and aims to generate income and long-term capital appreciation using a balanced approach to investing through investments in income producing equity and fixed income securities. The majority of the portfolio's assets will be held in equity securities. The portfolio is an asset allocation fund that allocates investment between two asset classes: fixed income and equities.

The Fund invests primarily in mutual funds managed by the Manager and/or by the third party investment managers (the "Underlying Funds"). To ensure the Fund's composition meets the investment objectives of the Fund, the portfolio advisor monitors the Underlying Funds on an ongoing basis and rebalances the Fund's assets among the Underlying Funds.

2. Risks associated with financial instruments (note 4)

i) Interest rate risk

The Fund invests in Underlying Funds, which are exposed to interest rate risk. As at December 31, 2015, 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 $62,705 or approximately 0.3% (December 31, 2014 – $2,464, or approximately 0.2%). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

ii) Currency risk

The Fund could be exposed to indirect currency risk to the extent that the Underlying Funds held financial instruments that were denominated in a currency other than its functional currency.

iii) Price risk

Price risk is the risk that the carrying 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 price risk is mainly in equities, derivatives and commodities, if applicable. As at December 31, 2015, approximately 74.0% (December 31, 2014 – 68.4%) of the Fund's net assets were invested in Underlying Funds which were exposed to price risk. If prices of the Underlying Funds' investments had decreased or increased by 10%, with all other variables held constant, net assets of the Fund would have decreased or increased, respectively, by approximately $1,404,910 (December 31, 2014 – $75,435). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

iv) Credit risk

The Fund could be exposed to indirect credit risk to the extent that the Underlying Funds invested in bonds and debentures, preferred shares and derivatives.

v) Liquidity risk

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

	December 31, 2015		December 31, 2014	
	On demand ($)	Less than 3 months ($)	On demand ($)	Less than 3 months ($)
Current liabilities	–	59,168	–	6,823
Liability for written options	–	–	–	–
Unrealized loss on derivatives	–	–	–	–
Redeemable units	18,996,246	–	1,102,453	–
	18,996,246	59,168	1,102,453	6,823

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, geographical location, asset type or industry sector, as applicable. The table below is a summary of the Fund's concentration risk:

	Percentage of net assets (%)	
	December 31, 2015	December 31, 2014
Canadian Equity Funds	32.9	33.7
Fixed Income Funds	23.6	23.3
Foreign Equity Funds	41.0	41.7

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

vii) Fair value classification (note 2)

The tables below illustrate the classification of the Fund's financial instruments within the fair value hierarchy.

December 31, 2015	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Underlying funds	18,523,897	–	–	18,523,897
	18,523,897	–	–	18,523,897

December 31. 2014	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Underlying funds	1,088,051	–	–	1,088,051
	1,088,051	–	–	1,088,051

Transfers between levels

During the periods ended December 31, 2015 and 2014, there were no significant transfers between Level 1 and Level 2.

3. Offsetting of financial assets and liabilities (note 2)

As at December 31, 2015 or December 31, 2014, the Fund did not enter into any agreement whereby the financial instruments were eligible for offset.

4. Interest in Underlying Funds (note 2)

The following tables provide information about the Fund's interest in Underlying Funds.

	December 31, 2015	
Underlying Fund	Carrying value of the Underlying Fund ($)	Ownership percentage in Underlying Fund (%)
Scotia U.S. Dividend Fund Series I	2,605,345	1.3
Scotia Private Canadian Preferred Share Pool Series I	1,170,876	0.3
Scotia Private Real Estate Income Pool Series I	652,027	0.3
Scotia Global Dividend Fund Series I	1,299,636	0.2
Dynamic Dividend Advantage Fund Series O	1,907,086	0.2
Scotia Private International Equity Pool Series I	1,307,355	0.1
Dynamic Global Infrastructure Fund Series O	658,665	0.1
Scotia Private High Yield Income Pool Series I	1,116,393	0.1
Dynamic Small Business Fund Series O	638,426	0.1
Dynamic Premium Yield Fund Series O	1,270,874	0.1
Scotia Private American Core-Plus Bond Pool Series I	551,418	0.1
CI Cambridge Canadian Equity Corporate Class I	1,578,095	0.0
Scotia Private Canadian Corporate Bond Pool Series I	1,142,903	0.0
PIMCO Monthly Income Fund (Canada) Class I	1,114,674	0.0
Scotia Canadian Dividend Fund Series I	960,718	0.0
Scotia Canadian Income Fund Series I	549,406	0.0
	18,523,897	

	December 31, 2014	
Underlying Fund	Carrying value of the Underlying Fund ($)	Ownership percentage in Underlying Fund (%)
Scotia U.S. Dividend Growers LP Series I	77,002	0.1
Scotia U.S. Dividend Fund Series I	76,404	0.0
Dynamic Premium Yield Fund Series O	76,393	0.0
Scotia Private Real Estate Income Pool Series I	38,336	0.0
Scotia Global Dividend Fund Series I	76,232	0.0
1832 AM North American Preferred Share LP Series I	65,122	0.0
Scotia Private International Equity Pool Series I	75,802	0.0
Dynamic Dividend Advantage Fund Series O	114,992	0.0
Scotia Total Return Bond LP Series I	32,143	0.0
Scotia Private High Yield Income Pool Series I	64,234	0.0
Dynamic Global Infrastructure Fund Series O	38,864	0.0
Dynamic Small Business Fund Series O	38,037	0.0
Scotia Private American Core-Plus Bond Pool Series I	32,110	0.0
CI Cambridge Canadian Equity Corporate Class I	95,436	0.0
Scotia Private Canadian Corporate Bond Pool Series I	64,313	0.0
PIMCO Monthly Income Fund (Canada) Class I	64,505	0.0
Scotia Canadian Dividend Fund Series I	58,126	0.0
	1,088,051	

5. Comparison of net asset value per unit and net assets per unit (note 2)

The table below provides a comparison of the net asset value per unit and net assets per unit. The primary reason for the difference between the net asset value per unit and net assets per unit, if any, is described in note 2.

	December 31, 2015		December 31, 2014	
	Net asset value per unit ($)	Net assets per unit ($)	Net asset value per unit ($)	Net assets per unit ($)
Series A	9.84	9.84	9.77	9.77
Series T	14.54	14.54	14.73	14.73
Series TH	13.94	13.94	14.94	14.94
Series TL	14.46	14.46	14.70	14.70
Premium Series	9.84	9.84	9.76	9.76
Premium T Series	14.55	14.55	14.73	14.73
Premium TH Series	14.18	14.18	15.04	15.04
Premium TL Series	14.93	14.93	14.70	14.70

Scotia Conservative Government Bond Capital Yield Class

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars except per share amounts)	December 31, 2015	December 31, 2014
ASSETS		
Current assets		
Investments		
Non-derivative financial assets	18,779,602	33,757,188
Accrued investment income and other	1	2
	18,779,603	33,757,190
LIABILITIES		
Current liabilities		
Bank overdraft	822,045	72,104
Redemptions payable	121,436	2,379
	943,481	74,483
Net assets attributable to holders of redeemable shares	17,836,122	33,682,707
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES PER SERIES		
Series A	9,231,523	13,327,301
Series M	8,604,599	20,355,406
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES PER SHARE		
Series A	10.13	10.23
Series M	10.46	10.44

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except per share amounts)	2015	2014
INCOME		
Net gain (loss) on investments (note 2)		
Interest for distribution purposes	742,113	44,249
Net realized gain (loss) on non-derivative financial assets	92,682	1,882,447
Change in unrealized gain (loss) on non-derivative financial assets	10,661	8,708
Total income (loss)	845,456	1,935,404
EXPENSES		
Management fees (note 5)	132,636	207,116
Fixed administration fees (note 6)	19,067	28,916
Independent Review Committee fees	1,157	90
Interest expense and bank overdraft charges	2,476	7,979
Other fund costs	24	
Harmonized Sales Tax/Goods and Services Tax	18,118	28,039
Total expenses	173,478	272,140
Increase (decrease) in net assets attributable to holders of redeemable shares from operations	671,978	1,663,264
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES FROM OPERATIONS PER SERIES		
Series A	201,878	620,132
Series M	470,100	1,043,132
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES FROM OPERATIONS PER SHARE†		
Series A	0.19	0.36
Series M	0.30	0.46
WEIGHTED AVERAGE NUMBER OF SHARES PER SERIES		
Series A	1,087,796	1,714,228
Series M	1,542,205	2,252,312

† The increase (decrease) in net assets attributable to holders of redeemable shares from operations per share is calculated by dividing the increase (decrease) in net assets attributable to holders of redeemable shares from operations per series by the weighted average number of shares per series.

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the periods ended December 31 (note 1),

(in dollars)	2015	2014
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES, BEGINNING OF PERIOD		
Series A	13,327,301	27,200,789
Series M	20,355,406	29,671,413
	33,682,707	56,872,202
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES FROM OPERATIONS		
Series A	201,878	620,132
Series M	470,100	1,043,132
	671,978	1,663,264
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE SHARES		
From net realized gains on investments		
Series A	(333,509)	–
Series M	(509,385)	–
	(842,894)	–
REDEEMABLE SHARE TRANSACTIONS		
Proceeds from issue		
Series M	–	129,912
Reinvested distributions		
Series A	324,961	–
Series M	509,386	–
Payments on redemption		
Series A	(4,289,108)	(14,493,620)
Series M	(12,220,908)	(10,489,051)
	(15,675,669)	(24,852,759)
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES		
Series A	(4,095,778)	(13,873,488)
Series M	(11,750,807)	(9,316,007)
	(15,846,585)	(23,189,495)
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES, END OF PERIOD		
Series A	9,231,523	13,327,301
Series M	8,604,599	20,355,406
	17,836,122	33,682,707

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable shares	671,978	1,663,264
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(92,682)	(1,882,447)
Change in unrealized (gain) loss on non-derivative financial assets	(10,661)	(8,708)
Purchases of non-derivative financial assets	(802,094)	(33,808,433)
Proceeds from sale of non-derivative financial assets	15,883,022	58,035,489
Accrued investment income and other	1	24
Net cash provided by (used in) operating activities	15,649,564	23,999,189
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable shares	–	129,912
Amounts paid on redemption of redeemable shares	(16,390,958)	(25,080,215)
Distributions to shareholders of redeemable shares	(8,547)	–
Net cash provided by (used in) financing activities	(16,399,505)	(24,950,303)
Net increase (decrease) in cash	(749,941)	(951,114)
Cash (bank overdraft), beginning of period	(72,104)	879,010
CASH (BANK OVERDRAFT), END OF PERIOD	(822,045)	(72,104)
Interest paid[1]	2,476	–
Interest received[1]	742,114	44,273

[1] Classified as operating items.

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

Scotia Conservative Government Bond Capital Yield Class (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2015

Number of Units	Issuer	Average Cost ($)	Carrying Value ($)
FIXED INCOME FUND – 105.3%			
1,767,775	Scotia Private Short-Mid Government Bond Pool Series I	18,745,316	18,779,602
	TOTAL INVESTMENT PORTFOLIO	18,745,316	18,779,602
	OTHER ASSETS, LESS LIABILITIES – (5.3%)		(943,480)
	NET ASSETS – 100.0%		17,836,122

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

Scotia Conservative Government Bond Capital Yield Class

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

1. The Fund (note 1)

The Fund's investment objective is to provide income and modest capital gains by primarily providing exposure to bonds and treasury bills issued or guaranteed by Canadian federal, provincial and municipal governments or agency of such governments, and money market instruments of Canadian issuers, including commercial paper, bankers' acceptances, asset-backed or mortgage-backed securities and guaranteed investment certificates.

The Fund invests in units/shares of Scotia Private Short-Mid Government Bond Pool (the "Underlying Fund"). The significant risk exposures of the Underlying Fund and the Fund's sensitivities to these exposures are indicated below.

2. Risks associated with financial instruments (note 4)

i) Interest rate risk

The table below summarizes the Underlying Fund's exposure to interest rate risk by the remaining term to maturity. The Fund is indirectly exposed to its proportional share of the interest rate risk of the Underlying Fund.

Interest rate exposure	December 31, 2015 ($)	December 31, 2014 ($)
Less than 1 year	774,269	–
1-3 years	3,914,463	13,331,311
3-5 years	3,981,828	9,836,452
5-10 years	10,109,042	10,589,425
> 10 years	–	–
	18,779,602	33,757,188

The Fund invests in underlying funds, which are exposed to interest rate risk. As at December 31, 2015, 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 $236,584 or approximately 1.3% (December 31, 2014 – $340,226 or approximately 1.0%). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

ii) Currency risk

The Fund could be exposed to indirect currency risk to the extent that the Underlying Fund held financial instruments that were denominated in a currency other than its functional currency.

iii) Price risk

The Fund did not have significant price risk exposure to equities, derivatives or commodities, if applicable, as at December 31, 2015 or December 31, 2014.

iv) Credit risk

The table below summarizes the credit ratings of the bonds and debentures, excluding cash and money market instruments but including preferred shares and derivatives, as applicable, held by the Underlying Fund.

	December 31, 2015		December 31, 2014	
	Percentage of total bonds and debentures (%)	Percentage of net assets (%)	Percentage of total bonds and debentures (%)	Percentage of net assets (%)
Credit ratings				
AAA	43.5	43.0	53.0	50.7
AA	23.6	23.4	27.2	26.0
A	32.9	32.6	19.8	19.0
	100.0	99.0	100.0	95.7

v) Liquidity risk

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

	December 31, 2015		December 31, 2014	
	On demand ($)	Less than 3 months ($)	On demand ($)	Less than 3 months ($)
Current liabilities	–	943,481	–	74,483
Liability for written options	–	–	–	–
Unrealized loss on derivatives	–	–	–	–
Redeemable units	17,836,122	–	33,682,707	–
	17,836,122	943,481	33,682,707	74,483

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, geographical location,

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

asset type or industry sector, as applicable. The table below is a summary of the Underlying Fund's concentration risk:

	Percentage of net assets (%)	
	December 31, 2015	December 31, 2014
Corporate Bonds	3.4	–
Federal Bonds	33.8	44.5
Provincial Bonds	61.8	51.2

vii) Fair value classification (note 2)

The tables below illustrate the classification of the Fund's financial instruments within the fair value hierarchy.

December 31, 2015	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Underlying funds	18,779,602	–	–	18,779,602
	18,779,602	–	–	18,779,602

December 31, 2014	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Underlying funds	33,757,188	–	–	33,757,188
	33,757,188	–	–	33,757,188

Transfers between levels

During the periods ended December 31, 2015 and 2014, there were no significant transfers between Level 1 and Level 2.

3. Offsetting of financial assets and liabilities (note 2)

As at December 31, 2015 or December 31, 2014, the Fund did not enter into any agreement whereby the financial instruments were eligible for offset.

4. Interest in Underlying Funds (note 2)

The following tables provide information about the Fund's interest in Underlying Funds.

	December 31, 2015	
Underlying Fund	Carrying value of the Underlying Fund ($)	Ownership percentage in Underlying Fund (%)
Scotia Private Short-Mid Government Bond Pool Series I	18,779,602	1.5
	18,779,602	–

	December 31, 2014	
Underlying Fund	Carrying value of the Underlying Fund ($)	Ownership percentage in Underlying Fund (%)
Scotia Private Short-Mid Government Bond Pool Series I	33,757,188	2.1
	33,757,188	–

5. Comparison of net asset value per unit and net assets per unit (note 2)

The table below provides a comparison of the net asset value per unit and net assets per unit. The primary reason for the difference between the net asset value per unit and net assets per unit, if any, is described in note 2.

	December 31, 2015		December 31, 2014	
	Net asset value per unit ($)	Net assets per unit ($)	Net asset value per unit ($)	Net assets per unit ($)
Series A	10.13	10.13	10.23	10.23
Series M	10.46	10.46	10.44	10.44

Scotia Canadian Corporate Bond Capital Yield Class

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars except per share amounts)	December 31, 2015	December 31, 2014
ASSETS		
Current assets		
Investments		
Non-derivative financial assets	24,350,950	42,841,724
Accrued investment income and other	1	3
	24,350,951	42,841,727
LIABILITIES		
Current liabilities		
Bank overdraft	1,367,902	1,338
Distributions payable	9	–
	1,367,911	1,338
Net assets attributable to holders of redeemable shares	22,983,040	42,840,389
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES PER SERIES		
Series M	22,983,040	42,840,389
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES PER SHARE		
Series M	10.91	10.87

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except per share amounts)	2015	2014
INCOME		
Net gain (loss) on investments (note 2)		
Dividends	3,276	8
Interest for distribution purposes	1,300,189	71,409
Capital gains distributions received	18,257	–
Net realized gain (loss) on non-derivative financial assets	38,783	3,797,619
Change in unrealized gain (loss) on non-derivative financial assets	(149,237)	(928,454)
Total income (loss)	1,211,268	2,940,582
EXPENSES		
Management fees (note 5)	26,305	34,243
Fixed administration fees (note 6)	30,055	39,134
Independent Review Committee fees	1,116	105
Interest expense and bank overdraft charges	1,978	4,574
Other fund costs	32	
Harmonized Sales Tax/Goods and Services Tax	7,336	8,457
Total expenses	66,822	86,513
Increase (decrease) in net assets attributable to holders of redeemable shares from operations	1,144,446	2,854,069
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES FROM OPERATIONS PER SERIES		
Series M	1,144,446	2,854,069
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES FROM OPERATIONS PER SHARE†		
Series M	0.33	0.62
WEIGHTED AVERAGE NUMBER OF SHARES PER SERIES		
Series M	3,440,507	4,601,183

† The increase (decrease) in net assets attributable to holders of redeemable shares from operations per share is calculated by dividing the increase (decrease) in net assets attributable to holders of redeemable shares from operations per series by the weighted average number of shares per series.

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the periods ended December 31 (note 1),

(in dollars)	2015	2014
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES, BEGINNING OF PERIOD		
Series M	42,840,389	59,437,426
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES FROM OPERATIONS		
Series M	1,144,446	2,854,069
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE SHARES		
From net investment income		
Series M	(3,277)	–
From net realized gains on investments		
Series M	(1,072,060)	–
	(1,075,337)	–
REDEEMABLE SHARE TRANSACTIONS		
Proceeds from issue		
Series M	–	38,563
Reinvested distributions		
Series M	1,075,328	–
Payments on redemption		
Series M	(21,001,786)	(19,489,669)
	(19,926,458)	(19,451,106)
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES		
Series M	(19,857,349)	(16,597,037)
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES, END OF PERIOD		
Series M	22,983,040	42,840,389

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable shares	1,144,446	2,854,069
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(38,783)	(3,797,619)
Change in unrealized (gain) loss on non-derivative financial assets	149,237	928,454
Purchases of non-derivative financial assets	(1,414,710)	(42,847,037)
Proceeds from sale of non-derivative financial assets	19,795,031	61,716,250
Accrued investment income and other	2	16
Net cash provided by (used in) operating activities	19,635,223	18,854,133
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable shares	–	38,563
Amounts paid on redemption of redeemable shares	(21,001,787)	(19,489,669)
Net cash provided by (used in) financing activities	(21,001,787)	(19,451,106)
Net increase (decrease) in cash	(1,366,564)	(596,973)
Cash (bank overdraft), beginning of period	(1,338)	595,635
CASH (BANK OVERDRAFT), END OF PERIOD	(1,367,902)	(1,338)
Interest paid[1]	1,978	–
Interest received[1]	1,300,191	71,425
Dividends received, net of withholding taxes[1]	3,276	8

[1] Classified as operating items.

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

Scotia Canadian Corporate Bond Capital Yield Class (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2015

Number of Units	Issuer	Average Cost ($)	Carrying Value ($)
FIXED INCOME FUND – 106.0%			
2,259,718	Scotia Private Canadian Corporate Bond Pool Series I	24,488,515	24,350,950
	TOTAL INVESTMENT PORTFOLIO	24,488,515	24,350,950
	OTHER ASSETS, LESS LIABILITIES – (6.0%)		(1,367,910)
	NET ASSETS – 100.0%		22,983,040

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

Scotia Canadian Corporate Bond Capital Yield Class

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

1. The Fund (note 1)

The Fund's investment objective is to provide a high level of income and modest capital gains by primarily providing exposure to bonds issued by Canadian corporations.

The Fund invests in units/shares of Scotia Private Canadian Corporate Bond Pool (the "Underlying Fund"). The significant risk exposures of the Underlying Fund and the Fund's sensitivities to these exposures are indicated below.

2. Risks associated with financial instruments (note 4)

i) Interest rate risk

The table below summarizes the Underlying Fund's exposure to interest rate risk by the remaining term to maturity. The Fund is indirectly exposed to its proportional share of the interest rate risk of the Underlying Fund.

Interest rate exposure	December 31, 2015 ($)	December 31, 2014 ($)
Less than 1 year	–	–
1-3 years	2,605,837	5,515,375
3-5 years	9,111,569	14,411,530
5-10 years	11,637,372	22,220,632
> 10 years	996,172	694,188
	24,350,950	42,841,725

The Fund invests in underlying funds, which are exposed to interest rate risk. As at December 31, 2015, 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 $309,043 or approximately 1.3% (December 31, 2014 – $534,508 or approximately 1.2%). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

ii) Currency risk

The tables below indicate the currencies to which the Underlying Fund had significant exposure, net of the impact of currency forward contracts and currency spot contracts, if any, based on the monetary and non-monetary assets and liabilities of the Underlying Fund. The tables also illustrate the potential impact on the Fund if the functional currency of the Fund had strengthened or weakened by 10% in relation to each of the other currencies, with all other variables held constant.

	December 31, 2015			
Currency	Net currency exposure ($)	Percentage of net assets (%)	Impact on the Fund ($)	Percentage of net assets (%)
US Dollar	(45,966)	(0.2)	(4,597)	(0.0)
	(45,966)	(0.2)	(4,597)	(0.0)

	December 31, 2014			
Currency	Net currency exposure ($)	Percentage of net assets (%)	Impact on the Fund ($)	Percentage of net assets (%)
US Dollar	(4,114)	(0.0)	(411)	(0.0)
	(4,114)	(0.0)	(411)	(0.0)

iii) Price risk

The Fund did not have significant price risk exposure to equities, derivatives or commodities, if applicable, as at December 31, 2015 or December 31, 2014.

iv) Credit risk

The table below summarizes the credit ratings of the bonds and debentures, excluding cash and money market instruments but including preferred shares and derivatives, as applicable, held by the Underlying Fund.

	December 31, 2015		December 31, 2014	
Credit Ratings	Percentage of total bonds and debentures (%)	Percentage of net assets (%)	Percentage of total bonds and debentures (%)	Percentage of net assets (%)
Credit Ratings				
AAA	8.5	8.3	14.8	14.7
AA	21.7	21.4	24.7	24.4
A	44.6	44.1	38.2	37.8
BBB	24.9	24.6	21.7	21.3
BB	0.3	0.3	0.6	0.6
	100.0	98.7	100.0	98.8

v) Liquidity risk

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

	December 31, 2015		December 31, 2014	
	On demand ($)	Less than 3 months ($)	On demand ($)	Less than 3 months ($)
Current liabilities	–	1,367,911	–	1,338
Liability for written options	–	–	–	–
Unrealized loss on derivatives	–	–	–	–
Redeemable units	22,983,040	–	42,840,389	–
	22,983,040	1,367,911	42,840,389	1,338

Scotia Canadian Corporate Bond Capital Yield Class (Continued)

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

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, geographical location, asset type or industry sector, as applicable. The table below is a summary of the Underlying Fund's concentration risk:

	Percentage of net assets (%)	
	December 31, 2015	December 31, 2014
Corporate Bonds	91.4	87.4
Federal Bonds	5.1	8.8
Financials	1.2	0.0
Mortgage-Backed Securities	1.0	2.6

vii) Fair value classification (note 2)

The tables below illustrate the classification of the Fund's financial instruments within the fair value hierarchy.

December 31, 2015	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Underlying funds	24,350,950	–	–	24,350,950
	24,350,950	–	–	24,350,950

December 31, 2014	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Underlying funds	42,841,724	–	–	42,841,724
	42,841,724	–	–	42,841,724

Transfers between levels

During the periods ended December 31, 2015 and 2014, there were no significant transfers between Level 1 and Level 2.

3. Offsetting of financial assets and liabilities (note 2)

As at December 31, 2015 or December 31, 2014, the Fund did not enter into any agreement whereby the financial instruments were eligible for offset.

4. Interest in Underlying Funds (note 2)

The following tables provide information about the Fund's interest in Underlying Funds.

	December 31, 2015	
Underlying Fund	Carrying value of the Underlying Fund ($)	Ownership percentage in Underlying Fund (%)
Scotia Private Canadian Corporate Bond Pool Series I	24,350,950	0.5
	24,350,950	–

	December 31, 2014	
Underlying Fund	Carrying value of the Underlying Fund ($)	Ownership percentage in Underlying Fund (%)
Scotia Private Canadian Corporate Bond Pool Series I	42,841,724	1.0
	42,841,724	–

5. Comparison of net asset value per unit and net assets per unit (note 2)

The table below provides a comparison of the net asset value per unit and net assets per unit. The primary reason for the difference between the net asset value per unit and net assets per unit, if any, is described in note 2.

	December 31, 2015		December 31, 2014	
	Net asset value per unit ($)	Net assets per unit ($)	Net asset value per unit ($)	Net assets per unit ($)
Series M	10.91	10.91	10.88	10.87

Scotia Fixed Income Blend Class

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars except per share amounts)	December 31, 2015	December 31, 2014
ASSETS		
Current assets		
Investments		
Non-derivative financial assets	1,892,036	2,250,861
Cash	8,002	3,183
Accrued investment income and other	4	3
	1,900,042	2,254,047
Net assets attributable to holders of redeemable shares	1,900,042	2,254,047
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES PER SERIES		
Series A	1,900,042	2,254,047
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES PER SHARE		
Series A	10.18	10.36

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except per share amounts)	2015	2014
INCOME		
Net gain (loss) on investments (note 2)		
Dividends	869	1,100
Interest for distribution purposes	70,017	22,165
Capital gains distributions received	208	87
Net realized gain (loss) on non-derivative financial assets	3,832	123,671
Change in unrealized gain (loss) on non-derivative financial assets	(23,541)	27,334
Total income (loss)	51,385	174,357
EXPENSES		
Management fees (note 5)	26,079	31,120
Fixed administration fees (note 6)	2,084	2,489
Independent Review Committee fees	1,143	5
Interest expense and bank overdraft charges	53	359
Foreign withholding taxes/tax reclaims	125	32
Other fund costs	2	
Harmonized Sales Tax/Goods and Services Tax	3,136	3,785
Total expenses	32,622	37,790
Increase (decrease) in net assets attributable to holders of redeemable shares from operations	18,763	136,567
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES FROM OPERATIONS PER SERIES		
Series A	18,763	136,567
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES FROM OPERATIONS PER SHARE†		
Series A	0.09	0.56
WEIGHTED AVERAGE NUMBER OF SHARES PER SERIES		
Series A	203,316	244,318

† The increase (decrease) in net assets attributable to holders of redeemable shares from operations per share is calculated by dividing the increase (decrease) in net assets attributable to holders of redeemable shares from operations per series by the weighted average number of shares per series.

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the periods ended December 31 (note 1),

(in dollars)	2015	2014
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES, BEGINNING OF PERIOD		
Series A	2,254,047	2,976,570
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES FROM OPERATIONS		
Series A	18,763	136,567
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE SHARES		
From net investment income		
Series A	(31)	–
From net realized gains on investments		
Series A	(56,407)	–
	(56,438)	–
REDEEMABLE SHARE TRANSACTIONS		
Reinvested distributions		
Series A	56,437	–
Payments on redemption		
Series A	(372,767)	(859,090)
	(316,330)	(859,090)
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES		
Series A	(354,005)	(722,523)
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES, END OF PERIOD		
Series A	1,900,042	2,254,047

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable shares	18,763	136,567
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(3,832)	(123,671)
Change in unrealized (gain) loss on non-derivative financial assets	23,541	(27,334)
Purchases of non-derivative financial assets	(73,195)	(1,849,939)
Proceeds from sale of non-derivative financial assets	412,311	2,849,770
Accrued investment income and other	(1)	7
Net cash provided by (used in) operating activities	377,587	985,400
CASH FLOWS FROM FINANCING ACTIVITIES		
Amounts paid on redemption of redeemable shares	(372,767)	(994,963)
Distributions to shareholders of redeemable shares	(1)	–
Net cash provided by (used in) financing activities	(372,768)	(994,963)
Net increase (decrease) in cash	4,819	(9,563)
Cash (bank overdraft), beginning of period	3,183	12,746
CASH (BANK OVERDRAFT), END OF PERIOD	8,002	3,183
Interest paid[1]	53	–
Interest received[1]	70,017	22,172
Dividends received, net of withholding taxes[1]	744	1,068

[1] Classified as operating items.

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

Scotia Fixed Income Blend Class (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2015

Number of Units	Issuer	Average Cost ($)	Carrying Value ($)
FIXED INCOME FUNDS–99.6%			
68,505	Scotia Canadian Income Fund Series I	952,607	944,830
20,218	Scotia Private American Core-Plus Bond Pool Series I	190,696	190,713
26,340	Scotia Private Canadian Corporate Bond Pool Series I	285,482	283,845
20,848	Scotia Private High Yield Income Pool Series I	198,475	186,346
26,950	Scotia Private Short-Mid Government Bond Pool Series I	285,767	286,302
	TOTAL INVESTMENT PORTFOLIO	1,913,027	1,892,036
	OTHER ASSETS, LESS LIABILITIES – 0.4%		8,006
	NET ASSETS – 100.0%		1,900,042

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

Scotia Fixed Income Blend Class

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

1. The Fund (note 1)

The Fund's investment objective is to provide income and modest capital gains by investing primarily in fixed income securities. The Fund will obtain such exposure by investing directly in such fixed income securities, by investing in units of mutual funds managed by us and/or other mutual fund managers that invest in fixed income securities, and/or by investing in units of an LP Fund which makes use of forward contracts, or other derivatives to gain exposure to the return of an underlying fund.

The Fund invests primarily in mutual funds managed by the Manager and/or by the third party investment managers (the "Underlying Funds"). To ensure the Fund's composition meets the investment objectives of the Fund, the portfolio advisor monitors the Underlying Funds on an ongoing basis and rebalances the Fund's assets among the Underlying Funds.

2. Risks associated with financial instruments (note 4)

i) Interest rate risk

The Fund invests in Underlying Funds, which are exposed to interest rate risk. As at December 31, 2015, 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 $25,749 or approximately 1.4% (December 31, 2014 – $32,300 or approximately 1.4%). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

ii) Currency risk

The Fund could be exposed to indirect currency risk to the extent that the Underlying Funds held financial instruments that were denominated in a currency other than its functional currency.

iii) Price risk

The Fund did not have significant price risk exposure to equities, derivatives or commodities, if applicable, as at December 31, 2015 or December 31, 2014.

iv) Credit risk

The Fund could be exposed to indirect credit risk to the extent that the Underlying Funds invested in bonds and debentures, preferred shares and derivatives.

v) Liquidity risk

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

	December 31, 2015		December 31, 2014	
	On demand ($)	Less than 3 months ($)	On demand ($)	Less than 3 months ($)
Current liabilities	–	–	–	–
Liability for written options	–	–	–	–
Unrealized loss on derivatives	–	–	–	–
Redeemable units	1,900,042	–	2,254,047	–
	1,900,042	–	2,254,047	–

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, geographical location, asset type or industry sector, as applicable. The table below is a summary of the Fund's concentration risk:

	Percentage of net assets (%)	
	December 31, 2015	December 31, 2014
Fixed Income Funds	99.6	99.9

vii) Fair value classification (note 2)

The tables below illustrate the classification of the Fund's financial instruments within the fair value hierarchy.

December 31, 2015	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Underlying funds	1,892,036	–	–	1,892,036
	1,892,036	–	–	1,892,036

December 31, 2014	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Underlying funds	2,250,861	–	–	2,250,861
	2,250,861	–	–	2,250,861

Scotia Fixed Income Blend Class (Continued)

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

Transfers between levels

During the periods ended December 31, 2015 and 2014, there were no significant transfers between Level 1 and Level 2.

3. Offsetting of financial assets and liabilities (note 2)

As at December 31, 2015 or December 31, 2014, the Fund did not enter into any agreement whereby the financial instruments were eligible for offset.

4. Interest in Underlying Funds (note 2)

The following tables provide information about the Fund's interest in Underlying Funds.

	December 31, 2015	
Underlying Fund	Carrying value of the Underlying Fund ($)	Ownership percentage in Underlying Fund (%)
Scotia Private American Core-Plus Bond Pool Series I	190,713	0.0
Scotia Private Short-Mid Government Bond Pool Series I	286,302	0.0
Scotia Private High Yield Income Pool Series I	186,346	0.0
Scotia Canadian Income Fund Series I	944,830	0.0
Scotia Private Canadian Corporate Bond Pool Series I	283,845	0.0
	1,892,036	

	December 31, 2014	
Underlying Fund	Carrying value of the Underlying Fund ($)	Ownership percentage in Underlying Fund (%)
Scotia Private American Core-Plus Bond Pool Series I	226,294	0.0
Scotia Private High Yield Income Pool Series I	220,335	0.0
Scotia Private Short-Mid Government Bond Pool Series I	336,334	0.0
Scotia Canadian Income Fund Series I	1,126,051	0.0
Scotia Private Canadian Corporate Bond Pool Series I	341,847	0.0
	2,250,861	

5. Comparison of net asset value per unit and net assets per unit (note 2)

The table below provides a comparison of the net asset value per unit and net assets per unit. The primary reason for the difference between the net asset value per unit and net assets per unit, if any, is described in note 2.

	December 31, 2015		December 31, 2014	
	Net asset value per unit ($)	Net assets per unit ($)	Net asset value per unit ($)	Net assets per unit ($)
Series A	10.18	10.18	10.36	10.36

Scotia Canadian Dividend Class

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars except per share amounts)	December 31, 2015	December 31, 2014
ASSETS		
Current assets		
Investments		
Non-derivative financial assets	120,084,788	135,758,725
Cash	–	266,236
Subscriptions receivable	135,273	141,788
Accrued investment income and other	18	133
	120,220,079	136,166,882
LIABILITIES		
Current liabilities		
Bank overdraft	656,778	–
Redemptions payable	927,428	427,315
Distributions payable	160,648	47,946
	1,744,854	475,261
Net assets attributable to holders of redeemable shares	118,475,225	135,691,621
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES PER SERIES		
Series A	95,861,232	83,881,635
Series M	22,613,993	51,809,986
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES PER SHARE		
Series A	12.81	13.58
Series M	13.29	13.87

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except per share amounts)	2015	2014
INCOME		
Net gain (loss) on investments (note 2)		
Dividends	3,950,680	3,048,572
Interest for distribution purposes	811	2,695
Capital gains distributions received	–	911,066
Net realized gain (loss) on non-derivative financial assets	5,723,091	1,078,160
Change in unrealized gain (loss) on non-derivative financial assets	(7,115,708)	11,373,223
Net gain (loss) on investments	2,558,874	16,413,716
Other income	2,701	3,510
Total income (loss)	2,561,575	16,417,226
EXPENSES		
Management fees (note 5)	1,452,301	1,039,520
Fixed administration fees (note 6)	131,213	101,602
Independent Review Committee fees	1,164	215
Interest expense and bank overdraft charges	4,506	1,405
Other fund costs	153	–
Harmonized Sales Tax/Goods and Services Tax	162,116	116,453
Total expenses	1,751,453	1,259,195
Increase (decrease) in net assets attributable to holders of redeemable shares from operations	810,122	15,158,031
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES FROM OPERATIONS PER SERIES		
Series A	(301,173)	8,624,371
Series M	1,111,295	6,533,660
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES FROM OPERATIONS PER SHARE†		
Series A	(0.04)	1.70
Series M	0.33	1.97
WEIGHTED AVERAGE NUMBER OF SHARES PER SERIES		
Series A	6,958,093	5,064,163
Series M	3,379,585	3,322,365

† The increase (decrease) in net assets attributable to holders of redeemable shares from operations per share is calculated by dividing the increase (decrease) in net assets attributable to holders of redeemable shares from operations per series by the weighted average number of shares per series.

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the periods ended December 31 (note 1),

(in dollars)	2015	2014
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES, BEGINNING OF PERIOD		
Series A	83,881,635	46,843,274
Series M	51,809,986	33,649,145
	135,691,621	80,492,419
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES FROM OPERATIONS		
Series A	(301,173)	8,624,371
Series M	1,111,295	6,533,660
	810,122	15,158,031
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE SHARES		
From net investment income		
Series A	(3,197,567)	(1,884,046)
Series M	(753,109)	(1,164,526)
From net realized gains on investments		
Series A	(2,099,099)	–
Series M	(1,296,520)	–
	(7,346,295)	(3,048,572)
REDEEMABLE SHARE TRANSACTIONS		
Proceeds from issue		
Series A	30,791,861	44,921,113
Series M	10,256,241	20,584,270
Reinvested distributions		
Series A	5,130,296	1,878,918
Series M	2,047,847	1,121,708
Payments on redemption		
Series A	(18,344,721)	(16,501,995)
Series M	(40,561,747)	(8,914,271)
	(10,680,223)	43,089,743
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES		
Series A	11,979,597	37,038,361
Series M	(29,195,993)	18,160,841
	(17,216,396)	55,199,202
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES, END OF PERIOD		
Series A	95,861,232	83,881,635
Series M	22,613,993	51,809,986
	118,475,225	135,691,621

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable shares	810,122	15,158,031
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(5,723,091)	(1,078,160)
Change in unrealized (gain) loss on non-derivative financial assets	7,115,708	(11,373,223)
Purchases of non-derivative financial assets	(26,696,679)	(52,292,938)
Proceeds from sale of non-derivative financial assets	40,978,000	8,261,600
Accrued investment income and other	115	61
Net cash provided by (used in) operating activities	16,484,175	(41,324,629)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable shares	41,054,617	65,897,329
Amounts paid on redemption of redeemable shares	(58,406,355)	(25,002,951)
Distributions to shareholders of redeemable shares	(55,451)	(38,751)
Net cash provided by (used in) financing activities	(17,407,189)	40,855,627
Net increase (decrease) in cash	(923,014)	(469,002)
Cash (bank overdraft), beginning of period	266,236	735,238
CASH (BANK OVERDRAFT), END OF PERIOD	(656,778)	266,236
Interest paid[(1)]	4,506	–
Interest received[(1)]	924	2,756
Dividends received, net of withholding taxes[(1)]	3,950,680	3,048,572

(1) Classified as operating items.

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

Scotia Canadian Dividend Class (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2015

Number of Units	Issuer	Average Cost ($)	Carrying Value ($)
CANADIAN EQUITY FUND – 101.4%			
2,323,253	Scotia Canadian Dividend Fund Series I	106,993,445	120,084,788
	TOTAL INVESTMENT PORTFOLIO	106,993,445	120,084,788
	OTHER ASSETS, LESS LIABILITIES – (1.4%)		(1,609,563)
	NET ASSETS – 100.0%		118,475,225

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

Scotia Canadian Dividend Class

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

1. The Fund (note 1)

The Fund's investment objective is to achieve a high level of dividend income with some potential for long-term total investment return, consisting of dividend income and long-term capital growth. It invests primarily in dividend-paying common shares and preferred shares of Canadian companies.

The Fund invests in units/shares of Scotia Canadian Dividend Fund (the "Underlying Fund"). The significant risk exposures of the Underlying Fund and the Fund's sensitivities to these exposures are indicated below.

2. Risks associated with financial instruments (note 4)

i) Interest rate risk

The majority of the Underlying Fund's financial assets and liabilities were non-interest bearing as at December 31, 2015 and 2014. Accordingly, the Fund is not directly subject to significant risk due to fluctuations in the prevailing levels of market interest rates.

ii) Currency risk

The tables below indicate the currencies to which the Underlying Fund had significant exposure, net of the impact of currency forward contracts and currency spot contracts, if any, based on the monetary and non-monetary assets and liabilities of the Underlying Fund. The tables also illustrate the potential impact on the Fund if the functional currency of the Fund had strengthened or weakened by 10% in relation to each of the other currencies, with all other variables held constant.

	December 31, 2015			
Currency	Net currency exposure ($)	Percentage of net assets (%)	Impact on the Fund ($)	Percentage of net assets (%)
US Dollar	17,060,432	14.4	1,706,043	1.4
	17,060,432	14.4	1,706,043	1.4

	December 31, 2014			
Currency	Net currency exposure ($)	Percentage of net assets (%)	Impact on the Fund ($)	Percentage of net assets (%)
US Dollar	16,690,069	12.3	1,690,067	1.2
	16,690,069	12.3	1,690,067	1.2

iii) Price risk

Price risk is the risk that the carrying 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 price risk is mainly in equities, derivatives and commodities, if applicable. As at December 31, 2015, approximately 101.4% (December 31, 2014 – 100.0%) of the Underlying Fund's net assets were exposed to price risk. If prices of these investments had decreased or increased by 10%, with all other variables held constant, net assets of the Fund would have decreased or increased, respectively, by approximately $12,008,479 (December 31, 2014 – $13,575,873). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

iv) Credit risk

The Underlying Fund had no significant exposure to bonds and debentures, preferred shares or derivatives as at December 31, 2015, or December 31, 2014. In addition, all investment transactions are executed by brokers with an approved credit rating. As such the risk of default on transactions with counterparties and brokers related to purchase and sale of securities is considered minimal. In instances where the credit rating were to fall below the approved rating, the Manager would take appropriate action.

v) Liquidity risk

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

	December 31, 2015		December 31, 2014	
	On demand ($)	Less than 3 months ($)	On demand ($)	Less than 3 months ($)
Current liabilities	–	1,744,854	–	475,261
Liability for written options	–	–	–	–
Unrealized loss on derivatives	–	–	–	–
Redeemable units	118,475,225	–	135,691,621	–
	118,475,225	1,744,854	135,691,621	475,261

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, geographical location,

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

asset type or industry sector, as applicable. The table below is a summary of the Underlying Fund's concentration risk:

	Percentage of net assets (%)	
	December 31, 2015	December 31, 2014
Consumer Discretionary	8.8	9.1
Consumer Staples	6.3	5.7
Energy	11.1	17.6
Financials	32.6	31.3
Health Care	3.9	1.5
Industrials	5.4	6.0
Information Technology	5.6	4.0
Materials	2.1	3.2
Telecommunication Services	8.6	8.5
Utilities	6.9	5.1

vii) Fair value classification (note 2)

The tables below illustrate the classification of the Fund's financial instruments within the fair value hierarchy.

December 31, 2015	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Underlying funds	120,084,788	–	–	120,084,788
	120,084,788	–	–	120,084,788

December 31, 2014	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Underlying funds	135,758,725	–	–	135,758,725
	135,758,725	–	–	135,758,725

Transfers between levels

During the periods ended December 31, 2015 and 2014, there were no significant transfers between Level 1 and Level 2.

3. Offsetting of financial assets and liabilities (note 2)

As at December 31, 2015 or December 31, 2014, the Fund did not enter into any agreement whereby the financial instruments were eligible for offset.

4. Interest in Underlying Funds (note 2)

The following tables provide information about the Fund's interest in Underlying Funds.

	December 31, 2015	
Underlying Fund	Carrying value of the Underlying Fund ($)	Ownership percentage in Underlying Fund (%)
Scotia Canadian Dividend Fund Series I	120,084,788	1.7
	120,084,788	

	December 31, 2014	
Underlying Fund	Carrying value of the Underlying Fund ($)	Ownership percentage in Underlying Fund (%)
Scotia Canadian Dividend Fund Series I	135,758,725	1.8
	135,758,725	

5. Comparison of net asset value per unit and net assets per unit (note 2)

The table below provides a comparison of the net asset value per unit and net assets per unit. The primary reason for the difference between the net asset value per unit and net assets per unit, if any, is described in note 2.

	December 31, 2015		December 31, 2014	
	Net asset value per unit ($)	Net assets per unit ($)	Net asset value per unit ($)	Net assets per unit ($)
Series A	12.81	12.81	13.58	13.58
Series M	13.29	13.29	13.87	13.87

Scotia Canadian Equity Blend Class

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars except per share amounts)	December 31, 2015	December 31, 2014
ASSETS		
Current assets		
Investments		
Non-derivative financial assets	1,656,562	1,317,317
Cash	18,262	13,734
Subscriptions receivable	6,028	1,278
Accrued investment income and other	6	11
	1,680,858	1,332,340
LIABILITIES		
Current liabilities		
Redemptions payable	46,122	–
Distributions payable	649	194
	46,771	194
Net assets attributable to holders of redeemable shares	1,634,087	1,332,146
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES PER SERIES		
Series A	1,634,087	1,332,146
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES PER SHARE		
Series A	12.82	13.20

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except per share amounts)	2015	2014
INCOME		
Net gain (loss) on investments (note 2)		
Dividends	5,781	24,580
Interest for distribution purposes	25,613	187
Capital gains distributions received	71,048	56,957
Net realized gain (loss) on non-derivative financial assets	9,664	61,084
Change in unrealized gain (loss) on non-derivative financial assets	(89,978)	(24,338)
Net gain (loss) on investments	22,128	118,470
Other income	1,171	27
Total income (loss)	23,299	118,497
EXPENSES		
Management fees (note 5)	28,543	21,271
Fixed administration fees (note 6)	2,315	1,724
Independent Review Committee fees	1,143	3
Interest expense and bank overdraft charges	125	80
Other fund costs	2	–
Harmonized Sales Tax/Goods and Services Tax	3,588	2,718
Total expenses	35,716	25,796
Increase (decrease) in net assets attributable to holders of redeemable shares from operations	(12,417)	92,701
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES FROM OPERATIONS PER SERIES		
Series A	(12,417)	92,701
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES FROM OPERATIONS PER SHARE†		
Series A	(0.11)	1.06
WEIGHTED AVERAGE NUMBER OF SHARES PER SERIES		
Series A	116,141	87,850

† The increase (decrease) in net assets attributable to holders of redeemable shares from operations per share is calculated by dividing the increase (decrease) in net assets attributable to holders of redeemable shares from operations per series by the weighted average number of shares per series.

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the periods ended December 31 (note 1),

(in dollars)	2015	2014
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES, BEGINNING OF PERIOD		
Series A	1,332,146	682,253
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES FROM OPERATIONS		
Series A	(12,417)	92,701
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE SHARES		
From net investment income		
Series A	(5,781)	(24,580)
From net realized gains on investments		
Series A	(33,336)	–
	(39,117)	(24,580)
REDEEMABLE SHARE TRANSACTIONS		
Proceeds from issue		
Series A	671,649	1,242,844
Reinvested distributions		
Series A	38,220	24,385
Payments on redemption		
Series A	(356,394)	(685,457)
	353,475	581,772
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES		
Series A	301,941	649,893
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES, END OF PERIOD		
Series A	1,634,087	1,332,146

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable shares	(12,417)	92,701
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(9,664)	(61,084)
Change in unrealized (gain) loss on non-derivative financial assets	89,978	24,338
Purchases of non-derivative financial assets	(542,059)	(1,177,734)
Proceeds from sale of non-derivative financial assets	122,500	552,539
Accrued investment income and other	5	(4)
Net cash provided by (used in) operating activities	(351,657)	(569,244)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable shares	666,899	1,251,964
Amounts paid on redemption of redeemable shares	(310,272)	(685,457)
Distributions to unitholders of redeemable shares	(442)	(1)
Net cash provided by (used in) financing activities	356,185	566,506
Net increase (decrease) in cash	4,528	(2,738)
Cash (bank overdraft), beginning of period	13,734	16,472
CASH (BANK OVERDRAFT), END OF PERIOD	18,262	13,734
Interest paid[1]	125	–
Interest received[1]	25,618	183
Dividends received, net of withholding taxes[1]	5,781	24,580

[1] Classified as operating items.

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

Scotia Canadian Equity Blend Class (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2015

Number of Units	Issuer	Average Cost ($)	Carrying Value ($)
CANADIAN EQUITY FUNDS – 101.4%			
25,707	CI Cambridge Canadian Equity Corporate Class I	458,455	496,667
42,836	Dynamic Dividend Advantage Fund Series O	365,750	331,125
22,442	Dynamic Small Business Fund Series O	344,687	326,975
10,285	Scotia Canadian Blue Chip Fund Series I	343,300	328,966
4,998	Scotia Private Canadian Small Cap Pool Series I	167,877	172,829
		1,680,069	1,656,562
	TOTAL INVESTMENT PORTFOLIO	1,680,069	1,656,562
	OTHER ASSETS, LESS LIABILITIES – (1.4)%		(22,475)
	NET ASSETS – 100.0%		1,634,087

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

Scotia Canadian Equity Blend Class

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

1. The Fund (note 1)

The Fund's investment objective is to provide long-term capital growth. It invests primarily in a mix of mutual funds managed by us and/or other mutual fund managers that invest in Canadian equity securities, and/or directly in Canadian equity securities.

The Fund invests primarily in mutual funds managed by the Manager and/or by the third party investment managers (the "Underlying Funds"). To ensure the Fund's composition meets the investment objectives of the Fund, the portfolio advisor monitors the Underlying Funds on an ongoing basis and rebalances the Fund's assets among the Underlying Funds.

2. Risks associated with financial instruments (note 4)

i) Interest rate risk

The majority of the Underlying Fund's financial assets and liabilities were non-interest bearing as at December 31, 2015 and 2014. Accordingly, the Fund is not directly subject to significant risk due to fluctuations in the prevailing levels of market interest rates.

ii) Currency risk

The Fund could be exposed to indirect currency risk to the extent that the Underlying Funds held financial instruments that were denominated in a currency other than its functional currency.

iii) Price risk

Price risk is the risk that the carrying 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 price risk is mainly in equities, derivatives and commodities, if applicable. As at December 31, 2015, approximately 101.4% (December 31, 2014 – 98.9%) of the Fund's net assets were invested in Underlying Funds which were exposed to price risk. If prices of the Underlying Funds' investments had decreased or increased by 10%, with all other variables held constant, net assets of the Fund would have decreased or increased, respectively, by approximately $165,656 (December 31, 2014 – $131,732). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

iv) Credit risk

The Fund could be exposed to indirect credit risk to the extent that the Underlying Funds invested in bonds and debentures, preferred shares and derivatives.

v) Liquidity risk

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

	December 31, 2015		December 31, 2014	
	On demand ($)	Less than 3 months ($)	On demand ($)	Less than 3 months ($)
Current liabilities	–	46,771	–	194
Liability for written options	–	–	–	–
Unrealized loss on derivatives	–	–	–	–
Redeemable units	1,634,087	–	1,332,146	–
	1,634,087	46,771	1,332,146	194

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, geographical location, asset type or industry sector, as applicable. The table below is a summary of the Fund's concentration risk:

	Percentage of net assets (%)	
	December 31, 2015	December 31, 2014
Canadian Equity Funds	101.4	98.9

vii) Fair value classification (note 2)

The tables below illustrate the classification of the Fund's financial instruments within the fair value hierarchy.

December 31, 2015	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Underlying funds	1,656,562	–	–	1,656,562
	1,656,562	–	–	1,656,562

December 31, 2014	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Underlying funds	1,317,317	–	–	1,317,317
	1,317,317	–	–	1,317,317

Scotia Canadian Equity Blend Class (Continued)

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

Transfers between levels

During the periods ended December 31, 2015 and 2014, there were no significant transfers between Level 1 and Level 2.

3. Offsetting of financial assets and liabilities (note 2)

As at December 31, 2015 or December 31, 2014, the Fund did not enter into any agreement whereby the financial instruments were eligible for offset.

4. Interest in Underlying Funds (note 2)

The following tables provide information about the Fund's interest in Underlying Funds.

	December 31, 2015	
Underlying Fund	Carrying value of the Underlying Fund ($)	Ownership percentage in Underlying Fund (%)
Scotia Canadian Blue Chip Fund Series I	328,966	0.1
Dynamic Small Business Fund Series O	326,975	0.1
Dynamic Dividend Advantage Fund Series O	331,125	0.0
Scotia Private Canadian Small Cap Pool Series I	172,829	0.0
CI Cambridge Canadian Equity Corporate Class I	496,667	0.0
	1,656,562	

	December 31, 2014	
Underlying Fund	Carrying value of the Underlying Fund ($)	Ownership percentage in Underlying Fund (%)
Scotia Canadian Blue Chip Fund Series I	264,339	0.1
Dynamic Small Business Fund Series O	261,381	0.1
Dynamic Dividend Advantage Fund Series O	263,855	0.0
Scotia Private Canadian Small Cap Pool Series I	132,714	0.0
CI Cambridge Canadian Equity Corporate Class I	395,028	0.0
	1,317,317	

5. Comparison of net asset value per unit and net assets per unit (note 2)

The table below provides a comparison of the net asset value per unit and net assets per unit. The primary reason for the difference between the net asset value per unit and net assets per unit, if any, is described in note 2.

	December 31, 2015		December 31, 2014	
	Net asset value per unit ($)	Net assets per unit ($)	Net asset value per unit ($)	Net assets per unit ($)
Series A	12.82	12.82	13.20	13.20

Scotia Private Canadian Equity Class

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars except per share amounts)	December 31, 2015	December 31, 2014
ASSETS		
Current assets		
Investments		
Non-derivative financial assets	1,686,231	3,459,991
Cash	720	7
Accrued investment income and other	–	14
	1,686,951	3,460,012
Net assets attributable to holders of redeemable shares	1,686,951	3,460,012
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES PER SERIES		
Series M	1,686,951	3,460,012
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES PER SHARE		
Series M	11.07	12.63

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except per share amounts)	2015	2014
INCOME		
Net gain (loss) on investments (note 2)		
Dividends	68,622	85,486
Interest for distribution purposes	60	(10)
Net realized gain (loss) on non-derivative financial assets	109,410	367,981
Change in unrealized gain (loss) on non-derivative financial assets	(303,838)	(92,663)
Total income (loss)	(125,746)	360,794
EXPENSES		
Management fees (note 5)	2,958	3,660
Fixed administration fees (note 6)	2,956	3,660
Independent Review Committee fees	1,096	8
Interest expense and bank overdraft charges	225	319
Other fund costs	2	
Harmonized Sales Tax/Goods and Services Tax	776	571
Total expenses	8,013	8,218
Increase (decrease) in net assets attributable to holders of redeemable shares from operations	(133,759)	352,576
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES FROM OPERATIONS PER SERIES		
Series M	(133,759)	352,576
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES FROM OPERATIONS PER SHARE†		
Series M	(0.56)	1.23
WEIGHTED AVERAGE NUMBER OF SHARES PER SERIES		
Series M	237,842	286,481

† The increase (decrease) in net assets attributable to holders of redeemable shares from operations per share is calculated by dividing the increase (decrease) in net assets attributable to holders of redeemable shares from operations per series by the weighted average number of shares per series.

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the periods ended December 31 (note 1),

(in dollars)	2015	2014
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES, BEGINNING OF PERIOD		
Series M	3,460,012	4,610,946
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES FROM OPERATIONS		
Series M	(133,759)	352,576
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE SHARES		
From net investment income		
Series M	(68,622)	(85,486)
From net realized gains on investments		
Series M	(86,585)	–
	(155,207)	(85,486)
REDEEMABLE SHARE TRANSACTIONS		
Proceeds from issue		
Series M	103,469	1,536,699
Reinvested distributions		
Series M	155,207	85,486
Payments on redemption		
Series M	(1,742,771)	(3,040,209)
	(1,484,095)	(1,418,024)
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES		
Series M	(1,773,061)	(1,150,934)
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES, END OF PERIOD		
Series M	1,686,951	3,460,012

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable shares	(133,759)	352,576
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(109,410)	(367,981)
Change in unrealized (gain) loss on non-derivative financial assets	303,838	92,663
Purchases of non-derivative financial assets	(158,668)	(1,667,486)
Proceeds from sale of non-derivative financial assets	1,738,000	3,043,000
Accrued investment income and other	14	(11)
Net cash provided by (used in) operating activities	1,640,015	1,452,761
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable shares	103,469	1,536,699
Amounts paid on redemption of redeemable shares	(1,742,771)	(3,040,209)
Net cash provided by (used in) financing activities	(1,639,302)	(1,503,510)
Net increase (decrease) in cash	713	(50,749)
Cash (bank overdraft), beginning of period	7	50,756
CASH (BANK OVERDRAFT), END OF PERIOD	720	7
Interest paid[1]	225	–
Interest received[1]	73	(21)
Dividends received, net of withholding taxes[1]	68,622	85,486

[1] Classified as operating items.

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

Scotia Private Canadian Equity Class (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2015

Number of Units	Issuer	Average Cost ($)	Carrying Value ($)
CANADIAN EQUITY FUND – 100.0%			
141,834	Scotia Private Canadian Equity Pool Series I	1,706,966	1,686,231
	TOTAL INVESTMENT PORTFOLIO	1,706,966	1,686,231
	OTHER ASSETS, LESS LIABILITIES – 0.0%		720
	NET ASSETS – 100.0%		1,686,951

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

Scotia Private Canadian Equity Class

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

1. The Fund (note 1)

The Fund's investment objective is long-term capital growth. It invests primarily in a broad range of Canadian equity securities.

The Fund invests in units/shares of Scotia Private Canadian Equity Pool (the "Underlying Fund"). The significant risk exposures of the Underlying Fund and the Fund's sensitivities to these exposures are indicated below.

2. Risks associated with financial instruments (note 4)

i) Interest rate risk

The majority of the Underlying Fund's financial assets and liabilities were non-interest bearing as at December 31, 2015 and 2014. Accordingly, the Fund is not directly subject to significant risk due to fluctuations in the prevailing levels of market interest rates.

ii) Currency risk

The tables below indicate the currencies to which the Underlying Fund had significant exposure, net of the impact of currency forward contracts and currency spot contracts, if any, based on the monetary and non-monetary assets and liabilities of the Underlying Fund. The tables also illustrate the potential impact on the Fund if the functional currency of the Fund had strengthened or weakened by 10% in relation to each of the other currencies, with all other variables held constant. The Underlying Fund did not have significant currency risk exposure as at December 31, 2015.

	December 31, 2014			
Currency	Net currency exposure ($)	Percentage of net assets (%)	Impact on the Fund ($)	Percentage of net assets (%)
US Dollar	143	0.0	14	0.0
	143	0.0	14	0.0

iii) Price risk

Price risk is the risk that the carrying 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 price risk is mainly in equities, derivatives and commodities, if applicable. As at December 31, 2015, approximately 100.0% (December 31, 2014 – 100.0%) of the Underlying Fund's net assets were exposed to price risk. If prices of these investments had decreased or increased by 10%, with all other variables held constant, net assets of the Fund would have decreased or increased, respectively, by approximately $168,623 (December 31, 2014 – $345,999). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

iv) Credit risk

The Underlying Fund had no significant exposure to bonds and debentures, preferred shares or derivatives as at December 31, 2015, or December 31, 2014. In addition, all investment transactions are executed by brokers with an approved credit rating. As such the risk of default on transactions with counterparties and brokers related to purchase and sale of securities is considered minimal. In instances where the credit rating were to fall below the approved rating, the Manager would take appropriate action.

v) Liquidity risk

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

	December 31, 2015		December 31, 2014	
	On demand ($)	Less than 3 months ($)	On demand ($)	Less than 3 months ($)
Current liabilities	–	–	–	–
Liability for written options	–	–	–	–
Unrealized loss on derivatives	–	–	–	–
Redeemable units	1,686,951	–	3,460,012	–
	1,686,951	–	3,460,012	–

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, geographical location,

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

asset type or industry sector, as applicable. The table below is a summary of the Underlying Fund's concentration risk:

	Percentage of Net Assets (%)	
	December 31, 2015	December 31, 2014
Consumer Discretionary	11.4	11.4
Consumer Staples	5.9	3.9
Energy	13.7	19.6
Financials	40.3	34.7
Health Care	–	4.2
Industrials	9.3	7.0
Information Technology	4.6	2.2
Materials	3.8	6.3
Telecommunication Services	9.6	5.4

vii) Fair value classification (note 2)

The tables below illustrate the classification of the Fund's financial instruments within the fair value hierarchy.

December 31, 2015	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Underlying funds	1,686,231	–	–	1,686,231
	1,686,231	–	–	1,686,231

December 31, 2014	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Underlying funds	3,459,991	–	–	3,459,991
	3,459,991	–	–	3,459,991

Transfers between levels

During the periods ended December 31, 2015 and 2014, there were no significant transfers between Level 1 and Level 2.

3. Offsetting of financial assets and liabilities (note 2)

As at December 31, 2015 or December 31, 2014, the Fund did not enter into any agreement whereby the financial instruments were eligible for offset.

4. Interest in Underlying Funds (note 2)

The following tables provide information about the Fund's interest in Underlying Funds.

	December 31, 2015	
Underlying Fund	Carrying value of the Underlying Fund ($)	Ownership percentage in Underlying Fund (%)
Scotia Private Canadian Equity Pool Series I	1,686,231	0.3
	1,686,231	–

	December 31, 2014	
Underlying Fund	Carrying value of the Underlying Fund ($)	Ownership percentage in Underlying Fund (%)
Scotia Private Canadian Equity Pool Series I	3,459,991	0.3
	3,459,991	–

5. Comparison of net asset value per unit and net assets per unit (note 2)

The table below provides a comparison of the net asset value per unit and net assets per unit. The primary reason for the difference between the net asset value per unit and net assets per unit, if any, is described in note 2.

	December 31, 2015		December 31, 2014	
	Net asset value per unit ($)	Net assets per unit ($)	Net asset value per unit ($)	Net assets per unit ($)
Series M	11.07	11.07	12.63	12.63

Scotia Private U.S. Dividend Class

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars except per share amounts)	December 31, 2015	December 31, 2014
ASSETS		
Current assets		
Investments		
Non-derivative financial assets	24,353,134	34,353,354
Cash	–	71,083
Subscriptions receivable	–	19,853
Accrued investment income and other	1	33
	24,353,135	34,444,323
LIABILITIES		
Current liabilities		
Bank overdraft	40,473	–
Redemptions payable	9,242	–
	49,715	–
Net assets attributable to holders of redeemable shares	24,303,420	34,444,323
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES PER SERIES		
Series M	24,303,420	34,444,323
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES PER SHARE		
Series M	19.62	17.01

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except per share amounts)	2015	2014
INCOME		
Net gain (loss) on investments (note 2)		
Dividends	699,695	836,456
Interest for distribution purposes	251	304
Capital gains distributions received	34,691	–
Net realized gain (loss) on non-derivative financial assets	6,233,090	770,246
Change in unrealized gain (loss) on non-derivative financial assets	(973,742)	3,270,348
Total income (loss)	5,993,985	4,877,354
EXPENSES		
Management fees (note 5)	37,715	30,253
Fixed administration fees (note 6)	56,562	45,380
Independent Review Committee fees	1,116	61
Interest expense and bank overdraft charges	2,523	692
Foreign withholding taxes/tax reclaims	104,954	36,436
Other fund costs	31	
Harmonized Sales Tax/Goods and Services Tax	11,277	7,845
Total expenses	214,178	120,667
Increase (decrease) in net assets attributable to holders of redeemable shares from operations	5,779,807	4,756,687
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES FROM OPERATIONS PER SERIES		
Series M	5,779,807	4,756,687
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES FROM OPERATIONS PER SHARE†		
Series M	2.77	2.42
WEIGHTED AVERAGE NUMBER OF SHARES PER SERIES		
Series M	2,090,029	1,962,792

† The increase (decrease) in net assets attributable to holders of redeemable shares from operations per share is calculated by dividing the increase (decrease) in net assets attributable to holders of redeemable shares from operations per series by the weighted average number of shares per series.

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the periods ended December 31 (note 1),

(in dollars)	2015	2014
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES, BEGINNING OF PERIOD		
Series M	34,444,323	28,875,006
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES FROM OPERATIONS		
Series M	5,779,807	4,756,687
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE SHARES		
From net realized gains on investments		
Series M	(861,953)	–
REDEEMABLE SHARE TRANSACTIONS		
Proceeds from issue		
Series M	10,517,922	6,751,517
Reinvested distributions		
Series M	861,953	–
Payments on redemption		
Series M	(26,438,632)	(5,938,887)
	(15,058,757)	812,630
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES		
Series M	(10,140,903)	5,569,317
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES, END OF PERIOD		
Series M	24,303,420	34,444,323

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable shares	5,779,807	4,756,687
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(6,233,090)	(770,246)
Change in unrealized (gain) loss on non-derivative financial assets	973,742	(3,270,348)
Purchases of non-derivative financial assets	(10,715,432)	(6,412,020)
Proceeds from sale of non-derivative financial assets	25,975,000	4,794,000
Accrued investment income and other	32	(1)
Net cash provided by (used in) operating activities	15,780,059	(901,928)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable shares	10,537,775	(5,912,575)
Amounts paid on redemption of redeemable shares	(26,429,390)	6,751,517
Net cash provided by (used in) financing activities	(15,891,615)	838,942
Net increase (decrease) in cash	(111,556)	(62,986)
Cash (bank overdraft), beginning of period	71,083	134,069
CASH (BANK OVERDRAFT), END OF PERIOD	(40,473)	71,083
Interest paid[1]	2,523	–
Interest received[1]	284	303
Dividends received, net of withholding taxes[1]	594,741	800,020

[1] Classified as operating items.

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

Scotia Private U.S. Dividend Class (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2015

Number of Units	Issuer	Average Cost ($)	Carrying Value ($)
FOREIGN EQUITY FUND – 100.2%			
1,303,652	Scotia Private U.S. Dividend Pool Series I	17,769,525	24,353,134
	TOTAL INVESTMENT PORTFOLIO	17,769,525	24,353,134
	OTHER ASSETS, LESS LIABILITIES – (0.2%)		(49,714)
	NET ASSETS – 100.0%		24,303,420

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

Scotia Private U.S. Dividend Class

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

1. The Fund (note 1)

The Fund's objective is to achieve a high level of total investment return, including dividend income and long-term capital growth. It invests primarily in equity securities of U.S. companies that pay, or may be expected to pay, dividends.

The Fund invests in units/shares of Scotia Private U.S. Dividend Pool (the "Underlying Fund"). The significant risk exposures of the Underlying Fund and the Fund's sensitivities to these exposures are indicated below.

2. Risks associated with financial instruments (note 4)

i) Interest rate risk

The majority of the Underlying Fund's financial assets and liabilities were non-interest bearing as at December 31, 2015 and 2014. Accordingly, the Fund is not directly subject to significant risk due to fluctuations in the prevailing levels of market interest rates.

ii) Currency risk

The tables below indicate the currencies to which the Underlying Fund had significant exposure, net of the impact of currency forward contracts and currency spot contracts, if any, based on the monetary and non-monetary assets and liabilities of the Underlying Fund. The tables also illustrate the potential impact on the Fund if the functional currency of the Fund had strengthened or weakened by 10% in relation to each of the other currencies, with all other variables held constant.

	December 31, 2015			
Currency	Net currency exposure ($)	Percentage of net assets (%)	Impact on the Fund ($)	Percentage of net assets (%)
US Dollar	21,945,988	90.3	2,194,599	9.0
European Euro	1,190,868	4.9	119,087	0.5
Swiss Franc	1,117,957	4.6	111,796	0.5
	24,254,813	99.8	2,425,482	10.0

	December 31, 2014			
Currency	Net currency exposure ($)	Percentage of net assets (%)	Impact on the Fund ($)	Percentage of net assets (%)
US Dollar	27,073,238	78.6	2,707,324	7.9
	27,073,238	78.6	2,707,324	7.9

iii) Price risk

Price risk is the risk that the carrying 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 price risk is mainly in equities, derivatives and commodities, if applicable. As at December 31, 2015, approximately 100.2% (December 31, 2014 – 99.7%) of the Underlying Fund's net assets were exposed to price risk. If prices of these investments had decreased or increased by 10%, with all other variables held constant, net assets of the Fund would have decreased or increased, respectively, by approximately $2,435,313 (December 31, 2014 – $3,435,335). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

iv) Credit risk

The Underlying Fund had no significant exposure to bonds and debentures, preferred shares or derivatives as at December 31, 2015, or December 31, 2014. In addition, all investment transactions are executed by brokers with an approved credit rating. As such the risk of default on transactions with counterparties and brokers related to purchase and sale of securities is considered minimal. In instances where the credit rating were to fall below the approved rating, the Manager would take appropriate action.

v) Liquidity risk

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

	December 31, 2015		December 31, 2014	
	On demand ($)	Less than 3 months ($)	On demand ($)	Less than 3 months ($)
Current liabilities	–	49,715	–	–
Liability for written options	–	–	–	–
Unrealized loss on derivatives	–	–	–	–
Redeemable units	24,303,420	–	34,444,323	–
	24,303,420	49,715	34,444,323	–

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, geographical location,

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

asset type or industry sector, as applicable. The table below is a summary of the Underlying Fund's concentration risk:

	Percentage of net assets (%)	
	December 31, 2015	December 31, 2014
Consumer Discretionary	15.6	13.7
Consumer Staples	13.4	6.9
Energy	1.6	9.1
Financials	11.9	13.1
Health Care	6.6	16.4
Industrials	22.8	11.5
Information Technology	18.8	16.5
Materials	–	5.1
Telecommunication Services	–	1.1

vii) Fair value classification (note 2)

The tables below illustrate the classification of the Fund's financial instruments within the fair value hierarchy.

December 31, 2015	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Underlying funds	24,353,134	–	–	24,353,134
	24,353,134	–	–	24,353,134

December 31, 2014	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Underlying funds	34,353,354	–	–	34,353,354
	34,353,354	–	–	34,353,354

Transfers between levels

During the periods ended December 31, 2015 and 2014, there were no significant transfers between Level 1 and Level 2.

3. Offsetting of financial assets and liabilities (note 2)

As at December 31, 2015 or December 31, 2014, the Fund did not enter into any agreement whereby the financial instruments were eligible for offset.

4. Interest in Underlying Funds (note 2)

The following tables provide information about the Fund's interest in Underlying Funds.

	December 31, 2015	
Underlying Fund	Carrying value of the Underlying Fund ($)	Ownership percentage in Underlying Fund (%)
Scotia Private U.S. Dividend Pool Series I	24,353,134	2.0
	24,353,134	

	December 31, 2014	
Underlying Fund	Carrying value of the Underlying Fund ($)	Ownership percentage in Underlying Fund (%)
Scotia Private U.S. Dividend Pool Series I	34,353,354	2.9
	34,353,354	

5. Comparison of net asset value per unit and net assets per unit (note 2)

The table below provides a comparison of the net asset value per unit and net assets per unit. The primary reason for the difference between the net asset value per unit and net assets per unit, if any, is described in note 2.

	December 31, 2015		December 31, 2014	
	Net asset value per unit ($)	Net assets per unit ($)	Net asset value per unit ($)	Net assets per unit ($)
Series M	19.62	19.62	17.01	17.01

Scotia Private U.S. Equity Class

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars except per share amounts)	December 31, 2015	December 31, 2014
ASSETS		
Current assets		
Investments		
Non-derivative financial assets	4,335,697	5,626,862
Cash	534	–
Accrued investment income and other	1	1
	4,336,232	5,626,863
LIABILITIES		
Current liabilities		
Bank overdraft	–	136
	–	136
Net assets attributable to holders of redeemable shares	4,336,232	5,626,727
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES PER SERIES		
Series M	4,336,232	5,626,727
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES PER SHARE		
Series M	16.82	15.36

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except per share amounts)	2015	2014
INCOME		
Net gain (loss) on investments (note 2)		
Dividends	140,621	94,052
Interest for distribution purposes	16	39
Capital gains distributions received	718,547	855,041
Net realized gain (loss) on non-derivative financial assets	455,890	1,365,899
Change in unrealized gain (loss) on non-derivative financial assets	(640,631)	(1,456,684)
Total income (loss)	674,443	858,347
EXPENSES		
Management fees (note 5)	5,705	7,228
Fixed administration fees (note 6)	8,555	10,842
Independent Review Committee fees	1,096	16
Interest expense and bank overdraft charges	377	978
Foreign withholding taxes/tax reclaims	6,592	10,870
Other fund costs	5	–
Harmonized Sales Tax/Goods and Services Tax	2,118	1,958
Total expenses	24,448	31,892
Increase (decrease) in net assets attributable to holders of redeemable shares from operations	649,995	826,455
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES FROM OPERATIONS PER SERIES		
Series M	649,995	826,455
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES FROM OPERATIONS PER SHARE†		
Series M	1.89	1.63
WEIGHTED AVERAGE NUMBER OF SHARES PER SERIES		
Series M	343,332	507,457

† The increase (decrease) in net assets attributable to holders of redeemable shares from operations per share is calculated by dividing the increase (decrease) in net assets attributable to holders of redeemable shares from operations per series by the weighted average number of shares per series.

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the periods ended December 31 (note 1),

(in dollars)	2015	2014
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES, BEGINNING OF PERIOD		
Series M	5,626,727	9,812,173
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES FROM OPERATIONS		
Series M	649,995	826,455
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE SHARES		
From net investment income		
Series M	(466)	–
From net realized gains on investments		
Series M	(140,806)	–
	(141,272)	–
REDEEMABLE SHARE TRANSACTIONS		
Proceeds from issue		
Series M	230,510	821,951
Reinvested distributions		
Series M	141,272	–
Payments on redemption		
Series M	(2,171,000)	(5,833,852)
	(1,799,218)	(5,011,901)
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES		
Series M	(1,290,495)	(4,185,446)
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES, END OF PERIOD		
Series M	4,336,232	5,626,727

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable shares	649,995	826,455
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(455,890)	(1,365,899)
Change in unrealized (gain) loss on non-derivative financial assets	640,631	1,456,684
Purchases of non-derivative financial assets	(1,083,576)	(1,827,223)
Proceeds from sale of non-derivative financial assets	2,190,000	5,925,863
Accrued investment income and other	–	11
Net cash provided by (used in) operating activities	1,941,160	5,015,891
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable shares	230,510	821,951
Amounts paid on redemption of redeemable shares	(2,171,000)	(5,833,852)
Net cash provided by (used in) financing activities	(1,940,490)	(5,011,901)
Net increase (decrease) in cash	670	3,990
Cash (bank overdraft), beginning of period	(136)	(4,126)
CASH (BANK OVERDRAFT), END OF PERIOD	534	(136)
Interest paid[(1)]	377	–
Interest received[(1)]	17	50
Dividends received, net of withholding taxes[(1)]	134,029	83,182

(1) Classified as operating items.

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

Scotia Private U.S. Equity Class (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2015

Number of Units	Issuer	Average Cost ($)	Carrying Value ($)
FOREIGN EQUITY FUND – 100.0%			
463,627	Scotia Private U.S. Equity Pool Series I	4,255,891	4,335,697
	TOTAL INVESTMENT PORTFOLIO	4,255,891	4,335,697
	OTHER ASSETS, LESS LIABILITIES – 0.0%		535
	NET ASSETS – 100.0%		4,336,232

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

Scotia Private U.S. Equity Class

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

1. The Fund (note 1)

The Fund's investment objective is long-term capital growth. It invests primarily in a broad range of U.S. equity securities listed on major U.S. stock exchanges.

The Fund invests in units/shares of Scotia Private U.S. Equity Pool (the "Underlying Fund"). The significant risk exposures of the Underlying Fund and the Fund's sensitivities to these exposures are indicated below.

2. Risks associated with financial instruments (note 4)

i) Interest rate risk

The majority of the Underlying Fund's financial assets and liabilities were non-interest bearing as at December 31, 2015 and 2014. Accordingly, the Fund is not directly subject to significant risk due to fluctuations in the prevailing levels of market interest rates.

ii) Currency risk

The tables below indicate the currencies to which the Underlying Fund had significant exposure, net of the impact of currency forward contracts and currency spot contracts, if any, based on the monetary and non-monetary assets and liabilities of the Underlying Fund. The tables also illustrate the potential impact on the Fund if the functional currency of the Fund had strengthened or weakened by 10% in relation to each of the other currencies, with all other variables held constant.

	December 31, 2015			
Currency	Net currency exposure ($)	Percentage of net assets (%)	Impact on the fund ($)	Percentage of net assets (%)
U.S. Dollar	4,093,403	94.4	409,340	9.4
	4,093,403	94.4	409,340	9.4

	December 31, 2014			
Currency	Net currency exposure ($)	Percentage of net assets (%)	Impact on the Fund ($)	Percentage of net assets (%)
U.S. Dollar	5,598,593	99.5	559,859	9.9
	5,598,593	99.5	559,859	9.9

iii) Price risk

Price risk is the risk that the carrying 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 price risk is mainly in equities, derivatives and commodities, if applicable. As at December 31, 2015, approximately 100.0% (December 31, 2014 – 100.0%) of the Underlying Fund's net assets were exposed to price risk. If prices of these investments had decreased or increased by 10%, with all other variables held constant, net assets of the Fund would have decreased or increased, respectively, by approximately $433,570 (December 31, 2014 – $562,686). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

iv) Credit risk

The Underlying Fund had no significant exposure to bonds and debentures, preferred shares or derivatives as at December 31, 2015, or December 31, 2014. In addition, all investment transactions are executed by brokers with an approved credit rating. As such the risk of default on transactions with counterparties and brokers related to purchase and sale of securities is considered minimal. In instances where the credit rating were to fall below the approved rating, the Manager would take appropriate action.

v) Liquidity risk

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

	December 31, 2015		December 31, 2014	
	On demand ($)	Less than 3 months ($)	On demand ($)	Less than 3 months ($)
Current liabilities	–	–	–	136
Liability for written options	–	–	–	–
Unrealized loss on derivatives	–	–	–	–
Redeemable units	4,336,232	–	5,626,727	–
	4,336,232	–	5,626,727	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, geographical location,

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

asset type or industry sector, as applicable. The table below is a summary of the Underlying Fund's concentration risk:

	Percentage of net assets (%)	
	December 31, 2015	December 31, 2014
Energy	5.6	4.4
Materials	–	5.4
Industrials	18.6	9.0
Consumer Discretionary	14.3	6.3
Consumer Staples	2.1	7.3
Health Care	27.7	16.9
Financials	10.7	21.8
Information Technology	9.7	24.9

vii) Fair value classification (note 2)

The tables below illustrate the classification of the Fund's financial instruments within the fair value hierarchy.

December 31, 2015	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Underlying funds	4,335,697	–	–	4,335,697
	4,335,697	–	–	4,335,697

December 31, 2014	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Underlying funds	5,626,862	–	–	5,626,862
	5,626,862	–	–	5,626,862

Transfers between levels

During the periods ended December 31, 2015 and 2014, there were no significant transfers between Level 1 and Level 2.

3. Offsetting of financial assets and liabilities (note 2)

As at December 31, 2015 or December 31, 2014, the Fund did not enter into any agreement whereby the financial instruments were eligible for offset.

4. Interest in Underlying Funds (note 2)

The following tables provide information about the Fund's interest in Underlying Funds.

	December 31, 2015	
Underlying Fund	Carrying value of the Underlying Fund ($)	Ownership percentage in Underlying Fund (%)
Scotia Private U.S. Equity Pool Series I	4,335,697	1.1
	4,335,697	

	December 31, 2014	
Underlying Fund	Carrying value of the Underlying Fund ($)	Ownership percentage in Underlying Fund (%)
Scotia Private U.S. Equity Pool Series I	5,626,862	1.5
	5,626,862	

5. Comparison of net asset value per unit and net assets per unit (note 2)

The table below provides a comparison of the net asset value per unit and net assets per unit. The primary reason for the difference between the net asset value per unit and net assets per unit, if any, is described in note 2.

	December 31, 2015		December 31, 2014	
	Net asset value per unit ($)	Net assets per unit ($)	Net asset value per unit ($)	Net assets per unit ($)
Series M	16.82	16.82	15.36	15.36

Scotia U.S. Equity Blend Class

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars except per share amounts)	December 31, 2015	December 31, 2014
ASSETS		
Current assets		
Investments		
Non-derivative financial assets	6,825,080	2,815,390
Cash	129,342	72,057
Subscriptions receivable	650	1,100
Accrued investment income and other	45	43
	6,955,117	2,888,590
LIABILITIES		
Current liabilities		
Redemptions payable	–	57,488
	–	57,488
Net assets attributable to holders of redeemable shares	6,955,117	2,831,102
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES PER SERIES		
Series A	6,955,117	2,831,102
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES PER SHARE		
Series A	18.35	15.84

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except per share amounts)	2015	2014
INCOME		
Net gain (loss) on investments (note 2)		
Dividends	86,702	40,035
Interest for distribution purposes	443	296
Capital gains distributions received	274,296	58,832
Net realized gain (loss) on non-derivative financial assets	141,575	77,786
Change in unrealized gain (loss) on non-derivative financial assets	343,008	143,613
Net gain (loss) on investments	846,024	320,562
Other income	95	149
Total income (loss)	846,119	320,711
EXPENSES		
Management fees (note 5)	103,792	35,136
Fixed administration fees (note 6)	10,645	3,603
Independent Review Committee fees	1,140	3
Interest expense and bank overdraft charges	172	100
Foreign withholding taxes/tax reclaims	11,113	3,664
Other fund costs	8	–
Harmonized Sales Tax/Goods and Services Tax	12,044	4,161
Total expenses	138,914	46,667
Increase (decrease) in net assets attributable to holders of redeemable shares from operations	707,205	274,044
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES FROM OPERATIONS PER SERIES		
Series A	707,205	274,044
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES FROM OPERATIONS PER SHARE†		
Series A	2.32	2.22
WEIGHTED AVERAGE NUMBER OF SHARES PER SERIES		
Series A	304,202	123,534

† The increase (decrease) in net assets attributable to holders of redeemable shares from operations per share is calculated by dividing the increase (decrease) in net assets attributable to holders of redeemable shares from operations per series by the weighted average number of shares per series.

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the periods ended December 31 (note 1),

(in dollars)	2015	2014
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES, BEGINNING OF PERIOD		
Series A	2,831,102	1,054,186
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES FROM OPERATIONS		
Series A	707,205	274,044
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE SHARES		
From net realized gains on investments		
Series A	(70,847)	–
REDEEMABLE SHARE TRANSACTIONS		
Proceeds from issue		
Series A	5,388,285	2,378,364
Reinvested distributions		
Series A	70,847	–
Payments on redemption		
Series A	(1,971,475)	(875,492)
	3,487,657	1,502,872
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES		
Series A	4,124,015	1,776,916
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES, END OF PERIOD		
Series A	6,955,117	2,831,102

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable shares	707,205	274,044
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(141,575)	(77,786)
Change in unrealized (gain) loss on non-derivative financial assets	(343,008)	(143,613)
Purchases of non-derivative financial assets	(4,575,282)	(2,087,978)
Proceeds from sale of non-derivative financial assets	1,050,175	518,599
Accrued investment income and other	(2)	(30)
Net cash provided by (used in) operating activities	(3,302,487)	(1,516,764)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable shares	5,388,735	2,387,430
Amounts paid on redemption of redeemable shares	(2,028,963)	(818,004)
Net cash provided by (used in) financing activities	3,359,772	1,569,426
Net increase (decrease) in cash	57,285	52,662
Cash (bank overdraft), beginning of period	72,057	19,395
CASH (BANK OVERDRAFT), END OF PERIOD	129,342	72,057
Interest paid[1]	172	–
Interest received[1]	441	266
Dividends received, net of withholding taxes[1]	75,589	36,371

[1] Classified as operating items.

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

Scotia U.S. Equity Blend Class (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2015

Number of Units	Issuer	Average Cost ($)	Carrying Value ($)
FOREIGN EQUITY FUNDS – 98.1%			
46,989	CI American Small Companies Fund Class I	1,180,258	1,365,029
38,134	Dynamic Power American Growth Fund Series O	691,689	679,169
104,092	Scotia Private U.S. Large Cap Growth Pool Series I	1,498,358	2,049,398
130,599	Scotia Private U.S. Value Pool Series I	2,143,102	2,049,701
45,857	Scotia U.S. Opportunities Fund Series I	621,179	681,783
	TOTAL INVESTMENT PORTFOLIO	6,134,586	6,825,080
	OTHER ASSETS, LESS LIABILITIES – 1.9%		130,037
	NET ASSETS – 100.0%		6,955,117

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

Scotia U.S. Equity Blend Class

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

1. The Fund (note 1)

The Fund's investment objective is to provide long-term capital growth. It invests primarily in a mix of mutual funds managed by us and/or other mutual fund managers that invest in U.S. equity securities, and/or directly in U.S. equity securities.

The Fund invests primarily in mutual funds managed by the Manager and/or by the third party investment managers (the "Underlying Funds"). To ensure the Fund's composition meets the investment objectives of the Fund, the portfolio advisor monitors the Underlying Funds on an ongoing basis and rebalances the Fund's assets among the Underlying Funds.

2. Risks associated with financial instruments (note 4)

i) Interest rate risk

The majority of the Underlying Fund's financial assets and liabilities were non-interest bearing as at December 31, 2015 and 2014. Accordingly, the Fund is not directly subject to significant risk due to fluctuations in the prevailing levels of market interest rates.

ii) Currency risk

The Fund could be exposed to indirect currency risk to the extent that the Underlying Funds held financial instruments that were denominated in a currency other than its functional currency.

iii) Price risk

Price risk is the risk that the carrying 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 price risk is mainly in equities, derivatives and commodities, if applicable. As at December 31, 2015, approximately 98.1% (December 31, 2014 – 99.4%) of the Fund's net assets were invested in Underlying Funds which were exposed to price risk. If prices of the Underlying Funds' investments had decreased or increased by 10%, with all other variables held constant, net assets of the Fund would have decreased or increased, respectively, by approximately $682,508 (December 31, 2014 – $281,539). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

iv) Credit risk

The Fund could be exposed to indirect credit risk to the extent that the Underlying Funds invested in bonds and debentures, preferred shares and derivatives.

v) Liquidity risk

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

	December 31, 2015		December 31, 2014	
	On demand ($)	Less than 3 months ($)	On demand ($)	Less than 3 months ($)
Current liabilities	–	–	–	57,488
Liability for written options	–	–	–	–
Unrealized loss on derivatives	–	–	–	–
Redeemable units	6,955,117	–	2,831,102	–
	6,955,117	–	2,831,102	57,488

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, geographical location, asset type or industry sector, as applicable. The table below is a summary of the Fund's concentration risk:

	Percentage of net assets (%)	
	December 31, 2015	December 31, 2014
Foreign Equity Funds	98.1	99.4

vii) Fair value classification (note 2)

The tables below illustrate the classification of the Fund's financial instruments within the fair value hierarchy.

December 31, 2015	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Underlying funds	6,825,080	–	–	6,825,080
	6,825,080	–	–	6,825,080

December 31, 2014	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Underlying funds	2,815,390	–	–	2,815,390
	2,815,390	–	–	2,815,390

Scotia U.S. Equity Blend Class (Continued)

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

Transfers between levels

During the periods ended December 31, 2015 and 2014, there were no significant transfers between Level 1 and Level 2.

3. Offsetting of financial assets and liabilities (note 2)

As at December 31, 2015 or December 31, 2014, the Fund did not enter into any agreement whereby the financial instruments were eligible for offset.

4. Interest in Underlying Funds (note 2)

The following tables provide information about the Fund's interest in Underlying Funds.

	December 31, 2015	
Underlying Fund	Carrying value of the Underlying Fund ($)	Ownership percentage in Underlying Fund (%)
CI American Small Companies Fund Class I	1,365,029	0.3
Dynamic Power American Growth Fund Series O	679,169	0.1
Scotia Private U.S. Value Pool Series I	2,049,701	2.0
Scotia Private U.S. Large Cap Growth Pool Series I	2,049,398	2.3
Scotia U.S. Opportunities Fund Series I	681,783	2.4
	6,825,080	

	December 31, 2014	
Underlying Fund	Carrying value of the Underlying Fund ($)	Ownership percentage in Underlying Fund (%)
Scotia Private U.S. Large Cap Growth Pool Series I	847,648	1.2
Scotia U.S. Opportunities Fund Series I	280,083	1.1
CI American Small Companies Fund Class I	569,647	0.6
Scotia Private U.S. Value Pool Series I	841,718	0.3
Dynamic Power American Growth Fund Series O	276,294	0.0
	2,815,390	

5. Comparison of net asset value per unit and net assets per unit (note 2)

The table below provides a comparison of the net asset value per unit and net assets per unit. The primary reason for the difference between the net asset value per unit and net assets per unit, if any, is described in note 2.

	December 31, 2015		December 31, 2014	
	Net asset value per unit ($)	Net assets per unit ($)	Net asset value per unit ($)	Net assets per unit ($)
Series A	18.35	18.35	15.84	15.84

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

Scotia Global Dividend Class

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars except per share amounts)	December 31, 2015	December 31, 2014
ASSETS		
Current assets		
Investments		
Non-derivative financial assets	22,597,234	16,801,462
Subscriptions receivable	5,973	5,300
Accrued investment income and other	8	41
	22,603,215	16,806,803
LIABILITIES		
Current liabilities		
Bank overdraft	4,900	30,003
Redemptions payable	–	5,916
Distributions payable	1,885	13,441
	6,785	49,360
Net assets attributable to holders of redeemable shares	22,596,430	16,757,443
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES PER SERIES		
Series A	22,596,430	16,757,443
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES PER SHARE		
Series A	17.53	15.86

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except per share amounts)	2015	2014
INCOME		
Net gain (loss) on investments (note 2)		
Dividends	549,995	409,152
Interest for distribution purposes	269	440
Capital gains distributions received	1,286,382	355,622
Net realized gain (loss) on non-derivative financial assets	490,453	259,862
Change in unrealized gain (loss) on non-derivative financial assets	599,900	1,278,945
Net gain (loss) on investments	2,926,999	2,304,021
Other income	965	124
Total income (loss)	2,927,964	2,304,145
EXPENSES		
Management fees (note 5)	418,715	274,833
Fixed administration fees (note 6)	62,795	41,225
Independent Review Committee fees	1,139	27
Interest expense and bank overdraft charges	423	413
Foreign withholding taxes/tax reclaims	69,958	59,357
Other fund costs	28	—
Harmonized Sales Tax/Goods and Services Tax	49,087	31,387
Total expenses	602,145	407,242
Increase (decrease) in net assets attributable to holders of redeemable shares from operations	2,325,819	1,896,903
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES FROM OPERATIONS PER SERIES		
Series A	2,325,819	1,896,903
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES FROM OPERATIONS PER SHARE†		
Series A	1.89	2.05
WEIGHTED AVERAGE NUMBER OF SHARES PER SERIES		
Series A	1,228,145	926,604

† The increase (decrease) in net assets attributable to holders of redeemable shares from operations per share is calculated by dividing the increase (decrease) in net assets attributable to holders of redeemable shares from operations per series by the weighted average number of shares per series.

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the periods ended December 31 (note 1),

(in dollars)	2015	2014
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES, BEGINNING OF PERIOD		
Series A	16,757,443	9,954,420
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES FROM OPERATIONS		
Series A	2,325,819	1,896,903
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE SHARES		
From net investment income		
Series A	(42,426)	(13,440)
From net realized gains on investments		
Series A	(419,347)	–
	(461,773)	(13,440)
REDEEMABLE SHARE TRANSACTIONS		
Proceeds from issue		
Series A	7,476,705	7,983,257
Reinvested distributions		
Series A	461,773	–
Payments on redemption		
Series A	(3,963,537)	(3,063,697)
	3,974,941	4,919,560
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES		
Series A	5,838,987	6,803,023
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES, END OF PERIOD		
Series A	22,596,430	16,757,443

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable shares	2,325,819	1,896,903
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(490,453)	(259,862)
Change in unrealized (gain) loss on non-derivative financial assets	(599,900)	(1,278,945)
Purchases of non-derivative financial assets	(7,743,420)	(7,595,417)
Proceeds from sale of non-derivative financial assets	3,038,001	1,976,000
Accrued investment income and other	33	6
Net cash provided by (used in) operating activities	(3,469,920)	(5,261,315)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable shares	7,476,032	8,182,232
Amounts paid on redemption of redeemable shares	(3,969,453)	(3,057,781)
Distributions to shareholders of redeemable shares	(11,556)	(133)
Net cash provided by (used in) financing activities	3,495,023	5,124,318
Net increase (decrease) in cash	25,103	(136,997)
Cash (bank overdraft), beginning of period	(30,003)	106,994
CASH (BANK OVERDRAFT), END OF PERIOD	(4,900)	(30,003)
Interest paid[1]	423	413
Interest received[1]	301	446
Dividends received, net of withholding taxes[1]	480,037	349,795

[1] Classified as operating items.

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

Scotia Global Dividend Class (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2015

Number of Units	Issuer	Average Cost ($)	Carrying Value ($)
FOREIGN EQUITY FUND – 100.0%			
1,327,874	Scotia Global Dividend Fund Series I	19,942,764	22,597,234
	TOTAL INVESTMENT PORTFOLIO	19,942,764	22,597,234
	OTHER ASSETS, LESS LIABILITIES – (0.0%)		(804)
	NET ASSETS – 100.0%		22,596,430

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

Scotia Global Dividend Class

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

1. The Fund (note 1)

The Fund's investment objective is to achieve high total investment return. It invests primarily in equity securities of companies anywhere in the world that pay, or may be expected to pay, dividends as well as in other types of securities that may be expected to distribute income.

The Fund invests in units/shares of Scotia Global Dividend Fund (the "Underlying Fund"). The significant risk exposures of the Underlying Fund and the Fund's sensitivities to these exposures are indicated below.

2. Risks associated with financial instruments (note 4)

i) Interest rate risk

The majority of the Underlying Fund's financial assets and liabilities were non-interest bearing as at December 31, 2015 and 2014. Accordingly,the Fund is not directly subject to significant risk due to fluctuations in the prevailing levels of market interest rates.

ii) Currency risk

The tables below indicate the currencies to which the Underlying Fund had significant exposure, net of the impact of currency forward contracts and currency spot contracts, if any, based on the monetary and non-monetary assets and liabilities of the Underlying Fund. The tables also illustrate the potential impact on the Fund if the functional currency of the Fund had strengthened or weakened by 10% in relation to each of the other currencies, with all other variables held constant.

	December 31, 2015			
Currency	Net currency exposure ($)	Percentage of net assets (%)	Impact on the Fund ($)	Percentage of net assets (%)
US Dollar	15,297,783	67.7	1,529,778	6.8
Swiss Franc	2,282,239	10.1	228,224	1.0
European Euro	1,378,382	6.1	137,838	0.6
British Pound	1,378,382	6.1	137,838	0.6
Hong Kong Dollar	293,754	1.3	29,375	0.1
Swedish Krona	248,561	1.1	24,856	0.1
Danish Krone	180,771	0.8	18,077	0.1
Indonesian Rupiah	158,175	0.7	15,818	0.1
Polish Zloty	112,982	0.5	11,298	0.1
Singapore Dollar	112,982	0.5	11,298	0.1
Australian Dollar	90,386	0.4	9,039	0.0
Japanese Yen	45,193	0.2	4,519	0.0
Mexican Peso	0	0.0	0	0.0
South African Rand	0	0.0	0	0.0
Total	21,579,590	95.5	2,157,958	9.6

	December 31, 2014			
Currency	Net currency exposure ($)	Percentage of net assets (%)	Impact on the Fund ($)	Percentage of net assets (%)
US Dollar	13,204,865	78.8	1,320,487	7.9
British Pound	620,025	3.7	62,003	0.4
European Euro	552,996	3.3	55,300	0.3
Swiss Franc	435,694	2.6	43,569	0.3
Japanese Yen	318,391	1.9	31,839	0.2
Hong Kong Dollar	284,877	1.7	28,488	0.2
Swedish Krona	184,332	1.1	18,433	0.1
Singapore Dollar	167,574	1.0	16,757	0.1
Australian Dollar	117,302	0.7	11,730	0.1
Indonesian Rupiah	83,787	0.5	8,379	0.1
Brazilian Real	67,030	0.4	6,703	0.0
Thai Baht	67,030	0.4	6,703	0.0
South African Rand	0	0.0	0	0.0
Polish Zloty	0	0.0	0	0.0
	16,103,903	96.1	1,610,391	9.7

iii) Price risk

Price risk is the risk that the carrying 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 price risk is mainly in equities, derivatives and commodities, if applicable. As at December 31, 2015, approximately 100.0% (December 31, 2014 – 100.3%) of the Underlying Fund's net assets were exposed to price risk. If prices of these investments had decreased or increased by 10%, with all other variables held constant, net assets of the Fund would have decreased or increased, respectively, by approximately $2,259,723 (December 31, 2014 – $1,680,146). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

iv) Credit risk

The table below summarizes the credit ratings of the bonds and debentures, excluding cash and money market instruments but including preferred shares and derivatives, as applicable, held by the Underlying Fund.

	December 31, 2015		December 31, 2014	
	Percentage of total bonds and debentures (%)	Percentage of net assets (%)	Percentage of total bonds and debentures (%)	Percentage of net assets (%)
Credit ratings				
AA	79.6	1.7	41.7	0.3
A	20.4	0.4	–	–
BB	–	–	58.3	0.5
	100.0	2.1	100.0	0.8

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

v) Liquidity risk

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

	December 31, 2015		December 31, 2014	
	On demand ($)	Less than 3 months ($)	On demand ($)	Less than 3 months ($)
Current liabilities	–	6,785	–	49,360
Liability for written options	–	–	–	–
Unrealized loss on derivatives	–	–	–	–
Redeemable units	22,596,430	–	16,757,443	–
	22,596,430	6,785	16,757,443	49,360

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, geographical location, asset type or industry sector, as applicable. The table below is a summary of the Underlying Fund's concentration risk:

	Percentage of net assets (%)	
	December 31, 2015	December 31, 2014
Australia	0.8	0.9
Belgium	–	0.1
Brazil	–	0.4
Canada	3.7	2.8
Denmark	0.8	–
France	1.8	5.0
Germany	2.5	2.8
Hong Kong	1.2	1.6
Indonesia	0.7	0.5
Ireland	–	0.5
Italy	0.7	1.3
Japan	0.2	1.9
Netherlands	1.8	1.6
Peru	0.5	0.3
Poland	0.5	–
Portugal	0.4	0.4
Singapore	0.9	1.0
South Africa	0.0	–
Spain	0.8	1.2
Sweden	1.1	1.1
Switzerland	10.3	10.4
Thailand	–	0.4
Turkey	0.4	1.2
United Kingdom	8.6	7.3
United States	56.7	46.5

vii) Fair value classification (note 2)

The tables below illustrate the classification of the Fund's financial instruments within the fair value hierarchy.

December 31, 2015	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Underlying funds	22,597,234	–	–	22,597,234
	22,597,234	–	–	22,597,234

December 31, 2014	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Underlying funds	16,801,462	–	–	16,801,462
	16,801,462	–	–	16,801,462

Transfers between levels

During the periods ended December 31, 2015 and 2014, there were no significant transfers between Level 1 and Level 2.

3. Offsetting of financial assets and liabilities (note 2)

As at December 31, 2015 or December 31, 2014, the Fund did not enter into any agreement whereby the financial instruments were eligible for offset.

4. Interest in Underlying Funds (note 2)

The following tables provide information about the Fund's interest in Underlying Funds.

	December 31, 2015	
Underlying Fund	Carrying value of the Underlying Fund ($)	Ownership percentage in Underlying Fund (%)
Scotia Global Dividend Fund Series I	22,597,234	4.2
	22,597,234	

	December 31, 2014	
Underlying Fund	Carrying value of the Underlying Fund ($)	Ownership percentage in Underlying Fund (%)
Scotia Global Dividend Fund Series I	16,801,462	4.0
	16,801,462	

5. Comparison of net asset value per unit and net assets per unit (note 2)

The table below provides a comparison of the net asset value per unit and net assets per unit. The primary reason for the difference between the net asset value per unit and net assets per unit, if any, is described in note 2.

	December 31, 2015		December 31, 2014	
	Net asset value per unit ($)	Net assets per unit ($)	Net asset value per unit ($)	Net assets per unit ($)
Series A	17.53	17.53	15.86	15.86

Scotia International Equity Blend Class

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars except per share amounts)	December 31, 2015	December 31, 2014
ASSETS		
Current assets		
Investments		
Non-derivative financial assets	870,179	599,055
Cash	20,299	–
Subscriptions receivable	900	750
Accrued investment income and other	4	3
	891,382	599,808
LIABILITIES		
Current liabilities		
Bank overdraft	–	12,202
Distributions payable	67	–
	67	12,202
Net assets attributable to holders of redeemable shares	891,315	587,606
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES PER SERIES		
Series A	891,315	587,606
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES PER SHARE		
Series A	14.11	12.42

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except per share amounts)	2015	2014
INCOME		
Net gain (loss) on investments (note 2)		
Dividends	18,143	10,233
Interest for distribution purposes	2,344	2,087
Capital gains distributions received	50,927	–
Net realized gain (loss) on non-derivative financial assets	37,918	10,997
Change in unrealized gain (loss) on non-derivative financial assets	11,846	(3,058)
Net gain (loss) on investments	121,178	20,259
Other income	10	101
Total income (loss)	121,188	20,360
EXPENSES		
Management fees (note 5)	14,922	12,118
Fixed administration fees (note 6)	2,240	1,818
Independent Review Committee fees	1,141	1
Interest expense and bank overdraft charges	53	26
Foreign withholding taxes/tax reclaims	2,437	1,368
Other fund costs	1	
Harmonized Sales Tax/Goods and Services Tax	2,068	1,424
Total expenses	22,862	16,755
Increase (decrease) in net assets attributable to holders of redeemable shares from operations	98,326	3,605
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES FROM OPERATIONS PER SERIES		
Series A	98,326	3,605
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES FROM OPERATIONS PER SHARE†		
Series A	1.81	0.07
WEIGHTED AVERAGE NUMBER OF SHARES PER SERIES		
Series A	54,412	48,950

† The increase (decrease) in net assets attributable to holders of redeemable shares from operations per share is calculated by dividing the increase (decrease) in net assets attributable to holders of redeemable shares from operations per series by the weighted average number of shares per series.

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES

For the periods ended December 31 (note 1),

(in dollars)	2015	2014
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES, BEGINNING OF PERIOD		
Series A	587,606	545,934
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES FROM OPERATIONS		
Series A	98,326	3,605
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE SHARES		
From net investment income		
Series A	(462)	(431)
From net realized gains on investments		
Series A	(14,705)	–
	(15,167)	(431)
REDEEMABLE SHARE TRANSACTIONS		
Proceeds from issue		
Series A	431,090	175,345
Reinvested distributions		
Series A	15,099	431
Payments on redemption		
Series A	(225,639)	(137,278)
	220,550	38,498
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES		
Series A	303,709	41,672
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES, END OF PERIOD		
Series A	891,315	587,606

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable shares	98,326	3,605
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(37,918)	(10,997)
Change in unrealized (gain) loss on non-derivative financial assets	(11,846)	3,058
Purchases of non-derivative financial assets	(401,967)	(142,706)
Proceeds from sale of non-derivative financial assets	180,607	205,470
Accrued investment income and other	(1)	5
Net cash provided by (used in) operating activities	(172,799)	58,435
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable shares	430,940	174,845
Amounts paid on redemption of redeemable shares	(225,639)	(251,472)
Distributions to shareholders of redeemable shares	(1)	–
Net cash provided by (used in) financing activities	205,300	(76,627)
Net increase (decrease) in cash	32,501	(18,192)
Cash (bank overdraft), beginning of period	(12,202)	5,990
CASH (BANK OVERDRAFT), END OF PERIOD	20,299	(12,202)
Interest paid[1]	53	–
Interest received[1]	2,342	2,092
Dividends received, net of withholding taxes[1]	15,706	8,865

[1] Classified as operating items.

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

Scotia International Equity Blend Class (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2015

Number of Units	Issuer	Average Cost ($)	Carrying Value ($)
FOREIGN EQUITY FUNDS – 97.6%			
3,941	CI Black Creek International Equity Corp Class I	70,158	86,789
5,107	CI International Value Fund Class I	77,399	88,550
9,077	Scotia Private Emerging Markets Pool Series I	85,981	84,215
40,408	Scotia Private International Equity Pool Series I	487,557	516,721
3,240	Scotia Private International Small to Mid Cap Value Pool Series I	68,826	93,904
	TOTAL INVESTMENT PORTFOLIO	789,921	870,179
	OTHER ASSETS, LESS LIABILITIES – 2.4%		21,136
	NET ASSETS – 100.0%		891,315

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

Scotia International Equity Blend Class

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

1. The Fund (note 1)

The Fund's investment objective is to provide long-term capital growth. It invests primarily in a diversified mix of mutual funds managed by us and/or other mutual fund managers that invest in companies located outside of the U.S. and Canada, and/or directly in equity securities of companies that are located outside of the U.S. and Canada.

The Fund invests primarily in mutual funds managed by the Manager and/or by the third party investment managers (the "Underlying Funds"). To ensure the Fund's composition meets the investment objectives of the Fund, the portfolio advisor monitors the Underlying Funds on an ongoing basis and rebalances the Fund's assets among the Underlying Funds.

2. Risks associated with financial instruments (note 4)

i) Interest rate risk

The majority of the Underlying Fund's financial assets and liabilities were non-interest bearing as at December 31, 2015 and 2014. Accordingly, the Fund is not directly subject to significant risk due to fluctuations in the prevailing levels of market interest rates.

ii) Currency risk

The Fund could be exposed to indirect currency risk to the extent that the Underlying Funds held financial instruments that were denominated in a currency other than its functional currency.

iii) Price risk

Price risk is the risk that the carrying 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 price risk is mainly in equities, derivatives and commodities, if applicable. As at December 31, 2015, approximately 97.6% (December 31, 2014 – 101.9%) of the Fund's net assets were invested in Underlying Funds which were exposed to price risk. If prices of the Underlying Funds' investments had decreased or increased by 10%, with all other variables held constant, net assets of the Fund would have decreased or increased, respectively, by approximately $87,018 (December 31, 2014 – $59,906). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

iv) Credit risk

The Fund could be exposed to indirect credit risk to the extent that the Underlying Funds invested in bonds and debentures, preferred shares and derivatives.

v) Liquidity risk

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

	December 31, 2015		December 31, 2014	
	On demand ($)	Less than 3 months ($)	On demand ($)	Less than 3 months ($)
Current liabilities	–	67	–	12,202
Liability for written options	–	–	–	–
Unrealized loss on derivatives	–	–	–	–
Redeemable units	891,315	–	587,606	–
	891,315	67	587,606	12,202

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, geographical location, asset type or industry sector, as applicable. The table below is a summary of the Fund's concentration risk:

	Percentage of net assets (%)	
	December 31, 2015	December 31, 2014
Foreign Equity Funds	97.6	101.9

vii) Fair value classification (note 2)

The tables below illustrate the classification of the Fund's financial instruments within the fair value hierarchy.

December 31, 2015	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Underlying funds	870,179	–	–	870,179
	870,179	–	–	870,179

December 31, 2014	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Underlying funds	599,055	–	–	599,055
	599,055	–	–	599,055

Scotia International Equity Blend Class (Continued)

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

Transfers between levels

During the periods ended December 31, 2015 and 2014, there were no significant transfers between Level 1 and Level 2.

3. Offsetting of financial assets and liabilities (note 2)

As at December 31, 2015 or December 31, 2014, the Fund did not enter into any agreement whereby the financial instruments were eligible for offset.

4. Interest in Underlying Funds (note 2)

The following tables provide information about the Fund's interest in Underlying Funds.

	December 31, 2015	
Underlying Fund	Carrying value of the Underlying Fund ($)	Ownership percentage in Underlying Fund (%)
Scotia Private International Small to Mid Cap Value Pool Series I	93,904	0.2
Scotia Private International Equity Pool Series I	516,721	0.1
Scotia Private Emerging Markets Pool Series I	84,215	0.0
CI International Value Fund Class I	88,550	0.0
CI Black Creek International Equity Corp Class I	86,789	0.0
	870,179	

	December 31, 2014	
Underlying Fund	Carrying value of the Underlying Fund ($)	Ownership percentage in Underlying Fund (%)
Scotia Private International Small to Mid Cap Value Pool Series I	60,915	0.2
CI International Value Fund Class I	59,897	0.1
Scotia Private International Equity Pool Series I	357,758	0.1
Scotia Private Emerging Markets Pool Series I	60,175	0.0
CI Black Creek International Equity Corp Class I	60,310	0.0
	599,055	

5. Comparison of net asset value per unit and net assets per unit (note 2)

The table below provides a comparison of the net asset value per unit and net assets per unit. The primary reason for the difference between the net asset value per unit and net assets per unit, if any, is described in note 2.

	December 31, 2015		December 31, 2014	
	Net asset value per unit ($)	Net assets per unit ($)	Net asset value per unit ($)	Net assets per unit ($)
Series A	14.11	14.11	12.42	12.42

Scotia INNOVA Income Portfolio Class

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars except per share amounts)	December 31, 2015	December 31, 2014
ASSETS		
Current assets		
Investments		
Non-derivative financial assets	209,007,895	239,089,914
Cash	333,274	2,577,046
Receivable for securities sold	300,000	–
Accrued investment income and other	207	308
	209,641,376	241,667,268
LIABILITIES		
Current liabilities		
Redemptions payable	26,000	81,040
Distributions payable	20,271	17,225
	46,271	98,265
Net assets attributable to holders of redeemable shares	209,595,105	241,569,003
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES PER SERIES		
Series A	209,595,105	241,569,003
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES PER SHARE		
Series A	11.26	11.37

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except per share amounts)	2015	2014
INCOME		
Net gain (loss) on investments (note 2)		
Dividends	1,994,425	1,053,922
Interest for distribution purposes	3,565,198	1,260,933
Capital gains distributions received	1,367,172	689,239
Net realized gain (loss) on non-derivative financial assets	10,598,354	18,906,559
Net realized gain (loss) on currency forward contracts	–	17,235
Net realized gain (loss) on futures contracts	–	(112,126)
Change in unrealized gain (loss) on non-derivative financial assets	(8,130,374)	2,735,482
Change in unrealized gain (loss) on currency forward contracts	–	(55,646)
Change in unrealized gain (loss) on futures contracts	–	3,229
Net gain (loss) on investments	9,394,775	24,498,827
Securities lending	–	77
Net realized and unrealized gain(loss) on foreign exchange	–	263
Total income (loss)	9,394,775	24,499,167
EXPENSES		
Management fees (note 5)	3,601,137	4,155,265
Fixed administration fees (note 6)	225,011	259,698
Independent Review Committee fees	1,155	551
Interest expense and bank overdraft charges	460	5,216
Foreign withholding taxes/tax reclaims	15,517	17,625
Other fund costs	42,865	–
Harmonized Sales Tax/Goods and Services Tax	400,732	463,148
Transaction costs	–	65
Total expenses	4,286,877	4,901,568
Increase (decrease) in net assets attributable to holders of redeemable shares from operations	5,107,898	19,597,599
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES FROM OPERATIONS PER SERIES		
Series A	5,107,898	19,597,599
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES FROM OPERATIONS PER SHARE†		
Series A	0.26	0.83
WEIGHTED AVERAGE NUMBER OF SHARES PER SERIES		
Series A	19,862,857	23,513,736

† The increase (decrease) in net assets attributable to holders of redeemable shares from operations per share is calculated by dividing the increase (decrease) in net assets attributable to holders of redeemable shares from operations per series by the weighted average number of shares per series.

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the periods ended December 31 (note 1),

(in dollars)	2015	2014
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES, BEGINNING OF PERIOD		
Series A	241,569,003	284,664,883
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES FROM OPERATIONS		
Series A	5,107,898	19,597,599
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE SHARES		
From net investment income		
Series A	(1,348,418)	(1,309,622)
From net realized gains on investments		
Series A	(6,045,150)	–
	(7,393,568)	(1,309,622)
REDEEMABLE SHARE TRANSACTIONS		
Proceeds from issue		
Series A	1,103	10,766
Reinvested distributions		
Series A	7,293,824	1,292,398
Payments on redemption		
Series A	(36,983,155)	(62,687,021)
	(29,688,228)	(61,383,857)
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES		
Series A	(31,973,898)	(43,095,880)
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES, END OF PERIOD		
Series A	209,595,105	241,569,003

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable shares	5,107,898	19,597,599
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(10,598,354)	(18,906,559)
Unrealized (gain) loss on foreign exchange of cash	–	(263)
Change in unrealized (gain) loss on non-derivative financial assets	8,130,374	(2,735,482)
Change in unrealized (gain) loss on currency forward contracts	–	55,646
Purchases of non-derivative financial assets	(74,718,544)	(229,613,465)
Proceeds from sale of non-derivative financial assets	106,968,545	295,379,917
Margin deposited on futures	–	95,694
Accrued investment income and other	101	152,104
Net cash provided by (used in) operating activities	34,890,020	64,025,191
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable shares	1,101	10,766
Amounts paid on redemption of redeemable shares	(37,038,195)	(62,981,742)
Distributions to shareholders of redeemable shares	(96,698)	(14,417)
Net cash provided by (used in) financing activities	(37,133,792)	(62,985,393)
Unrealized gain (loss) on foreign exchange of cash	–	263
Net increase (decrease) in cash	(2,243,772)	1,039,798
Cash (bank overdraft), beginning of period	2,577,046	1,536,985
CASH (BANK OVERDRAFT), END OF PERIOD	333,274	2,577,046
Interest paid[1]	460	–
Interest received[1]	3,565,300	1,412,777
Dividends received, net of withholding taxes[1]	1,978,908	1,036,297

[1] Classified as operating items.

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

Scotia INNOVA Income Portfolio Class (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2015

Number of Units	Issuer	Average Cost ($)	Carrying Value ($)
FIXED INCOME FUNDS – 58.9%			
1,128,930	Scotia Canadian Income Fund Series I	15,613,707	15,570,313
2,990,685	Scotia Floating Rate Income Fund Series I	30,016,886	29,333,239
662,258	Scotia Private American Core-Plus Bond Pool Series I	6,322,353	6,246,943
3,226,038	Scotia Private Canadian Corporate Bond Pool Series I	34,966,327	34,764,113
1,386,018	Scotia Private Short-Mid Government Bond Pool Series I	14,696,623	14,724,090
2,015,411	Scotia Total Return Bond LP Series I	22,516,708	22,915,021
		124,132,604	123,553,719
CANADIAN EQUITY FUNDS – 25.8%			
340,214	1832 AM Canadian Dividend LP Series I	3,462,002	3,016,577
1,373,858	1832 AM Canadian Preferred Share LP Series I	14,645,237	12,623,418
1,964,982	1832 AM Tactical Asset Allocation LP Series I	19,749,446	21,022,356
257,983	Scotia Canadian Dividend Fund Series I	10,734,838	13,334,694
163,026	Scotia Private Canadian Equity Pool Series I	1,890,034	1,938,187
61,033	Scotia Private Canadian Small Cap Pool Series I	1,948,138	2,110,500
		52,429,695	54,045,732
FOREIGN EQUITY FUNDS – 15.0%			
442,655	1832 AM Global Completion LP Series I	5,135,655	5,716,618
888,716	Scotia Global Low Volatility Equity LP Series I	10,280,535	12,610,530
328,105	Scotia Private International Equity Pool Series I	3,273,681	4,195,672
475,069	Scotia Private Options Income Pool Series I	4,773,724	4,670,405
330,458	Scotia U.S. Low Volatility Equity LP Series I	4,339,634	4,215,219
		27,803,229	31,408,444
	TOTAL INVESTMENT PORTFOLIO	204,365,528	209,007,895
	OTHER ASSETS, LESS LIABILITIES – 0.3%		587,210
	NET ASSETS – 100.0%		209,595,105

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

Scotia INNOVA Income Portfolio Class

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

1. The Fund (note 1)

The Fund's investment objective is to achieve a balance of income and long-term capital appreciation, with a significant bias towards income. It invests primarily in a diversified mix of mutual funds, and/or equity securities and/or fixed income securities located anywhere in the world.

The Fund invests primarily in mutual funds managed by the Manager and/or by the third party investment managers (the "Underlying Funds"). To ensure the Fund's composition meets the investment objectives of the Fund, the portfolio advisor monitors the Underlying Funds on an ongoing basis and rebalances the Fund's assets among the Underlying Funds.

2. Risks associated with financial instruments (note 4)

i) Interest rate risk

The Fund invests in Underlying Funds, which are exposed to interest rate risk. As at December 31, 2015, 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 $1,451,641 or approximately 0.7% (December 31, 2014 – $1,580,059 or approximately 0.7%). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

ii) Currency risk

The Fund could be exposed to indirect currency risk to the extent that the Underlying Funds held financial instruments that were denominated in a currency other than its functional currency.

iii) Price risk

Price risk is the risk that the carrying 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 price risk is mainly in equities, derivatives and commodities, if applicable. As at December 31, 2015, approximately 40.8% (December 31, 2014 – 48.7%) of the Fund's net assets were invested in Underlying Funds which were exposed to price risk. If prices of the Underlying Funds' investments had decreased or increased by 10%, with all other variables held constant, net assets of the Fund would have decreased or increased, respectively, by approximately $8,545,418 (December 31, 2014 – $11,762,532). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

iv) Credit risk

The Fund could be exposed to indirect credit risk to the extent that the Underlying Funds invested in bonds and debentures, preferred shares and derivatives.

v) Liquidity risk

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

	December 31, 2015		December 31, 2014	
	On demand ($)	Less than 3 months ($)	On demand ($)	Less than 3 months ($)
Current liabilities	–	46,271	–	98,265
Liability for written options	–	–	–	–
Unrealized loss on derivatives	–	–	–	–
Redeemable units	209,595,105	–	241,569,003	–
	209,595,105	46,271	241,569,003	98,265

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, geographical location, asset type or industry sector, as applicable. The table below is a summary of the Fund's concentration risk:

	Percentage of net assets (%)	
	December 31, 2015	December 31, 2014
Canadian Equity Funds	25.8	23.9
Fixed Income Funds	58.9	50.3
Foreign Equity Funds	15.0	24.8

vii) Fair value classification (note 2)

The tables below illustrate the classification of the Fund's financial instruments within the fair value hierarchy.

December 31, 2015	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Underlying funds	209,007,895	–	–	209,007,895
	209,007,895	–	–	209,007,895

December 31, 2014	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Underlying funds	239,089,914	–	–	239,089,914
	239,089,914	–	–	239,089,914

Scotia INNOVA Income Portfolio Class (Continued)

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

Transfers between levels

During the periods ended December 31, 2015 and 2014, there were no significant transfers between Level 1 and Level 2.

3. Offsetting of financial assets and liabilities (note 2)

As at December 31, 2015 or December 31, 2014, the Fund did not enter into any agreement whereby the financial instruments were eligible for offset.

4. Interest in Underlying Funds (note 2)

The following tables provide information about the Fund's interest in Underlying Funds.

	December 31, 2015	
Underlying Fund	Carrying value of the Underlying Fund ($)	Ownership percentage in Underlying Fund (%)
1832 AM Tactical Asset Allocation LP Series I	21,022,356	12.0
1832 AM Canadian Preferred Share LP Series I	12,623,418	10.0
Scotia Total Return Bond LP Series I	22,915,021	2.7
Scotia Floating Rate Income Fund Series I	29,333,239	2.7
1832 AM Global Completion LP Series I	5,716,618	1.4
Scotia Global Low Volatility Equity LP Series I	12,610,530	1.4
Scotia Private Short-Mid Government Bond Pool Series I	14,724,090	1.2
Scotia Private American Core-Plus Bond Pool Series I	6,246,943	0.9
Scotia Private Canadian Corporate Bond Pool Series I	34,764,113	0.7
1832 AM Canadian Dividend LP Series I	3,016,577	0.6
Scotia Private Options Income Pool Series I	4,670,405	0.6
Scotia U.S. Low Volatility Equity LP Series I	4,215,219	0.5
Scotia Private International Equity Pool Series I	4,195,672	0.4
Scotia Private Canadian Small Cap Pool Series I	2,110,500	0.4
Scotia Private Canadian Equity Pool Series I	1,938,187	0.3
Scotia Canadian Income Fund Series I	15,570,313	0.3
Scotia Canadian Dividend Fund Series I	13,334,694	0.2
	209,007,895	

	December 31, 2014	
Underlying Fund	Carrying value of the Underlying Fund ($)	Ownership percentage in Underlying Fund (%)
1832 AM Canadian Preferred Share LP Series I	21,627,138	13.5
Scotia U.S. Dividend Growers LP Series I	8,956,902	6.5
Scotia Floating Rate Income Fund Series I	29,085,246	4.5
Scotia Total Return Bond LP Series I	14,226,907	4.0
Scotia Global Low Volatility Equity LP Series I	17,784,962	2.9
Scotia U.S. Low Volatility Equity LP Series I	21,408,232	2.4
Scotia Private Short-Mid Government Bond Pool Series I	35,504,648	2.2
1832 AM Global Completion LP Series I	5,961,870	2.1
Scotia Private American Core-Plus Bond Pool Series I	7,110,855	1.1
Scotia Private Canadian Small Cap Pool Series I	5,419,701	1.0
Scotia Private International Equity Pool Series I	5,880,058	1.0
Scotia Private Canadian Corporate Bond Pool Series I	35,536,936	0.9
Scotia Private Canadian Equity Pool Series I	7,126,622	0.7
Scotia Canadian Dividend Fund Series I	23,459,837	0.3
	239,089,914	

5. Comparison of net asset value per unit and net assets per unit (note 2)

The table below provides a comparison of the net asset value per unit and net assets per unit. The primary reason for the difference between the net asset value per unit and net assets per unit, if any, is described in note 2.

	December 31, 2015		December 31, 2014	
	Net asset value per unit ($)	Net assets per unit ($)	Net asset value per unit ($)	Net assets per unit ($)
Series A	11.26	11.26	11.37	11.37

Scotia INNOVA Balanced Income Portfolio Class

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars except per share amounts)	December 31, 2015	December 31, 2014
ASSETS		
Current assets		
Investments		
Non-derivative financial assets	1,234,949,209	921,550,912
Cash	4,957,995	12,922,722
Subscriptions receivable	1,257,262	2,751,653
Accrued investment income and other	2,712	10,008
	1,241,167,178	937,235,295
LIABILITIES		
Current liabilities		
Payable for securities purchased	–	1,620,000
Redemptions payable	1,578,693	300,437
Distributions payable	925,946	232,777
	2,504,639	2,153,214
Net assets attributable to holders of redeemable shares	1,238,662,539	935,082,081
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES PER SERIES		
Series A	1,092,096,516	857,214,190
Series T	146,566,023	77,867,891
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES PER SHARE		
Series A	11.84	11.86
Series T	14.73	15.23

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except per share amounts)	2015	2014
INCOME		
Net gain (loss) on investments (note 2)		
Dividends	14,913,000	5,722,095
Interest for distribution purposes	15,224,272	6,702,625
Capital gains distributions received	18,880,130	3,363,616
Net realized gain (loss) on non-derivative financial assets	26,711,310	15,427,306
Change in unrealized gain (loss) on non-derivative financial assets	(24,929,703)	33,558,937
Net gain (loss) on investments	50,799,009	64,774,579
Other income	11,265	8,139
Total income (loss)	50,810,274	64,782,718
EXPENSES		
Management fees (note 5)	19,231,378	11,167,654
Fixed administration fees (note 6)	1,131,048	656,911
Independent Review Committee fees	855	1,227
Foreign withholding taxes/tax reclaims	246,254	223,617
Other fund costs	307,536	–
Harmonized Sales Tax/Goods and Services Tax	2,103,386	1,215,571
Total expenses	23,020,457	13,264,980
Increase (decrease) in net assets attributable to holders of redeemable shares from operations	27,789,817	51,517,738
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES FROM OPERATIONS PER SERIES		
Series A	25,360,316	49,561,657
Series T	2,429,501	1,956,081
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES FROM OPERATIONS PER SHARE†		
Series A	0.30	0.90
Series T	0.30	0.68
WEIGHTED AVERAGE NUMBER OF SHARES PER SERIES		
Series A	85,155,970	54,796,956
Series T	7,977,614	2,865,187

† The increase (decrease) in net assets attributable to holders of redeemable shares from operations per share is calculated by dividing the increase (decrease) in net assets attributable to holders of redeemable shares from operations per series by the weighted average number of shares per series.

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the periods ended December 31 (note 1),

(in dollars)	2015	2014
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES, BEGINNING OF PERIOD		
Series A	857,214,190	412,442,501
Series T	77,867,891	–
	935,082,081	412,442,501
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES FROM OPERATIONS		
Series A	25,360,316	49,561,657
Series T	2,429,501	1,956,081
	27,789,817	51,517,738
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE SHARES		
From net investment income		
Series A	(7,764,812)	(5,142,819)
Series T	(1,047,205)	(468,288)
From net realized gains on investments		
Series A	(21,451,384)	–
Series T	(1,948,609)	–
From return of capital		
Series T	(4,110,775)	(670,940)
	(36,322,785)	(6,282,047)
REDEEMABLE SHARE TRANSACTIONS		
Proceeds from issue		
Series A	387,866,730	498,406,485
Series T	96,246,076	82,943,831
Reinvested distributions		
Series A	28,877,100	5,102,797
Series T	1,891,741	328,071
Payments on redemption		
Series A	(178,005,624)	(103,156,431)
Series T	(24,762,597)	(6,220,864)
	312,113,426	477,403,889
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES		
Series A	234,882,326	444,771,689
Series T	68,698,132	77,867,891
	303,580,458	522,639,580
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES, END OF PERIOD		
Series A	1,092,096,516	857,214,190
Series T	146,566,023	77,867,891
	1,238,662,539	935,082,081

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable shares	27,789,817	51,517,738
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(26,711,310)	(15,427,306)
Change in unrealized (gain) loss on non-derivative financial assets	24,929,703	(33,558,937)
Purchases of non-derivative financial assets	(590,619,038)	(804,582,867)
Proceeds from sale of non-derivative financial assets	277,382,348	338,513,564
Accrued investment income and other	7,296	(4,855)
Net cash provided by (used in) operating activities	(287,221,184)	(463,542,663)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable shares	485,607,197	579,496,378
Amounts paid on redemption of redeemable shares	(201,489,965)	(109,113,658)
Distributions to shareholders of redeemable shares	(4,860,775)	(630,193)
Net cash provided by (used in) financing activities	279,256,457	469,752,527
Net increase (decrease) in cash	(7,964,727)	6,209,864
Cash (bank overdraft), beginning of period	12,922,722	6,712,858
CASH (BANK OVERDRAFT), END OF PERIOD	4,957,995	12,922,722
Interest received(1)	15,231,568	6,697,770
Dividends received, net of withholding taxes(1)	14,666,746	5,498,478

(1) Classified as operating items.

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

Scotia INNOVA Balanced Income Portfolio Class (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2015

Number of Units	Issuer	Average Cost ($)	Carrying Value ($)
FIXED INCOME FUNDS – 45.5%			
6,215,997	Scotia Canadian Income Fund Series I	85,922,490	85,731,650
8,109,523	Scotia Floating Rate Income Fund Series I	81,231,202	79,539,825
5,190,812	Scotia Private American Core-Plus Bond Pool Series I	49,211,040	48,963,892
15,325,299	Scotia Private Canadian Corporate Bond Pool Series I	166,533,553	165,146,946
3,440,469	Scotia Private High Yield Income Pool Series I	33,006,740	30,752,632
5,779,843	Scotia Private Short-Mid Government Bond Pool Series I	61,287,931	61,401,004
8,128,069	Scotia Total Return Bond LP Series I	92,304,340	92,415,336
		569,497,296	563,951,285
CANADIAN EQUITY FUNDS – 28.5%			
4,049,615	1832 AM Canadian Dividend LP Series I	40,713,936	35,906,720
7,886,284	1832 AM Canadian Preferred Share LP Series I	83,060,867	72,461,544
9,367,565	1832 AM Tactical Asset Allocation LP Series I	94,881,016	100,218,887
1,734,446	Scotia Canadian Dividend Fund Series I	83,117,430	89,650,404
2,268,249	Scotia Private Canadian Equity Pool Series I	28,458,613	26,966,761
787,884	Scotia Private Canadian Small Cap Pool Series I	26,154,688	27,244,713
		356,386,550	352,449,029
FOREIGN EQUITY FUNDS – 25.7%			
3,178,332	1832 AM Global Completion LP Series I	39,812,877	41,046,252
5,644,402	Scotia Global Low Volatility Equity LP Series I	68,307,488	80,091,802
4,465,944	Scotia Private International Equity Pool Series I	52,866,316	57,108,700
2,835,088	Scotia Private Options Income Pool Series I	28,353,361	27,871,746
2,559,547	Scotia U.S. Dividend Growers LP Series I	29,389,576	38,604,368
5,787,689	Scotia U.S. Low Volatility Equity LP Series I	76,495,692	73,826,027
		295,225,310	318,548,895
	TOTAL INVESTMENT PORTFOLIO	1,221,109,156	1,234,949,209
	OTHER ASSETS, LESS LIABILITIES – 0.3%		3,713,330
	NET ASSETS – 100.0%		1,238,662,539

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

Scotia INNOVA Balanced Income Portfolio Class

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

1. The Fund (note 1)

The Fund's investment objective is to achieve a balance of income and long-term capital appreciation, with a bias towards income. It invests primarily in a diversified mix of mutual funds, and/or equity securities and/or fixed income securities located anywhere in the world.

The Fund invests primarily in mutual funds managed by the Manager and/or by the third party investment managers (the "Underlying Funds"). To ensure the Fund's composition meets the investment objectives of the Fund, the portfolio advisor monitors the Underlying Funds on an ongoing basis and rebalances the Fund's assets among the Underlying Funds.

2. Risks associated with financial instruments (note 4)

i) Interest rate risk

The Fund invests in Underlying Funds, which are exposed to interest rate risk. As at December 31, 2015, 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 $6,858,631 or approximately 0.6% (December 31, 2014 – $5,147,099 or approximately 0.6%). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

ii) Currency risk

The Fund could be exposed to indirect currency risk to the extent that the Underlying Funds held financial instruments that were denominated in a currency other than its functional currency.

iii) Price risk

Price risk is the risk that the carrying 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 price risk is mainly in equities, derivatives and commodities, if applicable. As at December 31, 2015, approximately 54.2% (December 31, 2014 – 59.9%) of the Fund's net assets were invested in Underlying Funds which were exposed to price risk. If prices of the Underlying Funds' investments had decreased or increased by 10%, with all other variables held constant, net assets of the Fund would have decreased or increased, respectively, by approximately $67,099,792 (December 31, 2014 – $55,983,518). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

iv) Credit risk

The Fund could be exposed to indirect credit risk to the extent that the Underlying Funds invested in bonds and debentures, preferred shares and derivatives.

v) Liquidity risk

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

	December 31, 2015		December 31, 2014	
	On demand ($)	Less than 3 months ($)	On demand ($)	Less than 3 months ($)
Current liabilities	–	2,504,639	–	2,153,214
Liability for written options	–	–	–	–
Unrealized loss on derivatives	–	–	–	–
Redeemable units	1,238,662,539	–	935,082,081	–
	1,238,662,539	2,504,639	935,082,081	2,153,214

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, geographical location, asset type or industry sector, as applicable. The table below is a summary of the Fund's concentration risk:

	Percentage of net assets (%)	
	December 31, 2015	December 31, 2014
Canadian Equity Funds	28.5	29.8
Fixed Income Funds	45.5	38.7
Foreign Equity Funds	25.7	30.1

vii) Fair value classification (note 2)

The tables below illustrate the classification of the Fund's financial instruments within the fair value hierarchy.

December 31, 2015	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Underlying funds	1,234,949,209	–	–	1,234,949,209
	1,234,949,209	–	–	1,234,949,209

December 31, 2014	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Underlying funds	921,550,912	–	–	921,550,912
	921,550,912	–	–	921,550,912

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

Transfers between levels

During the periods ended December 31, 2015 and 2014, there were no significant transfers between Level 1 and Level 2.

3. Offsetting of financial assets and liabilities (note 2)

As at December 31, 2015 or December 31, 2014, the Fund did not enter into any agreement whereby the financial instruments were eligible for offset.

4. Interest in Underlying Funds (note 2)

The following tables provide information about the Fund's interest in Underlying Funds.

	December 31, 2015	
Underlying Fund	Carrying value of the Underlying Fund ($)	Ownership percentage in Underlying Fund (%)
1832 AM Tactical Asset Allocation LP Series I	100,218,887	57.3
1832 AM Canadian Preferred Share LP Series I	72,461,544	57.2
Scotia Total Return Bond LP Series I	92,415,336	10.9
1832 AM Global Completion LP Series I	41,046,252	10.3
Scotia Global Low Volatility Equity LP Series I	80,091,802	9.0
Scotia U.S. Low Volatility Equity LP Series I	73,826,027	8.5
Scotia U.S. Dividend Growers LP Series I	38,604,368	7.9
1832 AM Canadian Dividend LP Ser I	35,906,720	7.3
Scotia Floating Rate Income Fund Series I	79,539,825	7.2
Scotia Private American Core-Plus Bond Pool Series I	48,963,892	6.7
Scotia Private International Equity Pool Series I	57,108,700	5.9
Scotia Private Short-Mid Government Bond Pool Series I	61,401,004	4.9
Scotia Private Canadian Small Cap Pool Series I	27,244,713	4.8
Scotia Private Canadian Equity Pool Series I	26,966,761	4.5
Scotia Private Options Income Pool Series I	27,871,746	3.6
Scotia Private Canadian Corporate Bond Pool Series I	165,146,946	3.2
Scotia Private High Yield Income Pool Series I	30,752,632	2.8
Scotia Canadian Income Fund Series I	85,731,650	1.4
Scotia Canadian Dividend Fund Series I	89,650,404	1.3
	1,234,949,209	

	December 31, 2014	
Underlying Fund	Carrying value of the Underlying Fund ($)	Ownership percentage in Underlying Fund (%)
1832 AM Canadian Preferred Share LP Series I	92,772,174	57.7
Scotia U.S. Dividend Growers LP Series I	43,289,773	31.5
Scotia Total Return Bond LP Series I	68,818,731	19.1
Scotia Floating Rate Income Fund Series I	64,819,664	10.0
Scotia Global Low Volatility Equity LP Series I	56,695,090	9.4
Scotia U.S. Low Volatility Equity LP Series I	82,797,155	9.1
Scotia Private American Core-Plus Bond Pool Series I	45,445,950	7.2
Scotia Private International Equity Pool Series I	41,985,051	7.0
Scotia Private Global Equity Pool Series I	28,208,481	6.1
Scotia Private Canadian Equity Pool Series I	55,728,978	5.5
Scotia Private Global Real Estate Pool Series I	14,144,395	5.2
Scotia Private Canadian Small Cap Pool Series I	27,848,911	5.2
1832 AM Global Completion LP Series I	14,133,175	4.9
Scotia Private Short-Mid Government Bond Pool Series I	68,697,080	4.2
Scotia Private High Yield Income Pool Series I	22,819,547	2.5
Scotia Private Canadian Corporate Bond Pool Series I	91,114,759	2.2
Scotia Canadian Dividend Fund Series I	102,231,998	1.4
	921,550,912	

5. Comparison of net asset value per unit and net assets per unit (note 2)

The table below provides a comparison of the net asset value per unit and net assets per unit. The primary reason for the difference between the net asset value per unit and net assets per unit, if any, is described in note 2.

	December 31, 2015		December 31, 2014	
	Net asset value per unit ($)	Net assets per unit ($)	Net asset value per unit ($)	Net assets per unit ($)
Series A	11.84	11.84	11.86	11.86
Series T	14.73	14.73	15.23	15.23

Scotia INNOVA Balanced Growth Portfolio Class

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars except per share amounts)	December 31, 2015	December 31, 2014
ASSETS		
Current assets		
Investments		
Non-derivative financial assets	905,282,893	648,046,157
Cash	3,453,081	5,902,788
Subscriptions receivable	968,786	1,359,826
Accrued investment income and other	2,020	7,340
	909,706,780	655,316,111
LIABILITIES		
Current liabilities		
Payable for securities purchased	–	300,000
Redemptions payable	999,192	384,505
Distributions payable	1,024,660	262,430
	2,023,852	946,935
Net assets attributable to holders of redeemable shares	907,682,928	654,369,176
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES PER SERIES		
Series A	757,396,241	580,344,768
Series T	150,286,687	74,024,408
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES PER SHARE		
Series A	12.92	12.65
Series T	15.00	15.30

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except per share amounts)	2015	2014
INCOME		
Net gain (loss) on investments (note 2)		
Dividends	13,414,438	6,015,085
Interest for distribution purposes	8,438,105	3,837,541
Capital gains distributions received	21,513,431	4,390,309
Net realized gain (loss) on non-derivative financial assets	24,759,470	10,131,534
Change in unrealized gain (loss) on non-derivative financial assets	(13,959,327)	27,509,644
Net gain (loss) on investments	54,166,117	51,884,113
Other income	15,934	5,128
Total income (loss)	54,182,051	51,889,241
EXPENSES		
Management fees (note 5)	14,611,217	8,288,129
Fixed administration fees (note 6)	811,588	460,439
Independent Review Committee fees	906	858
Foreign withholding taxes/tax reclaims	380,297	222,867
Other fund costs	233,462	–
Harmonized Sales Tax/Goods and Services Tax	1,500,517	845,803
Total expenses	17,537,987	9,818,096
Increase (decrease) in net assets attributable to holders of redeemable shares from operations	36,644,064	42,071,145
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES FROM OPERATIONS PER SERIES		
Series A	32,002,679	40,025,557
Series T	4,641,385	2,045,588
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES FROM OPERATIONS PER SHARE†		
Series A	0.59	1.12
Series T	0.62	0.81
WEIGHTED AVERAGE NUMBER OF SHARES PER SERIES		
Series A	54,075,422	35,829,694
Series T	7,543,334	2,536,372

† The increase (decrease) in net assets attributable to holders of redeemable shares from operations per share is calculated by dividing the increase (decrease) in net assets attributable to holders of redeemable shares from operations per series by the weighted average number of shares per series.

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the periods ended December 31 (note 1),

(in dollars)	2015	2014
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES, BEGINNING OF PERIOD		
Series A	580,344,768	274,089,754
Series T	74,024,408	–
	654,369,176	274,089,754
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES FROM OPERATIONS		
Series A	32,002,679	40,025,557
Series T	4,641,385	2,045,588
	36,644,064	42,071,145
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE SHARES		
From net investment income		
Series A	(5,649,779)	(4,385,065)
Series T	(1,127,319)	(561,008)
From net realized gains on investments		
Series A	(14,522,881)	–
Series T	(1,852,427)	–
From return of capital		
Series T	(4,862,188)	(726,110)
	(28,014,594)	(5,672,183)
REDEEMABLE SHARE TRANSACTIONS		
Proceeds from issue		
Series A	288,855,231	335,843,563
Series T	102,825,617	76,409,519
Reinvested distributions		
Series A	19,918,859	4,352,080
Series T	1,834,459	314,606
Payments on redemption		
Series A	(143,552,636)	(69,581,121)
Series T	(25,197,248)	(3,458,187)
	244,684,282	343,880,460
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES		
Series A	177,051,473	306,255,014
Series T	76,262,279	74,024,408
	253,313,752	380,279,422
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES, END OF PERIOD		
Series A	757,396,241	580,344,768
Series T	150,286,687	74,024,408
	907,682,928	654,369,176

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable shares	36,644,064	42,071,145
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(24,759,470)	(10,131,534)
Change in unrealized (gain) loss on non-derivative financial assets	13,959,327	(27,509,644)
Purchases of non-derivative financial assets	(458,913,013)	(546,415,969)
Proceeds from sale of non-derivative financial assets	212,176,421	203,076,491
Accrued investment income and other	5,320	(3,653)
Net cash provided by (used in) operating activities	(220,887,351)	(338,913,164)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable shares	392,071,887	411,948,247
Amounts paid on redemption of redeemable shares	(168,135,197)	(72,878,988)
Distributions to shareholders of redeemable shares	(5,499,046)	(751,952)
Net cash provided by (used in) financing activities	218,437,644	338,317,307
Net increase (decrease) in cash	(2,449,707)	(595,856)
Cash (bank overdraft), beginning of period	5,902,788	6,498,644
CASH (BANK OVERDRAFT), END OF PERIOD	3,453,081	5,902,788
Interest received[1]	8,443,424	3,833,888
Dividends received, net of withholding taxes[1]	13,034,141	5,792,218

[1] Classified as operating items.

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

Scotia INNOVA Balanced Growth Portfolio Class (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2015

Number of Units	Issuer	Average Cost ($)	Carrying Value ($)
FIXED INCOME FUNDS – 31.1%			
4,737,131	Scotia Canadian Income Fund Series I	65,646,658	65,334,990
1,859,793	Scotia Floating Rate Income Fund Series I	18,591,725	18,241,221
4,760,302	Scotia Private American Core-Plus Bond Pool Series I	45,128,484	44,902,973
7,952,463	Scotia Private Canadian Corporate Bond Pool Series I	86,389,895	85,696,541
3,763,019	Scotia Private High Yield Income Pool Series I	36,141,624	33,635,741
3,016,772	Scotia Total Return Bond LP Series I	34,565,788	34,300,401
		286,464,174	282,111,867
CANADIAN EQUITY FUNDS – 30.4%			
3,939,709	1832 AM Canadian Dividend LP Series I	39,530,998	34,932,220
2,035,257	1832 AM Canadian Growth LP Series I	20,490,162	19,966,484
3,724,423	1832 AM Canadian Preferred Share LP Series I	38,325,581	34,221,113
4,249,528	1832 AM Tactical Asset Allocation LP Series I	43,088,326	45,463,578
1,343,673	Scotia Canadian Dividend Fund Series I	65,062,091	69,452,056
2,735,573	Scotia Private Canadian Equity Pool Series I	34,494,062	32,522,676
1,150,717	Scotia Private Canadian Small Cap Pool Series I	38,627,085	39,791,321
		279,618,305	276,349,448
FOREIGN EQUITY FUNDS – 38.2%			
1,954,547	1832 AM Global Completion LP Series I	23,881,756	25,241,807
4,889,873	Scotia Global Low Volatility Equity LP Series I	60,246,029	69,385,338
1,213,638	Scotia Private Global Equity Pool Series I	22,292,680	29,655,114
469,295	Scotia Private Global Real Estate Pool Series I	7,916,696	9,403,866
5,752,139	Scotia Private International Equity Pool Series I	70,499,625	73,556,050
1,862,408	Scotia Private Options Income Pool Series I	18,631,502	18,309,329
3,069,179	Scotia U.S. Dividend Growers LP Series I	35,350,998	46,290,891
5,878,092	Scotia U.S. Low Volatility Equity LP Series I	78,002,420	74,979,183
		316,821,706	346,821,578
	TOTAL INVESTMENT PORTFOLIO	882,904,185	905,282,893
	OTHER ASSETS, LESS LIABILITIES – 0.3%		2,400,035
	NET ASSETS – 100.0%		907,682,928

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

Scotia INNOVA Balanced Growth Portfolio Class

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

1. The Fund (note 1)

The Fund's investment objective is to achieve a balance of income and long-term capital appreciation, with a bias towards capital appreciation. It invests primarily in a diversified mix of mutual funds, and/ or equity securities and/or fixed income securities located anywhere in the world.

The Fund invests primarily in mutual funds managed by the Manager and/or by the third party investment managers (the "Underlying Funds"). To ensure the Fund's composition meets the investment objectives of the Fund, the portfolio advisor monitors the Underlying Funds on an ongoing basis and rebalances the Fund's assets among the Underlying Funds.

2. Risks associated with financial instruments (note 4)

i) Interest rate risk

The Fund invests in Underlying Funds, which are exposed to interest rate risk. As at December 31, 2015, 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 $3,583,840 or approximately 0.4% (December 31, 2014 – $2,308,787 or approximately 0.4%). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

ii) Currency risk

The Fund could be exposed to indirect currency risk to the extent that the Underlying Funds held financial instruments that were denominated in a currency other than its functional currency.

iii) Price risk

Price risk is the risk that the carrying 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 price risk is mainly in equities, derivatives and commodities, if applicable. As at December 31, 2015, approximately 68.7% (December 31, 2014 – 75.7%) of the Fund's net assets were invested in Underlying Funds which were exposed to price risk. If prices of the Underlying Funds' investments had decreased or increased by 10%, with all other variables held constant, net assets of the Fund would have decreased or increased, respectively, by approximately $62,317,103 (December 31, 2014 – $49,557,027). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

iv) Credit risk

The Fund could be exposed to indirect credit risk to the extent that the Underlying Funds invested in bonds and debentures, preferred shares and derivatives.

v) Liquidity risk

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

	December 31, 2015		December 31, 2014	
	On demand ($)	Less than 3 months ($)	On demand ($)	Less than 3 months ($)
Current liabilities	–	2,023,852	–	946,935
Liability for written options	–	–	–	–
Unrealized loss on derivatives	–	–	–	–
Redeemable units	907,682,928	–	654,369,176	–
	907,682,928	2,023,852	654,369,176	946,935

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, geographical location, asset type or industry sector, as applicable. The table below is a summary of the Fund's concentration risk:

	Percentage of net assets (%)	
	December 31, 2015	December 31, 2014
Canadian Equity Funds	30.4	35.9
Fixed Income Funds	31.1	23.3
Foreign Equity Funds	38.2	39.8

vii) Fair value classification (note 2)

The tables below illustrate the classification of the Fund's financial instruments within the fair value hierarchy.

December 31, 2015	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Underlying funds	905,282,893	–	–	905,282,893
	905,282,893	–	–	905,282,893

December 31. 2014	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Underlying funds	648,046,157	–	–	648,046,157
	648,046,157	–	–	648,046,157

Scotia INNOVA Balanced Growth Portfolio Class (Continued)

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

Transfers between levels

During the periods ended December 31, 2015 and 2014, there were no significant transfers between Level 1 and Level 2.

3. Offsetting of financial assets and liabilities (note 2)

As at December 31, 2015 or December 31, 2014, the Fund did not enter into any agreement whereby the financial instruments were eligible for offset.

4. Interest in Underlying Funds (note 2)

The following tables provide information about the Fund's interest in Underlying Funds.

	December 31, 2015	
Underlying Fund	Carrying value of the Underlying Fund ($)	Ownership percentage in Underlying Fund (%)
1832 AM Canadian Preferred Share LP Series I	34,221,113	27.0
1832 AM Tactical Asset Allocation LP Series I	45,463,578	26.0
1832 AM Canadian Growth LP Series I	19,966,484	10.3
Scotia U.S. Dividend Growers LP Series I	46,290,891	9.4
Scotia U.S. Low Volatility Equity LP Series I	74,979,183	8.6
Scotia Global Low Volatility Equity LP Series I	69,385,338	7.8
Scotia Private International Equity Pool Series I	73,556,050	7.6
Scotia Private Global Equity Pool Series I	29,655,114	7.6
1832 AM Canadian Dividend LP Series I	34,932,220	7.1
Scotia Private Canadian Small Cap Pool Series I	39,791,321	7.1
1832 AM Global Completion LP Series I	25,241,807	6.4
Scotia Private American Core-Plus Bond Pool Series I	44,902,973	6.1
Scotia Private Canadian Equity Pool Series I	32,522,676	5.4
Scotia Total Return Bond LP Series I	34,300,401	4.0
Scotia Private High Yield Income Pool Series I	33,635,741	3.0
Scotia Private Global Real Estate Pool Series I	9,403,866	2.7
Scotia Private Options Income Pool Series I	18,309,329	2.4
Scotia Private Canadian Corporate Bond Pool Series I	85,696,541	1.7
Scotia Floating Rate Income Fund Series I	18,241,221	1.7
Scotia Canadian Income Fund Series I	65,334,990	1.1
Scotia Canadian Dividend Fund Series I	69,452,056	1.0
	905,282,893	

	December 31, 2014	
Underlying Fund	Carrying value of the Underlying Fund ($)	Ownership percentage in Underlying Fund (%)
Scotia U.S. Dividend Growers LP Series I	53,841,354	39.2
1832 AM Canadian Preferred Share LP Series I	38,923,981	24.2
Scotia Private U.S. Mid Cap Growth Pool Series I	13,283,764	7.6
Scotia Private Canadian Small Cap Pool Series I	39,503,418	7.3
Scotia U.S. Low Volatility Equity LP Series I	61,068,968	6.7
Scotia Global Low Volatility Equity LP Series I	39,982,394	6.6
Scotia Private International Equity Pool Series I	39,556,261	6.6
Scotia Private Canadian Growth Pool Series I	19,604,696	5.9
Scotia Private Global Equity Pool Series I	26,444,441	5.8
Scotia Private Global Real Estate Pool Series I	13,330,017	4.9
Scotia Private Canadian Equity Pool Series I	48,940,328	4.8
1832 AM Global Completion LP Series I	13,257,274	4.6
Scotia Private American Core-Plus Bond Pool Series I	28,578,460	4.5
Scotia Private High Yield Income Pool Series I	28,611,625	3.1
Scotia Floating Rate Income Fund Series I	18,267,728	2.8
Scotia Canadian Dividend Fund Series I	87,833,377	1.2
Scotia Private Canadian Corporate Bond Pool Series I	47,856,823	1.2
Scotia Canadian Income Fund Series I	29,161,248	0.5
	648,046,157	

5. Comparison of net asset value per unit and net assets per unit (note 2)

The table below provides a comparison of the net asset value per unit and net assets per unit. The primary reason for the difference between the net asset value per unit and net assets per unit, if any, is described in note 2.

	December 31, 2015		December 31, 2014	
	Net asset value per unit ($)	Net assets per unit ($)	Net asset value per unit ($)	Net assets per unit ($)
Series A	12.92	12.92	12.65	12.65
Series T	15.00	15.00	15.30	15.30

Scotia INNOVA Growth Portfolio Class

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars except per share amounts)	December 31, 2015	December 31, 2014
ASSETS		
Current assets		
Investments		
Non-derivative financial assets	321,843,585	232,717,978
Cash	1,633,252	2,591,981
Subscriptions receivable	687,464	477,378
Accrued investment income and other	720	2,340
	324,165,021	235,789,677
LIABILITIES		
Current liabilities		
Payable for securities purchased	500,000	550,000
Redemptions payable	291,729	158,575
Distributions payable	131,821	26,903
	923,550	735,478
Net assets attributable to holders of redeemable shares	323,241,471	235,054,199
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES PER SERIES		
Series A	301,128,679	225,518,648
Series T	22,112,792	9,535,551
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES PER SHARE		
Series A	13.76	13.24
Series T	15.47	15.46

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except per share amounts)	2015	2014
INCOME		
Net gain (loss) on investments (note 2)		
Dividends	5,515,699	2,693,623
Interest for distribution purposes	1,660,969	830,443
Capital gains distributions received	9,117,217	2,114,438
Net realized gain (loss) on non-derivative financial assets	11,988,680	3,708,953
Change in unrealized gain (loss) on non-derivative financial assets	(3,967,845)	12,164,755
Net gain (loss) on investments	24,314,720	21,512,212
Other income	3,825	3,608
Total income (loss)	24,318,545	21,515,820
EXPENSES		
Management fees (note 5)	5,480,381	3,322,817
Fixed administration fees (note 6)	288,394	174,881
Independent Review Committee fees	1,065	331
Interest expense and bank overdraft charges	359	–
Foreign withholding taxes/tax reclaims	210,006	124,614
Other fund costs	87,245	–
Harmonized Sales Tax/Goods and Services Tax	543,502	333,321
Total expenses	6,610,952	3,955,964
Increase (decrease) in net assets attributable to holders of redeemable shares from operations	17,707,593	17,559,856
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES FROM OPERATIONS PER SERIES		
Series A	16,857,848	17,216,186
Series T	849,745	343,670
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES FROM OPERATIONS PER SHARE†		
Series A	0.85	1.27
Series T	0.82	1.03
WEIGHTED AVERAGE NUMBER OF SHARES PER SERIES		
Series A	19,929,203	13,514,995
Series T	1,036,949	332,872

† The increase (decrease) in net assets attributable to holders of redeemable shares from operations per share is calculated by dividing the increase (decrease) in net assets attributable to holders of redeemable shares from operations per series by the weighted average number of shares per series.

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the periods ended December 31 (note 1),

(in dollars)	2015	2014
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES, BEGINNING OF PERIOD		
Series A	225,518,648	105,925,074
Series T	9,535,551	–
	235,054,199	105,925,074
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES FROM OPERATIONS		
Series A	16,857,848	17,216,186
Series T	849,745	343,670
	17,707,593	17,559,856
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE SHARES		
From net investment income		
Series A	(2,176,876)	(1,794,397)
Series T	(160,483)	(76,062)
From net realized gains on investments		
Series A	(5,644,981)	–
Series T	(237,555)	–
From return of capital		
Series T	(665,998)	(84,934)
	(8,885,893)	(1,955,393)
REDEEMABLE SHARE TRANSACTIONS		
Proceeds from issue		
Series A	111,775,438	143,560,597
Series T	15,692,605	10,108,553
Reinvested distributions		
Series A	7,771,998	1,792,814
Series T	439,409	57,278
Payments on redemption		
Series A	(52,973,396)	(41,181,626)
Series T	(3,340,482)	(812,954)
	79,365,572	113,524,662
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES		
Series A	75,610,031	119,593,574
Series T	12,577,241	9,535,551
	88,187,272	129,129,125
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES, END OF PERIOD		
Series A	301,128,679	225,518,648
Series T	22,112,792	9,535,551
	323,241,471	235,054,199

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable shares	17,707,593	17,559,856
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(11,988,680)	(3,708,953)
Change in unrealized (gain) loss on non-derivative financial assets	3,967,845	(12,164,755)
Purchases of non-derivative financial assets	(173,715,690)	(180,399,809)
Proceeds from sale of non-derivative financial assets	92,560,918	65,953,487
Accrued investment income and other	1,620	(364)
Net cash provided by (used in) operating activities	(71,466,394)	(112,760,538)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable shares	127,257,957	153,729,146
Amounts paid on redemption of redeemable shares	(56,180,724)	(41,846,505)
Distributions to shareholders of redeemable shares	(569,568)	(79,891)
Net cash provided by (used in) financing activities	70,507,665	111,802,750
Net increase (decrease) in cash	(958,729)	(957,788)
Cash (bank overdraft), beginning of period	2,591,981	3,549,769
CASH (BANK OVERDRAFT), END OF PERIOD	1,633,252	2,591,981
Interest paid[1]	359	–
Interest received[1]	1,662,589	830,079
Dividends received, net of withholding taxes[1]	5,305,693	2,569,009

(1) Classified as operating items.

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

Scotia INNOVA Growth Portfolio Class (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2015

Number of Units	Issuer	Average Cost ($)	Carrying Value ($)
FIXED INCOME FUNDS – 17.4%			
1,264,591	Scotia Canadian Income Fund Series I	17,495,252	17,441,366
483,901	Scotia Floating Rate Income Fund Series I	4,822,668	4,746,199
927,780	Scotia Private American Core-Plus Bond Pool Series I	8,783,540	8,751,565
1,759,631	Scotia Private Canadian Corporate Bond Pool Series I	19,126,436	18,961,954
715,461	Scotia Private High Yield Income Pool Series I	6,835,850	6,395,147
		57,063,746	56,296,231
CANADIAN EQUITY FUNDS – 31.2%			
2,722,685	1832 AM Canadian Dividend LP Series I	27,075,623	24,141,229
1,263,460	1832 AM Canadian Growth LP Series I	12,722,471	12,394,923
779,135	1832 AM Canadian Preferred Share LP Series I	7,967,035	7,158,925
754,255	1832 AM Tactical Asset Allocation LP Series I	7,659,189	8,069,395
495,956	Scotia Canadian Dividend Fund Series I	23,900,741	25,635,097
677,262	Scotia Private Canadian Small Cap Pool Series I	22,573,944	23,419,452
		101,899,003	100,819,021
FOREIGN EQUITY FUNDS – 51.0%			
1,118,864	1832 AM Global Completion LP Series I	13,936,561	14,449,456
1,812,802	Scotia Global Low Volatility Equity LP Series I	23,009,854	25,722,932
845,914	Scotia Private Emerging Markets Pool Series I	8,061,589	7,848,390
672,330	Scotia Private Global Equity Pool Series I	12,100,259	16,428,326
328,911	Scotia Private Global Real Estate Pool Series I	5,508,005	6,590,822
2,667,926	Scotia Private International Equity Pool Series I	32,936,798	34,116,376
840,813	Scotia Private Options Income Pool Series I	8,400,019	8,266,029
1,685,262	Scotia U.S. Dividend Growers LP Series I	19,035,543	25,417,957
2,029,528	Scotia U.S. Low Volatility Equity LP Series I	26,865,502	25,888,045
		149,854,130	164,728,333
	TOTAL INVESTMENT PORTFOLIO	308,816,879	321,843,585
	OTHER ASSETS, LESS LIABILITIES – 0.4%		1,397,886
	NET ASSETS – 100.0%		323,241,471

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

Scotia INNOVA Growth Portfolio Class

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

1. The Fund (note 1)

The Fund's investment objective is to achieve a balance of long-term capital appreciation and income, with a significant bias towards capital appreciation. It invests primarily in a diversified mix of mutual funds, and/or equity securities and/or fixed income securities located anywhere in the world.

The Fund invests primarily in mutual funds managed by the Manager and/or by the third party investment managers (the "Underlying Funds"). To ensure the Fund's composition meets the investment objectives of the Fund, the portfolio advisor monitors the Underlying Funds on an ongoing basis and rebalances the Fund's assets among the Underlying Funds.

2. Risks associated with financial instruments (note 4)

i) Interest rate risk

The Fund invests in Underlying Funds, which are exposed to interest rate risk. As at December 31, 2015, 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 $728,840 or approximately 0.2% (December 31, 2014 – $429,443 or approximately 0.2%). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

ii) Currency risk

The Fund could be exposed to indirect currency risk to the extent that the Underlying Funds held financial instruments that were denominated in a currency other than its functional currency.

iii) Price risk

Price risk is the risk that the carrying 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 price risk is mainly in equities, derivatives and commodities, if applicable. As at December 31, 2015, approximately 82.2% (December 31, 2014 – 87.6%) of the Fund's net assets were invested in Underlying Funds which were exposed to price risk. If prices of the Underlying Funds' investments had decreased or increased by 10%, with all other variables held constant, net assets of the Fund would have decreased or increased, respectively, by approximately $26,554,735 (December 31, 2014 – $20,580,225). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

iv) Credit risk

The Fund could be exposed to indirect credit risk to the extent that the Underlying Funds invested in bonds and debentures, preferred shares and derivatives.

v) Liquidity risk

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

	December 31, 2015		December 31, 2014	
	On demand ($)	Less than 3 months ($)	On demand ($)	Less than 3 months ($)
Current liabilities	–	923,550	–	735,478
Liability for written options	–	–	–	–
Unrealized loss on derivatives	–	–	–	–
Redeemable units	323,241,471	–	235,054,199	–
	323,241,471	923,550	235,054,199	735,478

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, geographical location, asset type or industry sector, as applicable. The table below is a summary of the Fund's concentration risk:

	Percentage of net assets (%)	
	December 31, 2015	December 31, 2014
Canadian Equity Funds	31.2	37.0
Fixed Income Funds	17.4	11.4
Foreign Equity Funds	51.0	50.6

vii) Fair value classification (note 2)

The tables below illustrate the classification of the Fund's financial instruments within the fair value hierarchy.

December 31, 2015	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Underlying funds	321,843,585	–	–	321,843,585
	321,843,585	–	–	321,843,585

December 31, 2014	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Underlying funds	232,717,978	–	–	232,717,978
	232,717,978	–	–	232,717,978

Scotia INNOVA Growth Portfolio Class (Continued)

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

Transfers between levels

During the periods ended December 31, 2015 and 2014, there were no significant transfers between Level 1 and Level 2.

3. Offsetting of financial assets and liabilities (note 2)

As at December 31, 2015 or December 31, 2014, the Fund did not enter into any agreement whereby the financial instruments were eligible for offset.

4. Interest in Underlying Funds (note 2)

The following tables provide information about the Fund's interest in Underlying Funds.

	December 31, 2015	
Underlying Fund	Carrying value of the Underlying Fund ($)	Ownership percentage in Underlying Fund (%)
1832 AM Canadian Growth LP Series I	12,394,923	6.4
1832 AM Canadian Preferred Share LP Series I	7,158,925	5.7
Scotia U.S. Dividend Growers LP Series I	25,417,957	5.2
1832 AM Canadian Dividend LP Series I	24,141,229	4.9
1832 AM Tactical Asset Allocation LP Series I	8,069,395	4.6
Scotia Private Global Equity Pool Series I	16,428,326	4.2
Scotia Private Canadian Small Cap Pool Series I	23,419,452	4.2
Scotia Private Emerging Markets Pool Series I	7,848,390	3.7
1832 AM Global Completion LP Series I	14,449,456	3.6
Scotia Private International Equity Pool Series I	34,116,376	3.5
Scotia U.S. Low Volatility Equity LP Series I	25,888,045	3.0
Scotia Global Low Volatility Equity LP Series I	25,722,932	2.9
Scotia Private Global Real Estate Pool Series I	6,590,822	1.9
Scotia Private American Core-Plus Bond Pool Series I	8,751,565	1.2
Scotia Private Options Income Pool Series I	8,266,029	1.1
Scotia Private High Yield Income Pool Series I	6,395,147	0.6
Scotia Floating Rate Income Fund Series I	4,746,199	0.4
Scotia Private Canadian Corporate Bond Pool Series I	18,961,954	0.4
Scotia Canadian Dividend Fund Series I	25,635,097	0.4
Scotia Canadian Income Fund Series I	17,441,366	0.3
	321,843,585	

	December 31, 2014	
Underlying Fund	Carrying value of the Underlying Fund ($)	Ownership percentage in Underlying Fund (%)
Scotia U.S. Dividend Growers LP Series I	24,380,845	17.8
Scotia Private U.S. Mid Cap Growth Pool Series I	11,955,148	6.9
1832 AM Canadian Preferred Share LP Series I	6,899,296	4.3
Scotia Private Emerging Markets Pool Series I	7,002,860	4.1
Scotia Private Canadian Small Cap Pool Series I	20,061,950	3.7
Scotia Private Canadian Growth Pool Series I	11,907,049	3.6
Scotia Private International Equity Pool Series I	17,692,463	2.9
Scotia Private Global Equity Pool Series I	11,844,092	2.6
Scotia U.S. Low Volatility Equity LP Series I	23,355,892	2.6
1832 AM Global Completion LP Series I	5,840,093	2.0
Scotia Global Low Volatility Equity LP Series I	12,066,543	2.0
Scotia Private Canadian Equity Pool Series I	20,210,519	2.0
Scotia Private Global Real Estate Pool Series I	4,726,331	1.7
Scotia Private American Core-Plus Bond Pool Series I	5,587,127	0.9
Scotia Private High Yield Income Pool Series I	4,501,289	0.5
Scotia Canadian Dividend Fund Series I	27,859,169	0.4
Scotia Private Canadian Corporate Bond Pool Series I	10,078,027	0.2
Scotia Canadian Income Fund Series I	6,749,285	0.1
	232,717,978	

5. Comparison of net asset value per unit and net assets per unit (note 2)

The table below provides a comparison of the net asset value per unit and net assets per unit. The primary reason for the difference between the net asset value per unit and net assets per unit, if any, is described in note 2.

	December 31, 2015		December 31, 2014	
	Net asset value per unit ($)	Net assets per unit ($)	Net asset value per unit ($)	Net assets per unit ($)
Series A	13.76	13.76	13.24	13.24
Series T	15.47	15.47	15.46	15.46

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

Scotia INNOVA Maximum Growth Portfolio Class

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars except per share amounts)	December 31, 2015	December 31, 2014
ASSETS		
Current assets		
Investments		
Non-derivative financial assets	74,332,313	47,739,193
Cash	367,368	936,138
Receivable for securities sold	175,000	–
Subscriptions receivable	13,050	205,786
Accrued investment income and other	422	931
	74,888,153	48,882,048
LIABILITIES		
Current liabilities		
Payable for securities purchased	–	60,000
Redemptions payable	195,612	106,171
Distributions payable	29,341	3,811
	224,953	169,982
Net assets attributable to holders of redeemable shares	74,663,200	48,712,066
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES PER SERIES		
Series A	69,024,549	46,045,829
Series T	5,638,651	2,666,237
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES PER SHARE		
Series A	15.04	14.21
Series T	15.87	15.56

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except per share amounts)	2015	2014
INCOME		
Net gain (loss) on investments (note 2)		
Dividends	1,477,640	680,117
Interest for distribution purposes	23,378	8,667
Capital gains distributions received	2,451,927	496,482
Net realized gain (loss) on non-derivative financial assets	2,526,157	916,879
Change in unrealized gain (loss) on non-derivative financial assets	(49,950)	2,472,054
Net gain (loss) on investments	6,429,152	4,574,199
Other income	1,640	3,354
Total income (loss)	6,430,792	4,577,553
EXPENSES		
Management fees (note 5)	1,331,216	694,369
Fixed administration fees (note 6)	66,547	34,717
Independent Review Committee fees	1,118	65
Interest expense and bank overdraft charges	–	32
Foreign withholding taxes/tax reclaims	67,372	39,684
Other fund costs	21,749	–
Harmonized Sales Tax/Goods and Services Tax	131,200	73,264
Total expenses	1,619,202	842,131
Increase (decrease) in net assets attributable to holders of redeemable shares from operations	4,811,590	3,735,422
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES FROM OPERATIONS PER SERIES		
Series A	4,513,377	3,642,328
Series T	298,213	93,094
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES FROM OPERATIONS PER SHARE†		
Series A	1.08	1.46
Series T	1.11	1.15
WEIGHTED AVERAGE NUMBER OF SHARES PER SERIES		
Series A	4,184,986	2,501,259
Series T	269,847	81,177

† The increase (decrease) in net assets attributable to holders of redeemable shares from operations per share is calculated by dividing the increase (decrease) in net assets attributable to holders of redeemable shares from operations per series by the weighted average number of shares per series.

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the periods ended December 31 (note 1),

(in dollars)	2015	2014
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES, BEGINNING OF PERIOD		
Series A	46,045,829	19,537,970
Series T	2,666,237	–
	48,712,066	19,537,970
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES FROM OPERATIONS		
Series A	4,513,377	3,642,328
Series T	298,213	93,094
	4,811,590	3,735,422
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE SHARES		
From net investment income		
Series A	(485,103)	(358,278)
Series T	(39,718)	(20,769)
From net realized gains on investments		
Series A	(1,153,440)	–
Series T	(65,609)	–
From return of capital		
Series T	(175,005)	(19,521)
	(1,918,875)	(398,568)
REDEEMABLE SHARE TRANSACTIONS		
Proceeds from issue		
Series A	30,464,742	30,174,052
Series T	3,922,725	2,743,497
Reinvested distributions		
Series A	1,622,049	357,926
Series T	191,954	27,171
Payments on redemption		
Series A	(11,982,905)	(7,308,169)
Series T	(1,160,146)	(157,235)
	23,058,419	25,837,242
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES		
Series A	22,978,720	26,507,859
Series T	2,972,414	2,666,237
	25,951,134	29,174,096
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES, END OF PERIOD		
Series A	69,024,549	46,045,829
Series T	5,638,651	2,666,237
	74,663,200	48,712,066

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable shares	4,811,590	3,735,422
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(2,526,157)	(916,879)
Change in unrealized (gain) loss on non-derivative financial assets	49,950	(2,472,054)
Purchases of non-derivative financial assets	(43,063,424)	(34,897,836)
Proceeds from sale of non-derivative financial assets	18,711,511	9,510,901
Accrued investment income and other	509	(474)
Net cash provided by (used in) operating activities	(22,016,021)	(25,040,920)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable shares	34,580,203	32,999,063
Amounts paid on redemption of redeemable shares	(13,053,610)	(7,634,677)
Distributions to shareholders of redeemable shares	(79,342)	(10,344)
Net cash provided by (used in) financing activities	21,447,251	25,354,042
Net increase (decrease) in cash	(568,770)	313,122
Cash (bank overdraft), beginning of period	936,138	623,016
CASH (BANK OVERDRAFT), END OF PERIOD	367,368	936,138
Interest received[(1)]	23,886	8,193
Dividends received, net of withholding taxes[(1)]	1,410,268	640,433

(1) Classified as operating items.

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

Scotia INNOVA Maximum Growth Portfolio Class (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2015

Number of Units	Issuer	Average Cost ($)	Carrying Value ($)
CANADIAN EQUITY FUNDS – 33.7%			
831,380	1832 AM Canadian Dividend LP Series I	8,338,714	7,371,597
443,387	1832 AM Canadian Growth LP Series I	4,468,849	4,349,761
120,358	Scotia Canadian Dividend Fund Series I	5,868,909	6,221,088
208,030	Scotia Private Canadian Small Cap Pool Series I	6,967,762	7,193,605
		25,644,234	25,136,051
FOREIGN EQUITY FUNDS – 65.9%			
261,900	1832 AM Global Completion LP Series I	3,241,093	3,382,278
530,306	Scotia Global Low Volatility Equity LP Series I	6,758,459	7,524,826
403,174	Scotia Private Emerging Markets Pool Series I	3,870,311	3,740,652
202,773	Scotia Private Global Equity Pool Series I	3,840,662	4,954,731
121,830	Scotia Private Global Real Estate Pool Series I	2,079,776	2,441,260
776,724	Scotia Private International Equity Pool Series I	9,443,496	9,932,435
324,410	Scotia Private Options Income Pool Series I	3,244,049	3,189,279
604,953	Scotia U.S. Dividend Growers LP Series I	7,087,625	9,124,205
384,659	Scotia U.S. Low Volatility Equity LP Series I	5,143,874	4,906,596
		44,709,345	49,196,262
	TOTAL INVESTMENT PORTFOLIO	70,353,579	74,332,313
	OTHER ASSETS, LESS LIABILITIES – 0.4%		330,887
	NET ASSETS – 100.0%		74,663,200

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

Scotia INNOVA Maximum Growth Portfolio Class

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

1. The Fund (note 1)

The Fund's investment objective is long-term capital appreciation. It invests primarily in a diversified mix of mutual funds and/or equity securities located anywhere in the world.

The Fund invests primarily in mutual funds managed by the Manager and/or by the third party investment managers (the "Underlying Funds"). To ensure the Fund's composition meets the investment objectives of the Fund, the portfolio advisor monitors the Underlying Funds on an ongoing basis and rebalances the Fund's assets among the Underlying Funds.

2. Risks associated with financial instruments (note 4)

i) Interest rate risk

The majority of the Underlying Fund's financial assets and liabilities were non-interest bearing as at December 31, 2015 and December 31, 2014. Accordingly, the Fund is not directly subject to significant risk due to fluctuations in the prevailing levels of market interest rates.

ii) Currency risk

The Fund could be exposed to indirect currency risk to the extent that the Underlying Funds held financial instruments that were denominated in a currency other than its functional currency.

iii) Price risk

Price risk is the risk that the carrying 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 price risk is mainly in equities, derivatives and commodities, if applicable. As at December 31, 2015, approximately 99.6% (December 31, 2014 – 98.0%) of the Fund's net assets were invested in Underlying Funds which were exposed to price risk. If prices of the Underlying Funds' investments had decreased or increased by 10%, with all other variables held constant, net assets of the Fund would have decreased or increased, respectively, by approximately $7,433,231 (December 31, 2014 – $4,773,919). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

iv) Credit risk

The Fund could be exposed to indirect credit risk to the extent that the Underlying Funds invested in bonds and debentures, preferred shares and derivatives.

v) Liquidity risk

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

	December 31, 2015		December 31, 2014	
	On demand ($)	Less than 3 months ($)	On demand ($)	Less than 3 months ($)
Current liabilities	–	224,953	–	169,982
Liability for written options	–	–	–	–
Unrealized loss on derivatives	–	–	–	–
Redeemable units	74,663,200	–	48,712,066	–
	74,663,200	224,953	48,712,066	169,982

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, geographical location, asset type or industry sector, as applicable. The table below is a summary of the Fund's concentration risk:

	Percentage of net assets (%)	
	December 31, 2015	December 31, 2014
Canadian Equity Funds	33.7	38.8
Foreign Equity Funds	65.9	59.2

vii) Fair value classification (note 2)

The tables below illustrate the classification of the Fund's financial instruments within the fair value hierarchy.

December 31, 2015	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Underlying funds	74,332,313	–	–	74,332,313
	74,332,313	–	–	74,332,313

December 31. 2014	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Underlying funds	47,739,193	–	–	47,739,193
	47,739,193	–	–	47,739,193

FUND SPECIFIC NOTES
For the periods indicated in Note 1.

Transfers between levels

During the periods ended December 31, 2015 and 2014, there were no significant transfers between Level 1 and Level 2.

3. Offsetting of financial assets and liabilities (note 2)

As at December 31, 2015 or December 31, 2014, the Fund did not enter into any agreement whereby the financial instruments were eligible for offset.

4. Interest in Underlying Funds (note 2)

The following tables provide information about the Fund's interest in Underlying Funds.

	December 31, 2015	
Underlying Fund	Carrying value of the Underlying Fund ($)	Ownership percentage in Underlying Fund (%)
1832 AM Canadian Growth LP Series I	4,349,761	2.3
Scotia U.S. Dividend Growers LP Series I	9,124,205	1.9
Scotia Private Emerging Markets Pool Series I	3,740,652	1.8
1832 AM Canadian Dividend LP Series I	7,371,597	1.5
Scotia Private Canadian Small Cap Pool Series I	7,193,605	1.3
Scotia Private Global Equity Pool Series I	4,954,731	1.3
Scotia Private International Equity Pool Series I	9,932,435	1.0
1832 AM Global Completion LP Series I	3,382,278	0.9
Scotia Global Low Volatility Equity LP Series I	7,524,826	0.8
Scotia Private Global Real Estate Pool Series I	2,441,260	0.7
Scotia U.S. Low Volatility Equity LP Series I	4,906,596	0.6
Scotia Private Options Income Pool Series I	3,189,279	0.4
Scotia Canadian Dividend Fund Series I	6,221,088	0.1
	74,332,313	–

	December 31, 2014	
Underlying Fund	Carrying value of the Underlying Fund ($)	Ownership percentage in Underlying Fund (%)
Scotia Private Emerging Markets Pool Series I	$ 2,642,380	1.5
Scotia U.S. Dividend Growers LP Series I	5,877,247	4.3
Scotia Global Low Volatility Equity LP Series I	2,901,476	0.5
Scotia U.S. Low Volatility Equity LP Series I	2,760,636	0.3
1832 AM Global Completion LP Series I	1,436,218	0.5
Scotia Private Canadian Growth Pool Series I	4,752,757	1.4
Scotia Private Canadian Small Cap Pool Series I	4,712,433	0.9
Scotia Private U.S. Mid Cap Growth Pool Series I	2,874,046	1.7
Scotia Private International Equity Pool Series I	5,740,050	1.0
Scotia Private Global Equity Pool Series I	2,908,395	0.6
Scotia Private Global Real Estate Pool Series I	1,704,866	0.6
Scotia Private Canadian Equity Pool Series I	2,850,425	0.3
Scotia Canadian Dividend Fund Series I	6,578,264	0.1
	47,739,193	–

5. Comparison of net asset value per unit and net assets per unit (note 2)

The table below provides a comparison of the net asset value per unit and net assets per unit. The primary reason for the difference between the net asset value per unit and net assets per unit, if any, is described in note 2.

	December 31, 2015		December 31, 2014	
	Net asset value per unit ($)	Net assets per unit ($)	Net asset value per unit ($)	Net assets per unit ($)
Series A	15.04	15.04	14.21	14.21
Series T	15.87	15.87	15.56	15.56

Notes to the Financial Statements

For the periods indicated in Note 1

1. The Funds

1832 Asset Management L.P., a wholly owned subsidiary of the Bank of Nova Scotia ("Scotiabank"), is the manager and trustee (where applicable) of the funds. In this document, "we", "us", "our", the "Manager", the "Trustee", and "1832 Asset Management" refer to 1832 Asset Management L.P. The registered office of the Funds is 1 Adelaide St. E, 28th Floor, Toronto, Ontario, M5C 2V9.

The funds presented in these financial statements are either open-ended mutual fund trusts ("Trust Funds") or classes of a mutual fund corporation ("Corporate Class Funds"). The Trust Funds issue units and Corporate Class Funds issue shares. Throughout this document, where applicable, reference to units and unitholders also refers to shares and shareholders. We also refer to a Trust Fund and a Corporate Class Funds individually, as a "Fund" and collectively, as the "Funds".

The Trust Funds are established under the laws of the Province of Ontario pursuant to an Amended and Restated Master Declaration of Trust dated March 2, 2015, as amended from time to time. Scotia Corporate Class Inc. is a multi-class open-ended mutual fund corporation formed by articles of incorporation under the laws of Canada on April 17, 2012, as amended from time to time. Each Corporate Class Fund is a class of shares of the respective Corporation. These financial statements only present the financial information of each of the Corporate Class Funds, as its own reporting entity. As the Corporation as a whole is liable for the expenses and obligations of all classes, there exists the possibility that if a Corporate Class Fund cannot satisfy its own obligations, they may be satisfied using assets attributable to other Corporate Class Funds within the Corporation. The Manager, however, believes that the risk of cross-class liability is remote and is diligent to minimize such liability.

The Statements of Financial Position are as at December 31, 2015 and 2014, and the Statements of Comprehensive Income, Changes in Net Assets Attributable to Holders of Redeemable Units and Cash Flows are for the periods ended December 31, 2015 and 2014. For Funds that started during either period, the information presented is for the period from the Fund's commencement date to December 31, 2015 or 2014, as applicable. The Schedule of Investment Portfolio for each of the Funds is as at December 31, 2015. Throughout this document, reference to the periods refers to the reporting periods described above.

These financial statements were approved and authorized for issue on March 10, 2016 by the Board of Directors of the Corporation, with respect to the Corporate Class Funds 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., in its capacity as Trustee of the Trust Funds.

The investment objectives for each of the Funds are provided in the respective Fund's "Fund Specific Notes". The commencement date for each Fund is as follows:

Trust Funds	Inception Date
Scotia Aria Conservative Build Portfolio	November 19, 2014
Scotia Aria Conservative Core Portfolio	November 19, 2014
Scotia Aria Conservative Pay Portfolio	November 19, 2014
Scotia Aria Moderate Build Portfolio	November 19, 2014
Scotia Aria Moderate Core Portfolio	November 19, 2014
Scotia Aria Moderate Pay Portfolio	November 19, 2014
Scotia Aria Progressive Build Portfolio	November 19, 2014
Scotia Aria Progressive Core Portfolio	November 19, 2014
Scotia Aria Progressive Pay Portfolio	November 19, 2014
Scotia Balanced Opportunities Fund	February 20, 1961
Scotia Bond Fund	August 17, 2009
Scotia Canadian Balanced Fund	May 7, 1990
Scotia Canadian Blue Chip Fund	December 31, 1986
Scotia Canadian Bond Index Fund	September 20, 1999
Scotia Canadian Dividend Fund	October 28, 1992
Scotia Canadian Growth Fund	February 20, 1961
Scotia Canadian Income Fund	November 1, 1957
Scotia Canadian Index Fund	December 13, 1996
Scotia Canadian Small Cap Fund	October 28, 1992
Scotia CanAm Index Fund	July 9, 1993
Scotia Conservative Income Fund	January 27, 2014
Scotia Diversified Monthly Income Fund	June 10, 2005
Scotia Dividend Balanced Fund	August 26, 2010
Scotia European Fund	September 3, 1996
Scotia Floating Rate Income Fund	January 27, 2014
Scotia Global Balanced Fund	August 26, 2010
Scotia Global Bond Fund	July 4, 1994
Scotia Global Dividend Fund	August 26, 2010
Scotia Global Growth Fund	February 20, 1961
Scotia Global Opportunities Fund	November 30, 2000
Scotia Global Small Cap Fund	November 30, 2000
Scotia Income Advantage Fund	July 6, 2011
Scotia INNOVA Balanced Growth Portfolio	January 13, 2009
Scotia INNOVA Balanced Income Portfolio	January 13, 2009
Scotia INNOVA Growth Portfolio	January 13, 2009
Scotia INNOVA Income Portfolio	January 13, 2009
Scotia INNOVA Maximum Growth Portfolio	January 13, 2009
Scotia International Index Fund	September 20, 1999
Scotia International Value Fund	November 30, 2000
Scotia Latin American Fund	August 18, 1994
Scotia Money Market Fund	August 30, 1990
Scotia Mortgage Income Fund	September 22, 1992
Scotia Nasdaq Index Fund	November 30, 2000
Scotia Pacific Rim Fund	August 18, 1994
Scotia Partners Balanced Growth Portfolio	November 29, 2002

Trust Funds	Inception Date
Scotia Partners Balanced Income Portfolio	November 29, 2002
Scotia Partners Growth Portfolio	November 29, 2002
Scotia Partners Income Portfolio	August 26, 2010
Scotia Partners Maximum Growth Portfolio	November 29, 2002
Scotia Premium T-Bill Fund	July 10, 1992
Scotia Private Canadian Corporate Bond Pool	October 30, 2003
Scotia Private Canadian Equity Pool	June 10, 2005
Scotia Private Canadian Preferred Share Pool	November 25, 2011
Scotia Private International Core Equity Pool	June 10, 2005
Scotia Private North American Dividend Pool	June 10, 2005
Scotia Private Options Income Pool	June 1, 2015
Scotia Private Real Estate Income Pool	November 20, 2012
Scotia Private Short-Mid Government Bond Pool	September 30, 2007
Scotia Private U.S. Dividend Pool	November 25, 2011
Scotia Private U.S. Equity Pool	June 10, 2005
Scotia Resource Fund	July 6, 1993
Scotia Selected Balanced Growth Portfolio	April 22, 2003
Scotia Selected Balanced Income Portfolio	April 22, 2003
Scotia Selected Growth Portfolio	April 22, 2003
Scotia Selected Income Portfolio	November 20, 2012
Scotia Selected Maximum Growth Portfolio	April 22, 2003
Scotia Short Term Bond Fund	August 26, 2010
Scotia T-Bill Fund	October 3, 1991
Scotia U.S. $ Balanced Fund	July 6, 2011
Scotia U.S. $ Bond Fund	November 27, 1991
Scotia U.S. $ Money Market Fund	September 3, 1996
Scotia U.S. Blue Chip Fund	December 31, 1986
Scotia U.S. Dividend Fund	November 20, 2012
Scotia U.S. Index Fund	December 13, 1996
Scotia U.S. Opportunities Fund	November 30, 2000
Corporate Class	
Scotia Canadian Corporate Bond Capital Yield Class	May 18, 2012
Scotia Canadian Dividend Class	May 18, 2012
Scotia Canadian Equity Blend Class	November 19, 2012
Scotia Conservative Government Bond Capital Yield Class	May 18, 2012
Scotia Fixed Income Blend Class	November 19, 2012
Scotia Global Dividend Class	May 18, 2012
Scotia INNOVA Balanced Growth Portfolio Class	May 18, 2012
Scotia INNOVA Balanced Income Portfolio Class	May 18, 2012
Scotia INNOVA Growth Portfolio Class	May 18, 2012
Scotia INNOVA Income Portfolio Class	May 18, 2012
Scotia INNOVA Maximum Growth Portfolio Class	May 18, 2012
Scotia International Equity Blend Class	November 19, 2012
Scotia Private Canadian Equity Class	May 18, 2012
Scotia Private U.S. Dividend Class	May 18, 2012
Scotia Private U.S. Equity Class	May 18, 2012
Scotia U.S. Equity Blend Class	November 19, 2012

Each Fund may offer an unlimited number of units of some or all of its respective series. Each series of a Fund is intended for different investors.

Series A: Series A units are available to all investors. Series A units of any Scotia Aria Portfolio may only be purchased by investors who meet the required minimum, as determined by the Manager from time to time.

Advisor Series: Advisor Series units are available through authorized dealers and brokers.

Series D: Series D units are generally only available to investors who have accounts with discount brokers.

Series F: Series F units are available for purchase into a fee-based account with authorized brokers or dealers.

Series I: Series I units may only be purchased by eligible institutional investors and other qualified investors as determined by the Manager.

Series M: Series M units may only be purchased by clients of the Manager or Scotiatrust that have entered into a discretionary management agreement.

Series T, Series TL and Series TH: Series T units, Series TL and Series TH units are intended for investors seeking stable monthly distributions. Series T units are available to all investors whereas Series TL and Series TH of any Scotia Aria Portfolio may only be purchased by investors who meet the required minimum, as determined by the Manager from time to time.

Premium Series: Premium Series units may only be purchased by eligible institutional investors and other qualified investors as determined by the Manager.

Premium T Series, Premium TL Series and Premium TH Series: Premium T, Premium TL and Premium TH Series units are intended for investors seeking stable monthly distributions. Premium T Series, Premium TL Series and Premium TH Series of Scotia Aria Portfolios may only be purchased by investors who meet the required minimum, as determined by the Manager from time to time.

2. Summary of Significant Accounting Policies

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(a) Basis of preparation

These annual financial statements of the Funds have been prepared in compliance with International Financial Reporting Standards ("IFRS") as published by the International Accounting Standards Board (IASB), in accordance with the Canadian securities legalisation.

The preparation of these financial statements in accordance with IFRS requires the use of judgment in applying its accounting policies and to make estimates and assumptions concerning the future. Significant accounting judgements and estimates made by the management are disclosed in Note 3.

(b) Financial instruments

Classification

The Funds classify investments, including derivatives as financial assets or financial liabilities at fair value through profit and loss (FVTPL). This category has two sub categories: financial assets and financial liabilities are either held for trading or designated at fair value through profit or loss at inception.

Financial assets or financial liabilities held for trading are those acquired principally for the purpose of selling or repurchasing in the near future or on initial recognition as part of an identical portfolio of financial instruments that are managed together for which there is evidence of actual short-term profit taking. Derivatives and any short positions are included in this category.

Financial assets and financial liabilities designated at fair value through profit or loss at inception are those that are managed and their performance evaluated on a fair value basis in accordance with the respective Funds' investment strategy as documented in the Simplified Prospectus.

The Funds' obligations for net assets attributable to holders of redeemable units are presented at the redemption amount.

Non-financial assets such as Gold bullion held as investments in certain Funds are treated identically to financial assets designated at FVTPL in these financial statements.

Recognition and measurement

Regular purchases and sales of investments are recognized on the date on which the Funds commit to purchase or sell their investments at fair value. Transaction costs are expensed as incurred in the Statements of Comprehensive Income. Subsequent to initial recognition, financial assets and liabilities at FVTPL are measured at fair value as presented below. Gains and losses arising from changes in their fair value are included in the Statements of Comprehensive Income for the periods in which they arise.

(c) Fair value measurement and hierarchy of financial instruments

Fair value of a financial instrument 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 (i.e. an exit price). 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 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 use a variety of methods and make 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.

IFRS 13, *Fair value measurement*, requires the use and disclosure of a fair value hierarchy that categorises into three levels the inputs to valuation techniques used to measure fair value of financial instruments. The fair value hierarchy gives the highest priority to quoted prices (unadjusted) in active markets and the lowest priority to unobservable inputs. The three level hierarchy based on inputs 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.

Changes in valuation methodology may result in transfer in and out of a level. The Funds' policy is to recognize these transfers as of the date of the event or circumstance giving rise to the transfer. 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".

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, members of the finance team, as well as members of the investment council and compliance teams. The committee meets quarterly to perform detailed reviews of the valuations of investments held by the Funds.

Financial instruments are valued at their fair value as summarized below:

(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 based on information provided by an independent pricing source.

(ii) Fixed income securities, including bonds and mortgage-backed securities, are valued using quotations received from independent pricing sources.

(iii) Short-term debt instruments are carried at amortized cost, which 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) 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.

(vi) Mortgages held by Scotia Mortgage Income Fund are valued at their fair value using the prevailing rate of return on new mortgages of similar type and term.

(vii) Commodities held in Funds are valued based on the quoted price provided by an independent pricing source.

(viii) Options contracts are valued at their mid-price as reported by the principal exchange or the over-the-counter market on which the contract is traded.

(ix) Futures contracts are valued at their close prices on each valuation date.

(x) 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.

(xi) Swap contracts are valued at the amount that the Fund would receive or pay to terminate the swap, based on the current value of the underlying interest on the valuation date.

(xii) Accumulator contracts are valued at the amount that the Fund would receive or pay to close the accumulator contract as reported by the over-the-counter market on which the contract is traded.

(d) Net Assets versus Net Asset Value

The Funds' accounting policies for measuring the fair value of their investments and derivatives are identical to those used in measuring their net asset value for transactions with unitholders in accordance with Part 14 of National Instrument 81-106 Investment Funds for Continuous Disclosure ("NI 81-106"), except where the last traded market price for financial assets and liabilities are not within the bid-ask spread as described above. A comparison of the net assets per unit in accordance to IFRS ("Net Assets per unit") and the net assets per unit calculated in accordance to NI 81-106 ("Net Asset Value per unit") are presented in the "Fund Specific Notes" for each Fund.

(e) Income recognition

Gains and losses arising from changes in fair value of financial instruments, other than derivatives, are shown in the Statements of Comprehensive Income as "Change in unrealized gain (loss) on non-derivative financial assets" and as "Net realized gain (loss) on non-derivative financial assets" when the positions are closed out. The premium received or paid on options purchased or written are included in the cost of the options. Any difference resulting from revaluation at the reporting date is treated as "Change in unrealized gain (loss) on options contracts", while the gains and losses realized when the position is closed is included in the Statements of Comprehensive Income as "Net realized gain (loss) on options contracts".

Gains and losses arising from changes in fair value of spots, forwards, futures, swaps and accumulator contracts are shown in the Statements of Comprehensive Income as "Change in unrealized gain (loss)" of the respective derivative contract and in the Statements of Financial Position as "Unrealized Gain" or "Unrealized Loss" of the respective derivative contract until the contracts are closed out or expire. Once the contracts are closed out or have expired, the resulting realized gains and losses, of forwards, futures, swaps and accumulator contracts are shown in the Statements of Comprehensive Income as "Net Realized gain (loss)" of the respective derivative contract.

Dividend income and distributions from underlying funds are recognized on the ex-dividend date. 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. The interest income component of the distributions received from underlying funds are included as part of "Interest for distribution purposes" in the Statements of Comprehensive Income.

Interest for distribution purposes includes the coupon interest received by the Fund, recognized on an accrual basis. 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. Realized gain or

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

For the Scotia Mortgage Income Fund, amortized guarantee fees are included in "Interest for distribution purposes" as well.

(f) Functional and presentation currency and foreign exchange translation

The functional and presentation currency of the Funds is the Canadian dollar, except for Funds offered in U.S. dollars, where applicable. Canadian dollars is the currency of primary economic environment in which the Funds operate or where mixed indicators exist in the primary environment, the Canadian dollar is the currency in which they raise capital, except for select Funds offered in U.S. dollars. 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, derivative contracts and monetary and non-monetary assets and liabilities at the rates of exchange prevailing as at the valuation date;

(ii) Foreign income and expenses are translated into Canadian dollars at the rates of exchange applicable on the valuation date; and

(iii) Purchase or sale of investments and investment income at the rates of exchange prevailing on the respective dates of such transactions, while purchase or sale of monetary assets at the spot rate agreed upon with the counterparty.

Realized and unrealized gain (loss) incurred in the Funds from monetary assets and liabilities are shown in the Statements of Comprehensive Income as "Net realized and change in unrealized gain on foreign exchange of cash" while all other sources of foreign exchange gains and losses shown in "Net realized and change in unrealized gain (loss) on foreign exchange".

(g) Investments in unconsolidated structured entities

Certain Funds invest in mutual funds and/or exchange-traded funds managed by the Manager or by third party investment managers. The relevant Funds consider all investments in such funds ("Underlying Funds") to be investments in unconsolidated structured entities based on the fact that the decisions made by these Underlying Funds are not governed by voting rights or any other similar rights held by the Funds. Consequently, the Funds, as Investment Entities accounts for these unconsolidated structured entities at fair value.

The Underlying Funds' objectives assist the Funds in achieving their primary objectives and whose investment strategies do not include the use of leverage. The Underlying Funds finance their operations by issuing redeemable units or shares which are puttable at the holder's option, and entitle the holder to a proportional stake in the respective fund's net assets. The Funds hold redeemable shares or units in each of their Underlying Funds. These investments are included in "Non-derivative financial assets" in the Statements of Financial Position. The change in fair value of each Underlying Fund is included in the Statements of Comprehensive Income in 'Change in unrealized gain (loss) of non-derivative financial assets'. The exposure to investments in Underlying Funds at fair value is disclosed in the Fund's "Fund Specific Notes". The Funds' maximum exposure to loss from their interests in Underlying Funds is equal to the total carrying value of its investments in Underlying Funds.

Mortgage-backed securities or asset-backed securities are also considered to be unconsolidated structured entities. Mortgage-backed securities are formed by pooling various types of mortgages while asset-backed securities are formed by pooling assets such as auto loans, credit card receivables or student loans. An interest or claim to this future cash flow (interest and principal) is then sold in the form of debt or equity securities, which could be held by the Funds. As unconsolidated structured entities, the Funds account for these investments at fair value. As at December 31, 2015 and December 31, 2014, the maximum exposure to these securities was less than 5% of the net assets of the respective Funds.

(h) Redeemable Units Issued by the Funds

The Funds' outstanding redeemable units qualify as "puttable instruments" as required by International Accounting Standard 32: Financial Instruments: Presentation ("IAS 32") which states that units or shares of an entity that include a contractual obligation for the issuer to repurchase or redeem them for cash or another financial asset should be classified as financial liability.

In accordance with IAS 32, the Funds' redeemable units' entitlements include a contractual obligation to distribute any net income and net realized capital gains at least annually in cash (at the request of the unitholder) and therefore meet the contractual obligation requirement.

In addition, certain Funds issue different Series of units that are equally subordinated but have different features as outlined in these notes. These features violate criteria that are required in order for the redeemable units to be presented as equity under IAS

32. Consequently, the Funds' outstanding redeemable units are classified as financial liabilities in these financial statements.

(i) Offsetting of financial instruments

Financial assets and liabilities are offset and the net amount is presented in the Statements of Financial Position only if there is a legal right to offset the amounts and there is an intention 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. Financial assets and liabilities that are subject to master netting or comparable agreements and the related potential effect of offsetting are disclosed in the respective Fund's "Fund Specific Notes".

(j) Other financial assets and liabilities

Other 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.

(k) 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.

(l) Accounting standards issued but not yet effective

The final version of IFRS 9, Financial Instruments, was issued by the IASB in July 2014 and will replace IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 introduces a presentation model for classification and measurement, a single, forward-looking "expected loss" impairment model and a substantially reformed approach to hedge accounting.

This new model uses a principles based approach for determining the classification of financial assets and is driven by cash flow characteristics and the business model in which an asset is held. It also includes changes in respect of own credit risk in measuring liabilities elected to be measured at fair value, so that gains caused by the deterioration of an entity's own credit risk on such liabilities are no longer recognized in profit or loss.

IFRS 9 is effective for the Funds beginning in annual periods on or after January 1, 2018.

3. Significant accounting judgments and estimates

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 Funds have made in preparing the financial statements:

Investment Entities

In accordance with IFRS 10: *Consolidated Financial Statements,* the Manager has determined that the Funds meet the definition of an Investment Entity which requires that the Funds obtain funds from one or more investors for the purpose of providing investment management services, commits to its investors that their business purpose is to invest funds solely for returns from capital appreciation, investment income, or both; and measures and evaluates the performance of their investments on a fair value basis. Consequently, the Funds do not consolidate their investment in underlying funds, but instead measure these at FVTPL, as required by the accounting standard.

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

In classifying and measuring financial instruments held by the Funds, 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.

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.

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".

(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 sensitive 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 and non-monetary assets denominated in currencies other than their 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 Funds 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) Price risk

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 price risk is mainly in equities, derivatives and commodities. The maximum risk resulting from these financial instruments is equivalent to their fair value, except for written options, short sales and futures 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 Funds. A Fund's investment in debt instruments 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 Funds. Credit risk may also exist in relation to counterparties to derivatives. All the transactions in listed securities are settled or paid upon delivery using approved brokers. The risk of default with the counterparty 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.

Custody and derivative transactions are carried out by counterparties that have a DBRS or DBRS equivalent credit rating of A or higher. In instances where the credit rating was to fall below the approved rating, the Manager would take appropriate action.

The Funds can also be exposed to credit risk to the extent that the Funds' custodian may not be able to settle trades for cash. Canadian securities regulations require that the Funds employ a custodian that meets certain capital requirements. These regulations state that, among other things, a fund's custodian be either a bank listed in Schedule I, II, or III of the Bank Act (Canada), or a

company incorporated in Canada affiliated with a bank with shareholders' equity of not less than $10,000,000. The Bank of Nova Scotia, which is custodian for all the Funds except, the Scotia Private Options Income Pool, meets all Canadian Securities Administrators' requirements to act as custodian. State Street Trust Company Canada, which is the custodian for the Scotia Private Options Income Pool satisfies these regulations requirements as well.

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 Funds' exposure to liquidity risk arises primarily from the daily cash redemption of units. The Funds primarily invest in securities that are traded in active markets and can be readily disposed of. In addition, each Fund aims to retain sufficient cash and cash equivalent positions to maintain liquidity. The Funds 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. Management Fees

The Funds pay the Manager a management fee in consideration for all decision making related to the Funds. This includes making or arranging for investment advice, portfolio management services, fund administration services, distribution of the Funds, and any other day-to-day operational needs for the Funds.

The management fee for all Series except Series I is an annualized rate based on the net asset value of each series of the Funds. The management fee for Series I are negotiated and paid directly by these unitholders and not by the Funds. The Funds' management fees are accrued daily and payable monthly on the first business day of the following calendar month

The Manager may reduce the effective management fee payable for clients who invest large amounts in a particular Fund by reducing the management fee charged to that Fund and directing the Fund to make a management fee distribution to those clients of the Trust Funds or a management fee rebate in the case of those clients of the Corporate Class Funds in the amount of the reduction. All management fee distributions and management fee rebates are automatically reinvested in additional units of the relevant series of the Funds.

As the money market yields have remained low during the period, the Manager has opted to waive a portion of the management fees for Scotia T-Bill Fund, Scotia Premium T-Bill Fund, Scotia Money Market Fund and Scotia U.S. $ Money Market Fund that otherwise would have been charged. Waived fees are included in absorbed expenses. The Manager may discontinue waiving fees and expenses at any time, without notice.

There is no duplication of management fees, sales charges or redemption fees between the Funds and the Underlying Funds held directly by them, if any. The Manager is entitled to a maximum annual management fee, exclusive of sales taxes, as follows:

	% of Net Asset Value											
Trust Funds	**Series A**	**Advisor Series**	**Series D**	**Series F**	**Series M**	**Series T**	**Series TL**	**Series TH**	**Premium Series**	**Premium T Series**	**Premium TL Series**	**Premium TH Series**
Scotia Aria Conservative Build Portfolio	1.50	–	–	–	–	–	–	–	1.40	–	–	–
Scotia Aria Conservative Core Portfolio	1.50	–	–	–	–	1.50	1.50	1.50	1.40	1.40	1.40	1.40
Scotia Aria Conservative Pay Portfolio	1.50	–	–	–	–	1.50	1.50	1.50	1.40	1.40	1.40	1.40
Scotia Aria Moderate Build Portfolio	1.60	–	–	–	–	–	–	–	1.50	–	–	–
Scotia Aria Moderate Core Portfolio	1.60	–	–	–	–	1.60	1.60	1.60	1.50	1.50	1.50	1.50
Scotia Aria Moderate Pay Portfolio	1.60	–	–	–	–	1.60	1.60	1.60	1.50	1.50	1.50	1.50
Scotia Aria Progressive Build Portfolio	1.70	–	–	–	–	–	–	–	1.60	–	–	–
Scotia Aria Progressive Core Portfolio	1.70	–	–	–	–	1.70	1.70	1.70	1.60	1.60	1.60	1.60
Scotia Aria Progressive Pay Portfolio	1.70	–	–	–	–	1.70	1.70	1.70	1.60	1.60	1.60	1.60
Scotia Balanced Opportunities Fund	1.75	1.75	1.25	0.88	–	–	–	–	–	–	–	–
Scotia Bond Fund	1.10	–	–	–	–	–	–	–	–	–	–	–
Scotia Canadian Balanced Fund	1.75	–	1.25	0.88	–	–	–	–	–	–	–	–
Scotia Canadian Blue Chip Fund	1.85	–	–	0.93	–	–	–	–	–	–	–	–

	% of Net Asset Value											
Trust Funds	**Series A**	**Advisor Series**	**Series D**	**Series F**	**Series M**	**Series T**	**Series TL**	**Series TH**	**Premium Series**	**Premium T Series**	**Premium TL Series**	**Premium TH Series**
Scotia Canadian Bond Index Fund	0.70	–	0.50	0.35	–	–	–	–	–	–	–	–
Scotia Canadian Dividend Fund	1.50	1.50	–	0.75	0.10	–	–	–	–	–	–	–
Scotia Canadian Growth Fund	1.85	1.85	–	0.93	–	–	–	–	–	–	–	–
Scotia Canadian Income Fund	1.25	1.25	–	0.63	0.10	–	–	–	–	–	–	–
Scotia Canadian Index Fund	0.80	–	0.60	0.40	–	–	–	–	–	–	–	–
Scotia Canadian Small Cap Fund	2.00	–	–	1.00	0.10	–	–	–	–	–	–	–
Scotia CanAm Index Fund	0.80	–	–	0.40	–	–	–	–	–	–	–	–
Scotia Conservative Income Fund	1.10	–	–	–	–	–	–	–	–	–	–	–
Scotia Diversified Monthly Income Fund	1.25	1.25	1.00	0.63	–	–	–	–	–	–	–	–
Scotia Dividend Balanced Fund	1.65	–	0.90	–	–	–	–	–	–	–	–	–
Scotia European Fund	2.00	–	–	1.00	–	–	–	–	–	–	–	–
Scotia Floating Rate Income Fund	–	–	–	–	0.07	–	–	–	–	–	–	–
Scotia Global Balanced Fund	2.00	–	1.25	–	–	–	–	–	–	–	–	–
Scotia Global Bond Fund	1.50	–	–	0.75	–	–	–	–	–	–	–	–
Scotia Global Dividend Fund	2.00	–	–	–	–	–	–	–	–	–	–	–
Scotia Global Growth Fund	2.00	2.00	–	1.00	–	–	–	–	–	–	–	–
Scotia Global Opportunities Fund	2.20	2.20	–	1.20	–	–	–	–	–	–	–	–
Scotia Global Small Cap Fund	2.35	–	–	1.35	–	–	–	–	–	–	–	–
Scotia Income Advantage Fund	1.85	–	1.10	–	0.10	–	–	–	–	–	–	–
Scotia INNOVA Balanced Growth Portfolio	1.80	–	–	–	–	1.80	–	–	–	–	–	–
Scotia INNOVA Balanced Income Portfolio	1.70	–	–	–	–	1.70	–	–	–	–	–	–
Scotia INNOVA Growth Portfolio	1.90	–	–	–	–	–	–	–	–	–	–	–
Scotia INNOVA Income Portfolio	1.60	–	–	–	–	1.60	–	–	–	–	–	–
Scotia INNOVA Maximum Growth Portfolio	2.00	–	–	–	–	–	–	–	–	–	–	–
Scotia International Index Fund	0.80	–	0.60	0.40	–	–	–	–	–	–	–	–
Scotia International Value Fund	2.15	2.15	–	1.15	–	–	–	–	–	–	–	–
Scotia Latin American Fund	2.50	–	–	1.25	–	–	–	–	–	–	–	–
Scotia Money Market Fund	1.00	1.00	–	–	0.10	–	–	–	0.30	–	–	–
Scotia Mortgage Income Fund	1.25	–	–	0.63	0.07	–	–	–	–	–	–	–
Scotia Nasdaq Index Fund	0.80	–	0.60	0.40	–	–	–	–	–	–	–	–
Scotia Pacific Rim Fund	2.00	–	–	1.00	–	–	–	–	–	–	–	–
Scotia Partners Balanced Growth Portfolio	2.00	–	–	1.00	–	–	–	–	–	–	–	–
Scotia Partners Balanced Income Portfolio	1.85	–	–	0.85	–	–	–	–	–	–	–	–
Scotia Partners Growth Portfolio	2.15	–	–	1.15	–	–	–	–	–	–	–	–
Scotia Partners Income Portfolio	1.80	–	–	–	–	–	–	–	–	–	–	–
Scotia Partners Maximum Growth Portfolio	2.35	–	–	1.35	–	–	–	–	–	–	–	–
Scotia Premium T-Bill Fund	0.50	–	–	–	–	–	–	–	–	–	–	–
Scotia Private Canadian Corporate Bond Pool	–	–	–	–	0.10	–	–	–	–	–	–	–
Scotia Private Canadian Equity Pool	–	–	–	–	0.10	–	–	–	–	–	–	–
Scotia Private Canadian Preferred Share Pool	–	–	–	–	0.30	–	–	–	–	–	–	–
Scotia Private International Core Equity Pool	–	–	–	–	0.30	–	–	–	–	–	–	–
Scotia Private North American Dividend Pool	–	–	–	–	0.10	–	–	–	–	–	–	–
Scotia Private Options Income Pool	–	–	–	–	0.10	–	–	–	–	–	–	–
Scotia Private Real Estate Income Pool	–	–	–	–	0.30	–	–	–	–	–	–	–
Scotia Private Short-Mid Government Bond Pool	–	–	–	–	0.10	–	–	–	–	–	–	–
Scotia Private U.S. Dividend Pool	–	–	–	–	0.30	–	–	–	–	–	–	–
Scotia Private U.S. Equity Pool	–	–	–	–	0.10	–	–	–	–	–	–	–
Scotia Resource Fund	2.00	–	–	1.00	–	–	–	–	–	–	–	–
Scotia Selected Balanced Growth Portfolio	1.75	1.75	–	0.75	–	–	–	–	–	–	–	–
Scotia Selected Balanced Income Portfolio	1.60	1.60	–	0.60	–	–	–	–	–	–	–	–
Scotia Selected Growth Portfolio	1.90	1.90	–	0.90	–	–	–	–	–	–	–	–
Scotia Selected Income Portfolio	1.55	–	–	–	–	–	–	–	–	–	–	–
Scotia Selected Maximum Growth Portfolio	2.10	2.10	–	1.10	–	–	–	–	–	–	–	–
Scotia Short Term Bond Fund	–	–	–	–	0.10	–	–	–	–	–	–	–
Scotia T-Bill Fund	1.00	–	–	–	–	–	–	–	–	–	–	–
Scotia U.S. $ Balanced Fund	1.85	–	–	–	–	–	–	–	–	–	–	–
Scotia U.S. $ Bond Fund	1.50	–	–	0.75	–	–	–	–	–	–	–	–
Scotia U.S. $ Money Market Fund	1.00	–	–	–	–	–	–	–	–	–	–	–
Scotia U.S. Blue Chip Fund	2.00	–	–	1.00	–	–	–	–	–	–	–	–
Scotia U.S. Dividend Fund	1.85	–	–	–	–	–	–	–	–	–	–	–
Scotia U.S. Index Fund	0.80	–	0.60	0.40	–	–	–	–	–	–	–	–
Scotia U.S. Opportunities Fund	2.00	–	–	1.00	–	–	–	–	–	–	–	–
Corporate Classes												
Scotia Canadian Corporate Bond Capital Yield Class	–	–	–	–	0.50	–	–	–	–	–	–	–
Scotia Canadian Dividend Class	1.50	–	–	–	0.50	–	–	–	–	–	–	–
Scotia Canadian Equity Blend Class	1.85	–	–	–	–	–	–	–	–	–	–	–
Scotia Conservative Government Bond Capital Yield Class	1.10	–	–	–	0.50	–	–	–	–	–	–	–
Scotia Fixed Income Blend Class	1.25	–	–	–	–	–	–	–	–	–	–	–
Scotia Global Dividend Class	2.00	–	–	–	–	–	–	–	–	–	–	–
Scotia INNOVA Balanced Growth Portfolio Class	1.80	–	–	–	–	1.80	–	–	–	–	–	–
Scotia INNOVA Balanced Income Portfolio Class	1.70	–	–	–	–	1.70	–	–	–	–	–	–
Scotia INNOVA Growth Portfolio Class	1.90	–	–	–	–	1.90	–	–	–	–	–	–
Scotia INNOVA Income Portfolio Class	1.60	–	–	–	–	–	–	–	–	–	–	–

Trust Funds	% of Net Asset Value											
	Series A	Advisor Series	Series D	Series F	Series M	Series T	Series TL	Series TH	Premium Series	Premium T Series	Premium TL Series	Premium TH Series
Scotia INNOVA Maximum Growth Portfolio Class	2.00	–	–	–	–	2.00	–	–	–	–	–	–
Scotia International Equity Blend Class	2.00	–	–	–	–	–	–	–	–	–	–	–
Scotia Private Canadian Equity Class	–	–	–	–	0.50	–	–	–	–	–	–	–
Scotia Private U.S. Dividend Class	–	–	–	–	0.50	–	–	–	–	–	–	–
Scotia Private U.S. Equity Class	–	–	–	–	0.50	–	–	–	–	–	–	–
Scotia U.S. Equity Blend Class	1.95	–	–	–	–	–	–	–	–	–	–	–

6. Fixed Administration Fees and Operating Expenses

The Manager pays certain operating expenses of the Funds. These expenses include regulatory filing fees and other day-to-day operating expenses including, but not limited to, transfer agency and recordkeeping, accounting and fund valuation costs, custody fees, audit and legal fees, administration costs, bank charges, costs of preparing and distributing annual and semi-annual reports, prospectuses, annual information forms, Fund Facts and statements, investor communications and continuous disclosure materials. The Manager is not obligated to pay any other expense, cost or fee, including those arising from new government or regulatory requirements relating to the foregoing expenses, costs and fees. In return, each Series of the Funds pays a Fixed Administration Fee to the Manager (the "Fixed Administration Fee"). Up to December 31, 2016, the Fixed Administration Fee payable by each Series of the Funds is subject to a transitional adjustment payment, details of which are presented in the Funds' simplified prospectus.

In addition to the Fixed Administration Fee, each Series of the Funds pays certain operating expenses directly, referred to as "Other Fund Costs". These include the costs and expenses related to the Independent Review Committee ("IRC") of the Funds, costs associated with the change to IFRS and the ongoing audit costs associated with compliance with IFRS, cost of any government or regulatory requirements (such as compliance with Canadian OTC derivatives trade reporting rules, "Volcker Rule" under Dodd Frank Wall Street Reform and Consumer Protection Act, and other applicable U.S. regulations), any new fees introduced by a securities regulators or other government authorities 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, and taxes (including, but not limited to, GST or HST, as applicable). More details about the Other Fund Costs can be found in the Funds' most recent simplified prospectus. Other Fund Costs will be allocated among the Funds and each Series of the Funds is allocated its own expenses and its proportionate share of these expenses that are common to all Series. Other than IRC fees, these Other Fund Costs are disclosed in the Statements of Comprehensive Income as "Other fund costs".

The Fixed Administration Fee does not apply to Scotia T-Bill Fund, Scotia Premium T-Bill Fund, Scotia Money Market Fund, Scotia U.S. $ Money Market Fund, Advisor Series units of the Funds and Series F units of Scotia Canadian Blue Chip Fund and Scotia Global Growth Fund. These Funds and Series pay their share of all expense common to the Funds along with Series specific expenses relevant to each Series. Expenses paid by Series F of Scotia Canadian Blue Chip Fund, Scotia Global Growth Fund and the Advisor Series units of Funds are included in "Fund administration fee and operating expenses" in the Statements of Comprehensive Income of the respective Funds.

Prior to August 22, 2014, the Funds were responsible for operating expenses relating to the carrying on of their business. Each Series of the Funds were 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, unitholder communication costs, IRC fees and other administration costs include such as departmental expenses incurred and paid by the Manager which support the daily operation of the Funds.

The Corporate Classes have been paying the Manager Fixed Administration Fees for the current year and the comparative periods of these financial statements, and therefore, the transition described above relates specifically to the relevant Trust Funds.

The Manager may, in some years and in certain cases, pay a portion of a Series' Fixed Administration Fee, Other Fund Costs or Operating Expenses. The Fixed Administration Fee and Other Fund Costs are included in the management expense ratio of each Series of a Fund.

The Fixed Administration Fee, Other Fund Costs and Operating Expense are accrued daily and paid monthly. The maximum annual rates of the Fixed Administration Fee, which are a percentage of the net asset value for each series of units of each Fund, are as follows:

	% of Net Asset Value												
Trust Funds	**Series A**	**Advisor Series**	**Series D**	**Series F**	**Series I**	**Series M**	**Series T**	**Series TL**	**Series TH**	**Premium Series**	**Premium T Series**	**Premium TL Series**	**Premium TH Series**
Scotia Aria Conservative Build Portfolio	0.10	–	–	–	–	–	–	–	–	0.10	–	–	–
Scotia Aria Conservative Core Portfolio	0.10	–	–	–	–	–	0.10	0.10	0.10	0.10	0.10	0.10	0.10
Scotia Aria Conservative Pay Portfolio	0.10	–	–	–	–	–	0.10	0.10	0.10	0.10	0.10	0.10	0.10
Scotia Aria Moderate Build Portfolio	0.10	–	–	–	–	–	–	–	–	0.10	–	–	–
Scotia Aria Moderate Core Portfolio	0.10	–	–	–	–	–	0.10	0.10	0.10	0.10	0.10	0.10	0.10
Scotia Aria Moderate Pay Portfolio	0.10	–	–	–	–	–	0.10	0.10	0.10	0.10	0.10	0.10	0.10
Scotia Aria Progressive Build Portfolio	0.10	–	–	–	–	–	–	–	–	0.10	–	–	–
Scotia Aria Progressive Core Portfolio	0.10	–	–	–	–	–	0.10	0.10	0.10	0.10	0.10	0.10	0.10
Scotia Aria Progressive Pay Portfolio	0.10	–	–	–	–	–	0.10	0.10	0.10	0.10	0.10	0.10	0.10
Scotia Balanced Opportunities Fund	0.11	–	0.11	0.11	–	–	–	–	–	–	–	–	–
Scotia Bond Fund	0.07	–	–	–	0.02	–	–	–	–	–	–	–	–
Scotia Canadian Balanced Fund	0.09	–	0.09	0.09	–	–	–	–	–	–	–	–	–
Scotia Canadian Blue Chip Fund	0.11	–	–	–	0.06	–	–	–	–	–	–	–	–
Scotia Canadian Bond Index Fund	0.06	–	0.06	0.06	0.03	–	–	–	–	–	–	–	–
Scotia Canadian Dividend Fund	0.06	–	–	0.06	0.02	0.02	–	–	–	–	–	–	–
Scotia Canadian Growth Fund	0.13	–	–	0.13	0.04	–	–	–	–	–	–	–	–
Scotia Canadian Income Fund	0.07	–	–	0.07	0.02	0.02	–	–	–	–	–	–	–
Scotia Canadian Index Fund	0.10	–	0.10	0.10	0.06	–	–	–	–	–	–	–	–
Scotia Canadian Small Cap Fund	0.26	–	–	0.26	0.10	0.23	–	–	–	–	–	–	–
Scotia CanAm Index Fund	0.17	–	–	0.17	–	–	–	–	–	–	–	–	–
Scotia Conservative Income Fund	0.10	–	–	–	–	–	–	–	–	–	–	–	–
Scotia Diversified Monthly Income Fund	0.06	–	0.06	0.06	–	–	–	–	–	–	–	–	–
Scotia Dividend Balanced Fund	0.08	–	0.08	–	0.05	–	–	–	–	–	–	–	–
Scotia European Fund	0.40	–	–	0.40	0.10	–	–	–	–	–	–	–	–
Scotia Floating Rate Income Fund	–	–	–	–	0.03	0.05	–	–	–	–	–	–	–
Scotia Global Balanced Fund	0.15	–	0.15	–	0.05	–	–	–	–	–	–	–	–
Scotia Global Bond Fund	0.30	–	–	0.30	0.07	–	–	–	–	–	–	–	–
Scotia Global Dividend Fund	0.12	–	–	–	0.05	–	–	–	–	–	–	–	–
Scotia Global Growth Fund	0.25	–	–	–	0.04	–	–	–	–	–	–	–	–
Scotia Global Opportunities Fund	0.37	–	–	0.37	0.06	–	–	–	–	–	–	–	–
Scotia Global Small Cap Fund	0.17	–	–	0.17	0.09	–	–	–	–	–	–	–	–
Scotia Income Advantage Fund	0.07	–	0.07	–	–	0.04	–	–	–	–	–	–	–
Scotia INNOVA Balanced Growth Portfolio	0.03	–	–	–	–	–	0.03	–	–	–	–	–	–
Scotia INNOVA Balanced Income Portfolio	0.03	–	–	–	–	–	0.03	–	–	–	–	–	–
Scotia INNOVA Growth Portfolio	0.03	–	–	–	–	–	–	–	–	–	–	–	–
Scotia INNOVA Income Portfolio	0.03	–	–	–	–	–	0.03	–	–	–	–	–	–
Scotia INNOVA Maximum Growth Portfolio	0.04	–	–	–	–	–	–	–	–	–	–	–	–
Scotia International Index Fund	0.32	–	0.32	0.32	0.09	–	–	–	–	–	–	–	–
Scotia International Value Fund	0.35	–	–	0.35	0.07	–	–	–	–	–	–	–	–
Scotia Latin American Fund	0.33	–	–	0.33	0.10	–	–	–	–	–	–	–	–
Scotia Mortgage Income Fund	0.42	–	–	0.42	0.34	0.46	–	–	–	–	–	–	–
Scotia Nasdaq Index Fund	0.23	–	0.23	0.23	–	–	–	–	–	–	–	–	–
Scotia Pacific Rim Fund	0.40	–	–	0.40	0.10	–	–	–	–	–	–	–	–
Scotia Partners Balanced Growth Portfolio	0.04	–	–	0.04	–	–	–	–	–	–	–	–	–
Scotia Partners Balanced Income Portfolio	0.05	–	–	0.05	–	–	–	–	–	–	–	–	–
Scotia Partners Growth Portfolio	0.04	–	–	0.04	–	–	–	–	–	–	–	–	–
Scotia Partners Income Portfolio	0.05	–	–	–	–	–	–	–	–	–	–	–	–
Scotia Partners Maximum Growth Portfolio	0.05	–	–	0.05	–	–	–	–	–	–	–	–	–
Scotia Private Canadian Corporate Bond Pool	–	–	–	–	0.02	0.02	–	–	–	–	–	–	–
Scotia Private Canadian Equity Pool	–	–	–	–	0.02	0.02	–	–	–	–	–	–	–
Scotia Private Canadian Preferred Share Pool	–	–	–	–	0.02	0.03	–	–	–	–	–	–	–
Scotia Private International Core Equity Pool	–	–	–	–	0.09	0.18	–	–	–	–	–	–	–
Scotia Private North American Dividend Pool	–	–	–	–	–	0.05	–	–	–	–	–	–	–
Scotia Private Options Income Pool	–	–	–	–	0.07	0.10	–	–	–	–	–	–	–
Scotia Private Real Estate Income Pool	–	–	–	–	0.10	0.06	–	–	–	–	–	–	–
Scotia Private Short-Mid Government Bond Pool	–	–	–	–	0.02	0.02	–	–	–	–	–	–	–
Scotia Private U.S. Dividend Pool	–	–	–	–	0.04	0.02	–	–	–	–	–	–	–
Scotia Private U.S. Equity Pool	–	–	–	–	0.02	0.02	–	–	–	–	–	–	–
Scotia Resource Fund	0.16	–	–	0.16	0.10	–	–	–	–	–	–	–	–
Scotia Selected Balanced Growth Portfolio	0.05	–	–	0.05	–	–	–	–	–	–	–	–	–
Scotia Selected Balanced Income Portfolio	0.05	–	–	0.05	–	–	–	–	–	–	–	–	–
Scotia Selected Growth Portfolio	0.05	–	–	0.04	–	–	–	–	–	–	–	–	–
Scotia Selected Income Portfolio	0.15	–	–	–	–	–	–	–	–	–	–	–	–
Scotia Selected Maximum Growth Portfolio	0.07	–	–	0.07	–	–	–	–	–	–	–	–	–
Scotia Short Term Bond Fund	–	–	–	–	0.03	0.03	–	–	–	–	–	–	–
Scotia U.S. $ Balanced Fund	0.09	–	–	–	–	–	–	–	–	–	–	–	–
Scotia U.S. $ Bond Fund	0.06	–	–	0.06	–	–	–	–	–	–	–	–	–
Scotia U.S. Blue Chip Fund	0.25	–	–	0.25	0.07	–	–	–	–	–	–	–	–

Trust Funds	% of Net Asset Value												
	Series A	Advisor Series	Series D	Series F	Series I	Series M	Series T	Series TL	Series TH	Premium Series	Premium T Series	Premium TL Series	Premium TH Series
Scotia U.S. Dividend Fund	0.24	–	–	–	0.03	–	–	–	–	–	–	–	–
Scotia U.S. Index Fund	0.17	–	0.17	0.17	0.07	–	–	–	–	–	–	–	–
Scotia U.S. Opportunities Fund	0.37	–	–	0.37	0.10	–	–	–	–	–	–	–	–
Corporate Classes													
Scotia Canadian Corporate Bond Capital Yield Class	–	–	–	–	–	0.08	–	–	–	–	–	–	–
Scotia Canadian Dividend Class	0.10	–	–	–	–	0.08	–	–	–	–	–	–	–
Scotia Canadian Equity Blend Class	0.15	–	–	–	–	–	–	–	–	–	–	–	–
Scotia Conservative Government Bond Capital Yield Class	0.10	–	–	–	–	0.05	–	–	–	–	–	–	–
Scotia Fixed Income Blend Class	0.10	–	–	–	–	–	–	–	–	–	–	–	–
Scotia Global Dividend Class	0.30	–	–	–	–	–	–	–	–	–	–	–	–
Scotia INNOVA Balanced Growth Portfolio Class	0.10	–	–	–	–	–	0.10	–	–	–	–	–	–
Scotia INNOVA Balanced Income Portfolio Class	0.10	–	–	–	–	–	0.10	–	–	–	–	–	–
Scotia INNOVA Growth Portfolio Class	0.10	–	–	–	–	–	0.10	–	–	–	–	–	–
Scotia INNOVA Income Portfolio Class	0.10	–	–	–	–	–	–	–	–	–	–	–	–
Scotia INNOVA Maximum Growth Portfolio Class	0.10	–	–	–	–	–	0.10	–	–	–	–	–	–
Scotia International Equity Blend Class	0.30	–	–	–	–	–	–	–	–	–	–	–	–
Scotia Private Canadian Equity Class	–	–	–	–	–	0.10	–	–	–	–	–	–	–
Scotia Private U.S. Dividend Class	–	–	–	–	–	0.15	–	–	–	–	–	–	–
Scotia Private U.S. Equity Class	–	–	–	–	–	0.15	–	–	–	–	–	–	–
Scotia U.S. Equity Blend Class	0.20	–	–	–	–	–	–	–	–	–	–	–	–

7. 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 Declaration of Trust or articles of incorporation, ranks pari passu with all other units of the Funds and entitles the unitholder to a proportionate undivided interest in the Net Asset Value of the Funds. Unitholders are entitled to distributions when declared. Distributions on units of a Fund are reinvested in additional units of the Fund or at the option of the unitholder, paid in cash. 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 Net Asset Value 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 Net Asset Value per unit is calculated by dividing the Net Asset Value per Series by the total number of outstanding units of each Series.

For the periods ended December 31, 2015 and 2014, the following number of units were issued, reinvested and redeemed:

Trust Funds	December 2015					December 2014				
	Opening Units	Units Issued	Units Reinvested	Units Redeemed	Ending Units	Opening Units	Units Issued	Units Reinvested	Units Redeemed	Ending Units
Scotia Aria Conservative Build Portfolio										
Premium Series Units	65,101	478,768	12,004	37,798	518,075	–	64,133	968	–	65,101
Series A Units	95,361	764,278	16,883	57,000	819,522	–	94,018	1,343	–	95,361
Scotia Aria Conservative Core Portfolio										
Series A Units	261,004	2,946,661	55,059	323,434	2,939,290	–	259,335	1,669	–	261,004
Series T Units	7,411	88,286	238	26,634	69,301	–	7,408	3	–	7,411
Series TH Units	8,246	143,943	1,013	8,543	144,659	–	8,242	4	–	8,246
Series TL Units	335	27,716	18	–	28,069	–	333	2	–	335
Premium Series Units	219,332	2,165,999	40,817	201,216	2,224,932	–	217,865	1,467	–	219,332
Premium T Series Units	14,994	193,447	1,438	51,768	158,111	–	14,991	3	–	14,994
Premium TH Series Units	336	154,262	985	39,553	116,030	–	333	3	–	336
Premium TL Series Units	12,743	79,294	890	12,531	80,396	–	12,658	85	–	12,743
Scotia Aria Conservative Pay Portfolio										
Series A Units	232,189	1,799,823	40,685	297,241	1,775,456	–	229,219	2,970	–	232,189
Series T Units	29,067	235,457	1,419	60,053	205,890	–	28,870	197	–	29,067
Series TH Units	3,726	272,892	2,398	63,102	215,914	–	3,719	7	–	3,726
Series TL Units	337	78,940	566	13,106	66,737	–	333	4	–	337
Premium Series Units	90,953	2,281,557	42,575	378,517	2,036,568	–	89,500	1,453	–	90,953
Premium T Series Units	6,657	271,734	1,016	69,287	210,120	–	6,651	6	–	6,657
Premium TH Series Units	40,538	466,652	1,900	83,264	425,826	–	40,531	7	–	40,538
Premium TL Series Units	34,527	127,593	1,538	74,698	88,960	–	33,992	535	–	34,527

Trust Funds	December 2015 Opening Units	Units Issued	Units Reinvested	Units Redeemed	Ending Units	December 2014 Opening Units	Units Issued	Units Reinvested	Units Redeemed	Ending Units
Scotia Aria Moderate Build Portfolio										
Premium Series Units	72,182	1,207,323	27,636	27,163	1,279,978	–	70,903	1,279	–	72,182
Series A Units	179,286	2,178,719	47,886	192,399	2,213,492	–	176,296	2,990	–	179,286
Scotia Aria Moderate Core Portfolio										
Series A Units	518,743	6,134,924	139,656	626,225	6,167,098	–	512,672	6,071	–	518,743
Series T Units	13,146	140,693	615	12,742	141,712	–	13,044	102	–	13,146
Series TH Units	19,537	247,041	1,420	47,066	220,932	–	19,391	146	–	19,537
Series TL Units	3,362	18,642	220	–	22,224	–	3,358	4	–	3,362
Premium Series Units	311,448	4,238,364	99,429	200,454	4,448,787	–	307,817	3,631	–	311,448
Premium T Series Units	337	312,361	1,428	44,682	269,444	–	333	4	–	337
Premium TH Series Units	63,994	292,472	153	21,467	335,152	–	63,988	6	–	63,994
Premium TL Series Units	337	–	7	–	344	–	333	4	–	337
Scotia Aria Moderate Pay Portfolio										
Series A Units	286,110	2,084,874	56,797	214,297	2,213,484	–	280,182	5,928	–	286,110
Series T Units	24,811	155,867	859	24,759	156,778	–	24,587	224	–	24,811
Series TH Units	17,051	186,515	748	21,340	182,974	–	17,042	9	–	17,051
Series TL Units	7,429	38,800	102	–	46,331	–	7,421	8	–	7,429
Premium Series Units	103,608	1,371,100	34,077	199,959	1,308,826	–	101,490	2,118	–	103,608
Premium T Series Units	34,367	418,257	934	11,482	442,076	–	34,359	8	–	34,367
Premium TH Series Units	123,883	405,771	225	9,255	520,624	–	123,142	741	–	123,883
Premium TL Series Units	340	102,836	44	–	103,220	–	333	7	–	340
Scotia Aria Progressive Build Portfolio										
Premium Series Units	164,048	1,579,805	30,179	168,007	1,606,025	–	160,310	3,738	–	164,048
Series A Units	271,162	3,057,244	58,978	200,265	3,187,119	–	265,014	6,148	–	271,162
Scotia Aria Progressive Core Portfolio										
Series A Units	435,732	4,650,677	142,734	403,378	4,825,765	–	429,014	6,718	–	435,732
Series T Units	338	51,819	17	–	52,174	–	333	5	–	338
Series TH Units	339	130,818	1,074	423	131,808	–	333	6	–	339
Series TL Units	338	6,815	157	2,400	4,910	–	333	5	–	338
Premium Series Units	264,628	2,946,958	87,825	259,032	3,040,379	–	260,559	4,069	–	264,628
Premium T Series Units	338	139,657	366	25,001	115,360	–	333	5	–	338
Premium TH Series Units	23,672	162,311	395	27,967	158,411	–	23,666	6	–	23,672
Premium TL Series Units	338	5,887	200	–	6,425	–	333	5	–	338
Scotia Aria Progressive Pay Portfolio										
Series A Units	52,877	661,718	21,934	98,519	638,010	–	51,507	1,370	–	52,877
Series T Units	342	110,413	469	43,483	67,741	–	333	9	–	342
Series TH Units	10,401	119,401	890	–	130,692	–	10,390	11	–	10,401
Series TL Units	376	23,081	157	305	23,309	–	366	10	–	376
Premium Series Units	26,052	510,452	18,096	35,491	519,109	–	25,367	685	–	26,052
Premium T Series Units	342	212,506	302	53,859	159,291	–	333	9	–	342
Premium TH Series Units	10,342	166,512	1,520	27,069	151,305	–	10,333	9	–	10,342
Premium TL Series Units	342	–	9	–	351	–	333	9	–	342
Scotia Balanced Opportunities Fund										
Series A Units	41,676,750	5,952,601	2,551,422	6,334,841	43,845,932	36,231,919	7,288,434	3,577,529	5,421,132	41,676,750
Series Advisor Units	138,373	4,810	2,768	88,409	57,542	152,004	14,343	10,010	37,984	138,373
Series D Units	–	881	47	110	818	–	–	–	–	–
Series F Units	3,934	7,469	553	3,169	8,787	829	5,887	377	3,159	3,934
Scotia Bond Fund										
Series A Units	8,617,945	1,098,348	319,037	2,064,686	7,970,644	12,368,462	955,074	271,315	4,976,906	8,617,945
Scotia Canadian Balanced Fund										
Series A Units	93,954,231	7,929,384	3,985,366	13,822,710	92,046,271	101,700,601	8,709,279	754,703	17,210,352	93,954,231
Series D Units	357	1,852	97	–	2,306	–	357	–	–	357
Series F Units	4,722	6,700	375	–	11,797	4,950	1,130	68	1,426	4,722
Scotia Canadian Blue Chip Fund										
Series A Units	8,881,927	436,630	1,106,644	1,115,289	9,309,912	9,263,908	318,080	497,894	1,197,955	8,881,927
Series F Units	923	465	126	–	1,514	130	1,023	59	289	923
Series I Units	7,743	2,180	1,251	889	10,285	4,046	6,302	590	3,195	7,743
Scotia Canadian Bond Index Fund										
Series A Units	29,004,421	3,006,196	678,554	6,075,329	26,613,842	38,218,227	2,336,200	862,062	12,412,068	29,004,421
Series D Units	–	3,334	36	–	3,370	–	–	–	–	–
Series F Units	379	958	13	386	964	2,598	–	27	2,246	379

Trust Funds	December 2015 Opening Units	Units Issued	Units Reinvested	Units Redeemed	Ending Units	December 2014 Opening Units	Units Issued	Units Reinvested	Units Redeemed	Ending Units
Scotia Canadian Dividend Fund										
Series A Units	71,796,647	8,570,798	802,331	9,721,305	71,448,471	70,608,111	9,837,133	1,172,343	9,820,940	71,796,647
Series Advisor Units	843,662	46,223	6,470	237,198	659,157	856,534	170,028	10,652	193,552	843,662
Series F Units	305,851	182,915	5,824	122,273	372,317	234,359	105,342	5,909	39,759	305,851
Series I Units	44,820,714	5,566,136	1,236,904	11,235,163	40,388,591	40,193,453	7,206,642	1,451,501	4,030,882	44,820,714
Series M Units	22,865,882	7,204,191	535,051	9,279,420	21,325,704	17,913,683	8,932,643	590,933	4,571,377	22,865,882
Scotia Canadian Growth Fund										
Series A Units	5,057,746	228,927	105,345	682,532	4,709,486	5,565,002	226,294	103,290	836,840	5,057,746
Series Advisor Units	4,602	20	41	2,825	1,838	5,276	7	67	748	4,602
Series F Units	2,964	2,951	142	213	5,844	1,168	1,847	35	86	2,964
Series I Units	582,868	220,512	28,635	31,166	800,849	783,397	53,542	11,903	265,974	582,868
Scotia Canadian Income Fund										
Series A Units	74,595,752	5,145,085	1,132,747	15,306,667	65,566,917	96,998,401	5,015,447	1,623,175	29,041,271	74,595,752
Series Advisor Units	458,211	3,231	1,699	249,601	213,540	664,099	5,083	4,222	215,193	458,211
Series F Units	18,502	17,730	221	8,807	27,646	61,709	12,628	351	56,186	18,502
Series I Units	298,944,761	34,645,580	9,579,066	34,593,209	308,576,198	328,366,168	52,024,002	10,642,629	92,088,038	298,944,761
Series M Units	56,227,245	39,804,844	1,577,713	28,685,660	68,924,142	45,796,477	22,540,696	1,441,105	13,551,033	56,227,245
Scotia Canadian Index Fund										
Series A Units	10,173,681	858,225	164,319	1,526,740	9,669,485	10,734,976	1,160,415	151,662	1,873,372	10,173,681
Series D Units	120	7,022	175	–	7,317	–	120	–	–	120
Series F Units	9,544	30,579	234	1,291	39,066	8,920	6,743	161	6,280	9,544
Scotia Canadian Small Cap Fund										
Series A Units	1,734,965	81,333	–	264,388	1,551,910	1,975,598	114,810	–	355,443	1,734,965
Series F Units	24	1,895	–	–	1,919	–	24	–	–	24
Series M Units	437,212	1,136,222	–	128,732	1,444,702	365,738	219,738	–	148,264	437,212
Scotia CanAm Index Fund										
Series A Units	5,990,895	491,066	110,772	932,296	5,660,437	6,312,982	590,686	61,233	974,006	5,990,895
Series F Units	2,075	1,966	52	1,892	2,201	–	18,028	–	15,953	2,075
Scotia Conservative Income Fund										
Series A Units	544,556	349,509	7,131	390,741	510,455	–	553,757	5,999	15,200	544,556
Scotia Diversified Monthly Income Fund										
Series A Units	252,064,714	34,699,266	11,882,878	40,755,986	257,890,872	249,028,827	40,461,478	7,728,344	45,153,935	252,064,714
Series Advisor Units	471,147	7,374	6,784	241,905	243,400	876,043	73,913	11,508	490,317	471,147
Series D Units	–	1,588	46	–	1,634	–	–	–	–	–
Series F Units	88,904	96,761	5,474	17,976	173,163	74,094	28,373	2,071	15,634	88,904
Scotia Dividend Balanced Fund										
Series A Units	28,602,903	4,016,766	1,692,856	6,249,128	28,063,397	17,542,080	11,816,823	2,725,330	3,481,330	28,602,903
Series D Units	–	7,798	466	927	7,337	–	–	–	–	–
Scotia European Fund										
Series A Units	1,592,969	238,441	(20)	301,157	1,530,233	1,728,566	348,308	26,983	510,888	1,592,969
Series F Units	113	255,958	–	–	256,071	–	182	4	73	113
Scotia Floating Rate Income Fund										
Series I Units	57,802,334	19,207,128	1,379,291	10,102,337	68,286,416	–	56,729,649	1,087,685	15,000	57,802,334
Series M Units	6,959,193	42,434,716	–	5,666,961	43,726,948	–	12,025,534	–	5,066,341	6,959,193
Scotia Global Balanced Fund										
Series A Units	4,689,758	2,497,427	103,852	795,492	6,495,545	3,747,447	1,544,690	106,317	708,696	4,689,758
Series D Units	–	10,057	184	–	10,241	–	–	–	–	–
Scotia Global Bond Fund										
Series A Units	1,370,549	327,464	–	411,383	1,286,630	1,623,614	193,913	–	446,978	1,370,549
Scotia Global Dividend Fund										
Series A Units	8,628,845	3,928,862	679,507	1,523,278	11,713,936	6,445,086	3,088,033	195,612	1,099,886	8,628,845
Series I Units	18,003,008	2,010,394	1,548,441	1,931,493	19,630,350	16,654,751	4,511,513	761,644	3,924,900	18,003,008
Scotia Global Growth Fund										
Series A Units	2,392,819	425,799	–	392,806	2,425,812	2,440,202	374,912	–	422,295	2,392,819
Series Advisor Units	13,772	1,163	–	1,649	13,286	11,137	3,593	–	958	13,772
Series F Units	195	116	–	2	309	149	48	–	2	195
Series I Units	9,466,947	2,496,848	92,872	734,777	11,321,890	5,693,672	5,903,364	61,879	2,191,968	9,466,947
Scotia Global Opportunities Fund										
Series A Units	886,293	387,391	47,027	152,922	1,167,789	787,715	264,703	52,545	218,670	886,293
Series Advisor Units	27,329	–	1,078	1,966	26,441	21,233	4,620	1,630	154	27,329
Series F Units	–	907	32	–	939	–	225	–	225	–
Series I Units	9,410,767	4,162,439	858,948	1,069,885	13,362,269	6,955,312	4,756,447	629,502	2,930,494	9,410,767
Scotia Global Small Cap Fund										
Series A Units	357,434	288,273	–	165,936	479,771	374,421	148,842	–	165,829	357,434
Series F Units	–	947	–	–	947	–	–	–	–	–
Series I Units	4,468,443	3,416,055	50,366	537,027	7,397,837	6,791,362	3,304,976	72,050	5,699,945	4,468,443

Trust Funds	December 2015 Opening Units	Units Issued	Units Reinvested	Units Redeemed	Ending Units	December 2014 Opening Units	Units Issued	Units Reinvested	Units Redeemed	Ending Units
Scotia Income Advantage Fund										
Series A Units	18,704,942	3,094,139	972,630	3,622,396	19,149,315	16,812,965	4,552,973	603,865	3,264,861	18,704,942
Series M Units	2,201,180	112,601	–	424,029	1,889,752	2,067,589	438,564	–	304,973	2,201,180
Scotia INNOVA Balanced Growth Portfolio										
Series A Units	163,090,461	39,816,232	11,647,264	19,814,269	194,739,688	124,483,772	48,473,228	5,686,645	15,553,184	163,090,461
Series T Units	21,070,742	4,157,943	317,966	3,405,921	22,140,730	16,705,124	7,915,867	225,954	3,776,203	21,070,742
Scotia INNOVA Balanced Income Portfolio										
Series A Units	144,969,063	32,588,137	7,179,198	20,374,588	164,361,810	114,126,315	44,317,884	4,567,378	18,042,514	144,969,063
Series T Units	23,082,213	4,632,152	296,540	4,181,426	23,829,479	18,352,816	8,620,419	216,345	4,107,367	23,082,213
Scotia INNOVA Growth Portfolio										
Series A Units	88,066,798	26,497,226	7,122,686	9,851,922	111,834,788	60,551,196	31,725,730	3,267,198	7,477,326	88,066,798
Scotia INNOVA Income Portfolio										
Series A Units	126,475,675	20,973,615	4,451,979	20,239,328	131,661,941	119,580,326	26,405,334	3,844,037	23,354,022	126,475,675
Series T Units	17,656,144	3,031,047	223,779	3,647,567	17,263,403	16,121,848	4,476,600	211,976	3,154,280	17,656,144
Scotia INNOVA Maximum Growth Portfolio										
Series A Units	22,079,291	9,392,687	1,972,289	2,801,823	30,642,444	13,673,793	9,536,186	910,634	2,041,322	22,079,291
Scotia International Index Fund										
Series A Units	2,819,952	458,143	–	482,198	2,795,897	2,945,295	488,385	–	613,728	2,819,952
Series D Units	–	658	–	200	458	–	–	–	–	–
Scotia International Value Fund										
Series A Units	1,369,799	128,013	7,463	285,120	1,220,155	1,532,853	167,659	–	330,713	1,369,799
Series Advisor Units	1,239	–	1	790	450	4,195	–	–	2,956	1,239
Series F Units	42	2,418	54	–	2,514	–	42	–	–	42
Series I Units	11,282,196	553,501	204,269	5,761,239	6,278,727	11,187,295	7,089,080	223,226	7,217,405	11,282,196
Scotia Latin American Fund										
Series A Units	1,642,056	92,820	–	328,578	1,406,298	1,939,152	139,511	13,467	450,074	1,642,056
Scotia Money Market Fund										
Premium Series Units	18,567,984	15,583,596	145,201	14,092,382	20,204,399	18,239,943	17,094,804	176,896	16,943,659	18,567,984
Series A Units	37,292,874	18,720,932	114,119	24,994,158	31,133,767	45,621,347	24,968,809	143,218	33,440,500	37,292,874
Series Advisor Units	127,783	28,256	337	88,740	67,636	127,854	292,708	633	293,412	127,783
Series I Units	15,397	100	97	15,594	–	15,198	–	199	–	15,397
Series M Units	93,840,553	366,535,326	1,077,398	357,563,321	103,889,956	111,170,691	309,854,227	1,466,482	328,650,847	93,840,553
Scotia Mortgage Income Fund										
Series A Units	11,421,396	364,872	102,338	2,547,687	9,340,919	14,152,913	837,566	205,169	3,774,252	11,421,396
Series F Units	35,365	759	460	16,582	20,002	86,127	1,894	1,254	53,910	35,365
Series I Units	125,654	43,462	3,318	54,519	117,915	13,652,839	1,070,449	283,440	14,881,074	125,654
Series M Units	3,419,231	3,973,935	–	1,356,719	6,036,447	–	4,481,742	–	1,062,511	3,419,231
Scotia Nasdaq Index Fund										
Series A Units	6,781,164	3,864,794	1,119,769	1,925,935	9,839,792	4,828,491	2,385,193	911,003	1,343,523	6,781,164
Series D Units	–	569	49	–	618	–	–	–	–	–
Series F Units	333	11,419	141	–	11,893	90,624	6,996	–	97,287	333
Scotia Pacific Rim Fund										
Series A Units	1,467,160	112,947	32,143	273,003	1,339,247	1,708,108	94,226	–	335,174	1,467,160
Scotia Partners Balanced Growth Portfolio										
Series A Units	153,787,800	28,682,998	1,874,496	19,420,405	164,924,889	132,164,861	32,663,868	5,582,404	16,623,333	153,787,800
Series F Units	17,190	76,024	451	62,767	30,898	8,821	10,562	700	2,893	17,190
Scotia Partners Balanced Income Portfolio										
Series A Units	71,548,986	22,999,903	2,616,146	11,239,672	85,925,363	54,609,704	24,601,629	1,449,953	9,112,300	71,548,986
Series F Units	1,340	37,291	1,485	2,521	37,595	1,332	–	8	–	1,340
Scotia Partners Growth Portfolio										
Series A Units	151,696,322	23,948,322	2,732,544	18,309,270	160,067,918	132,421,566	30,845,938	4,541,937	16,113,119	151,696,322
Series F Units	105,393	70,131	2,486	51,626	126,384	90,767	20,458	3,389	9,221	105,393
Scotia Partners Income Portfolio										
Series A Units	58,859,025	15,522,103	2,392,482	10,533,631	66,239,979	50,627,257	16,492,916	2,291,652	10,552,800	58,859,025
Scotia Partners Maximum Growth Portfolio										
Series A Units	34,598,113	7,031,208	17	4,833,411	36,795,927	29,447,082	8,665,019	558,453	4,072,441	34,598,113
Series F Units	19,458	20,233	–	17,783	21,908	21,008	1,247	372	3,169	19,458
Scotia Premium T-Bill Fund										
Series A Units	22,934,815	3,036,025	98,457	6,955,484	19,113,813	27,821,782	7,313,023	168,003	12,367,993	22,934,815
Scotia Private Canadian Corporate Bond Pool										
Series I Units	172,752,488	84,874,927	7,888,000	7,253,786	258,261,629	128,501,803	57,379,278	5,724,961	18,853,554	172,752,488
Series M Units	209,602,859	53,431,866	6,224,128	53,527,354	215,731,499	182,920,268	67,723,287	5,589,734	46,630,430	209,602,859

Trust Funds	December 2015 Opening Units	Units Issued	Units Reinvested	Units Redeemed	Ending Units	December 2014 Opening Units	Units Issued	Units Reinvested	Units Redeemed	Ending Units
Scotia Private Canadian Equity Pool										
Series I Units	45,020,510	6,513,652	911,961	31,575,113	20,871,010	36,782,564	12,196,000	1,133,895	5,091,949	45,020,510
Series M Units	32,715,126	10,096,526	804,034	13,646,314	29,969,372	30,246,826	10,466,867	697,401	8,695,968	32,715,126
Scotia Private Canadian Preferred Share Pool										
Series I Units	–	267,274	8,710	–	275,984	12,832,622	2,932,010	30,978	15,795,610	–
Series M Units	45,463,199	19,830,191	2,133,799	14,373,754	53,053,435	25,186,960	27,722,809	1,579,017	9,025,587	45,463,199
Scotia Private International Core Equity Pool										
Series M Units	4,796,478	40,066,675	739,532	3,819,393	41,783,292	5,379,668	2,421,321	76,382	3,080,893	4,796,478
Scotia Private North American Dividend Pool										
Series M Units	6,854,699	3,728,615	153,508	3,349,561	7,387,261	6,259,984	1,605,253	161,985	1,172,523	6,854,699
Scotia Private Real Estate Income Pool										
Series I Units	48,169	465,307	17,045	8,255	522,266	–	47,995	174	–	48,169
Series M Units	16,859,711	6,956,495	709,399	5,942,053	18,583,552	13,091,922	5,625,255	550,865	2,408,331	16,859,711
Scotia Private Short-Mid Government Bond Pool										
Series I Units	45,380,478	5,785,758	1,186,089	11,408,229	40,944,096	54,028,595	16,108,598	1,210,961	25,967,676	45,380,478
Series M Units	109,197,090	33,669,687	2,099,863	67,598,964	77,367,676	70,727,424	57,736,443	2,107,977	21,374,754	109,197,090
Scotia Private U.S. Dividend Pool										
Series I Units	8,809,895	1,153,992	62,922	8,723,157	1,303,652	2,028,814	7,132,372	216,639	567,930	8,809,895
Series M Units	61,274,689	36,589,770	1,087,661	38,318,480	60,633,640	46,312,112	23,206,255	1,227,122	9,470,800	61,274,689
Scotia Private U.S. Equity Pool										
Series I Units	540,784	19,867	92,293	189,317	463,627	14,569,468	930,526	89,270	15,048,480	540,784
Series M Units	34,102,912	8,400,007	8,061,685	9,889,877	40,674,727	28,641,821	6,395,988	5,203,910	6,138,807	34,102,912
Scotia Resource Fund										
Series A Units	5,990,991	697,865	–	986,192	5,702,664	6,738,485	703,606	–	1,451,100	5,990,991
Series F Units	1,123	89	–	607	605	2,044	112	–	1,033	1,123
Scotia Selected Balanced Growth Portfolio										
Series A Units	86,969,523	15,486,952	5,203,450	11,430,161	96,229,764	84,362,178	14,037,259	–	11,429,914	86,969,523
Series Advisor Units	8,356	65	432	572	8,281	4,636	4,388	–	668	8,356
Series F Units	1,787	–	113	1,900	–	–	1,790	–	3	1,787
Scotia Selected Balanced Income Portfolio										
Series A Units	60,273,954	15,557,491	1,733,170	8,969,358	68,595,257	52,919,505	13,906,461	1,696,350	8,248,362	60,273,954
Series Advisor Units	67,606	3,194	1,306	5,631	66,475	66,327	7,947	1,504	8,172	67,606
Series F Units	–	2,244	94	–	2,338	–	–	–	–	–
Scotia Selected Growth Portfolio										
Series A Units	53,974,408	10,016,261	1,056,522	6,886,395	58,160,796	49,285,608	10,043,392	1,332,253	6,686,845	53,974,408
Series Advisor Units	2,295	–	45	–	2,340	2,246	–	57	8	2,295
Series F Units	10,380	6,728	345	5,396	12,057	1,756	10,124	256	1,756	10,380
Scotia Selected Income Portfolio										
Series A Units	6,328,521	4,212,951	150,097	1,314,475	9,377,094	3,684,214	3,149,077	295,813	800,583	6,328,521
Scotia Selected Maximum Growth Portfolio										
Series A Units	11,939,619	3,135,558	61,431	1,772,931	13,363,677	10,573,774	3,040,028	1	1,674,184	11,939,619
Series Advisor Units	24,247	37	86	3,317	21,053	195	25,368	–	1,316	24,247
Series F Units	32	585	5	–	622	–	32	–	–	32
Scotia Short Term Bond Fund										
Series I Units	161,805	59,772	3,911	67,166	158,322	–	185,517	2,885	26,597	161,805
Series M Units	6,479,892	32,558,518	256,762	3,648,478	35,646,694	25,623,512	8,041,897	303,342	27,488,859	6,479,892
Scotia T-Bill Fund										
Series A Units	6,146,467	870,928	13,040	2,172,472	4,857,963	7,610,182	1,298,693	20,227	2,782,635	6,146,467
Scotia U.S. $ Balanced Fund										
Series A Units	9,535,726	2,713,517	401,505	2,826,477	9,824,271	6,026,921	5,151,322	–	1,642,517	9,535,726
Scotia U.S. $ Bond Fund										
Series A Units	7,261,291	511,133	27,739	2,194,127	5,606,036	9,955,943	765,604	29,516	3,489,772	7,261,291
Series F Units	25,844	26,153	290	2,649	49,638	55,570	12,049	309	42,084	25,844
Scotia U.S. $ Money Market Fund										
Series A Units	7,119,097	3,685,438	3,228	4,630,860	6,176,903	6,951,695	4,736,534	3,298	4,572,430	7,119,097
Scotia U.S. Blue Chip Fund										
Series A Units	3,757,635	1,453,445	–	667,110	4,543,970	3,887,064	551,282	–	680,711	3,757,635
Series F Units	31	1,491	–	–	1,522	–	31	–	–	31

Trust Funds	December 2015 Opening Units	Units Issued	Units Reinvested	Units Redeemed	Ending Units	December 2014 Opening Units	Units Issued	Units Reinvested	Units Redeemed	Ending Units
Scotia U.S. Dividend Fund										
Series A Units	2,679,876	2,456,522	251,485	625,393	4,762,490	1,402,081	1,428,203	217,421	367,829	2,679,876
Series I Units	10,041,724	1,106,204	633,457	2,953,991	8,827,394	9,237,322	2,498,021	993,861	2,687,480	10,041,724
Scotia U.S. Index Fund										
Series A Units	5,045,573	1,929,081	55,328	930,543	6,099,439	4,581,295	1,273,361	36,366	845,449	5,045,573
Series D Units	–	1,673	25	–	1,698	–	–	–	–	–
Series F Units	988	6,638	14	4,745	2,895	1,171	979	9	1,171	988
Scotia U.S. Opportunities Fund										
Series A Units	2,263,985	449,072	–	371,931	2,341,126	2,156,888	562,943	–	455,846	2,263,985
Series F Units	56	1,638	–	–	1,694	–	56	–	–	56
Series I Units	21,173	34,875	–	10,191	45,857	8,947	16,950	–	4,724	21,173
Scotia Private Options Income Pool										
Series I Units	–	60,177,653	359,877	144,932	60,392,598	–	–	–	–	–
Series M Units	–	20,025,249	91,749	1,187,878	18,929,120	–	–	–	–	–
Corporate Class										
Scotia Canadian Corporate Bond Capital Yield Class										
Series M Units	3,942,028	–	98,565	1,933,182	2,107,411	5,781,957	3,597	–	1,843,526	3,942,028
Scotia Canadian Dividend Class										
Series A Units	6,178,415	2,277,041	393,608	1,365,476	7,483,588	3,855,157	3,427,003	139,604	1,243,349	6,178,415
Series M Units	3,734,440	733,045	151,361	2,916,627	1,702,219	2,752,947	1,580,143	80,853	679,503	3,734,440
Scotia Canadian Equity Blend Class										
Series A Units	100,944	50,527	2,964	26,977	127,458	56,165	94,678	1,848	51,747	100,944
Scotia Conservative Government Bond Capital Yield Class										
Series A Units	1,302,674	–	31,765	422,907	911,532	2,740,875	–	–	1,438,201	1,302,674
Series M Units	1,949,310	–	48,733	1,175,638	822,405	2,964,930	12,749	–	1,028,369	1,949,310
Scotia Fixed Income Blend Class										
Series A Units	217,563	–	5,430	36,260	186,733	302,512	–	–	84,949	217,563
Scotia Global Dividend Class										
Series A Units	1,056,643	439,923	28,565	236,126	1,289,005	721,444	540,509	–	205,310	1,056,643
Scotia INNOVA Balanced Growth Portfolio Class										
Series A Units	45,865,228	22,376,021	1,549,030	11,146,336	58,643,943	23,588,288	27,632,027	343,948	5,699,035	45,865,228
Series T Units	4,839,626	6,715,005	120,250	1,654,294	10,020,587	–	5,048,347	20,717	229,438	4,839,626
Scotia INNOVA Balanced Income Portfolio Class										
Series A Units	72,258,216	32,531,013	2,422,712	14,968,368	92,243,573	37,472,042	43,331,687	430,137	8,975,650	72,258,216
Series T Units	5,112,722	6,363,371	125,965	1,651,078	9,950,980	–	5,503,118	21,689	412,085	5,112,722
Scotia INNOVA Growth Portfolio Class										
Series A Units	17,032,046	8,175,005	571,764	3,888,068	21,890,747	8,773,738	11,346,150	135,406	3,223,248	17,032,046
Series T Units	616,941	999,116	28,131	214,559	1,429,629	–	666,403	3,740	53,202	616,941
Scotia INNOVA Income Portfolio Class										
Series A Units	21,242,379	–	640,934	3,262,411	18,620,902	26,829,581	932	113,647	5,701,781	21,242,379
Scotia INNOVA Maximum Growth Portfolio Class										
Series A Units	3,240,001	2,042,246	109,902	802,956	4,589,193	1,517,133	2,237,832	25,188	540,152	3,240,001
Series T Units	171,346	245,708	12,038	73,689	355,403	–	179,754	1,763	10,171	171,346
Scotia International Equity Blend Class										
Series A Units	47,315	30,900	1,130	16,182	63,163	44,333	14,064	35	11,117	47,315
Scotia Private Canadian Equity Class										
Series M Units	273,882	8,223	13,261	142,970	152,396	387,002	120,467	6,767	240,354	273,882
Scotia Private U.S. Dividend Class										
Series M Units	2,024,791	598,157	50,481	1,434,522	1,238,907	1,980,269	440,177	–	395,655	2,024,791
Scotia Private U.S. Equity Class										
Series M Units	366,228	13,687	8,935	130,984	257,866	726,182	57,903	–	417,857	366,228
Scotia U.S. Equity Blend Class										
Series A Units	178,785	309,176	4,267	113,264	378,964	76,453	162,314	–	59,982	178,785

8. Income Taxes

Mutual Fund Trusts

Each of the Trust Funds, except Scotia Aria Conservative Build Portfolio and Scotia Aria Progressive Pay Portfolio qualify or expect to qualify as a mutual fund trust under the *Income Tax Act (Canada).* Scotia Aria Conservative Build Portfolio and Scotia Aria Progressive Pay Portfolio are unit trusts. The Trust Funds are subject to tax on their net investment income, including net realized taxable capital gains that are not paid or payable to their unitholders. Each Trust Fund distributes sufficient amounts of its net investment income, including net realized capital gains, less the amount retained to enable each Trust Fund to utilize any available tax losses or tax credits attributable to redemptions, if applicable, during the period to its unitholders such that no income tax will be paid or payable by the Trust Funds. Such net investment income, including net realized taxable capital gains are taxable in the hands of the unitholders. Accordingly, the Trust Funds do not record Canadian income taxes in their financial statements.

In certain circumstances, the Trust Funds may distribute a return of capital. A return of capital is generally not taxable to unitholders but will reduce the adjusted cost base of the units held.

Mutual Fund Corporation

The Corporation qualifies as a mutual fund corporation under the *Income Tax Act (Canada).* Each of the Corporate Class Funds within the Corporation represents a class of share of the Corporation and is collectively treated as one legal entity for tax purposes. As a result, the Corporation must combine its income, expenses, capital gains and capital losses of all of its Corporate Class Funds in order to determine the Corporation's tax payable as a whole and whether the Corporation will pay capital gains dividends to its shareholders.

The Corporation is subject to Part IV federal tax of 33 1/3% on the amount of taxable dividends received from taxable Canadian corporations. This tax is refundable as the Corporation pays taxable dividends to its shareholders at the rate of $1 for every $3 of taxable dividends paid. The Corporation will pay out sufficient taxable dividends such that the Corporation would not be subject to Part IV tax.

The Corporation is also subject to Part I tax on other income and taxable capital gains for the year. Part I tax on taxable capital gains can be reduced by the capital gains refund available to mutual fund corporations which is calculated based on the level of redemptions by shareholders and capital gains dividends distributed to shareholders. The Corporation will pay out sufficient capital gains dividends such that the Corporation would not be liable to Part I tax on taxable capital gains.

As a result of the capital gains refund and Part IV tax refund, the Corporation can recover any Canadian income taxes paid with respect to taxable capital gains and taxable dividends received from taxable Canadian Corporations respectively. At this time, the Corporation is expected to have sufficient expenses to offset other income such that the Corporation would not be liable for Part I tax on other income. As a result, the Corporation has not recorded any provision for such income taxes.

Losses Carried Forward

Certain Funds have accumulated capital and non-capital losses. Capital losses can be carried forward indefinitely to reduce future net realized capital gains. Non-capital losses for income tax purposes may be carried forward up to twenty years and applied against all sources of income. Since the Funds do not record income taxes, the tax benefit of capital and non-capital losses have not been reflected in the Statements of Financial Position as a deferred income tax asset.

The following Funds have losses available to carry forward as indicated in the table below:

Trust Funds	Year of expiry	Non-Capital Loss $	Capital Loss $
Scotia Aria Conservative Build Portfolio	–	–	–
Scotia Aria Conservative Core Portfolio	–	–	–
Scotia Aria Conservative Pay Portfolio	–	–	–
Scotia Aria Moderate Build Portfolio	–	–	–
Scotia Aria Moderate Core Portfolio	–	–	–
Scotia Aria Moderate Pay Portfolio	–	–	–
Scotia Aria Progressive Build Portfolio	–	–	–
Scotia Aria Progressive Core Portfolio	–	–	–
Scotia Aria Progressive Pay Portfolio	–	–	–
Scotia Balanced Opportunities Fund	–	–	–
Scotia Bond Fund	–	–	–
Scotia Canadian Balanced Fund	–	–	–
Scotia Canadian Blue Chip Fund	–	–	–
Scotia Canadian Bond Index Fund	–	–	1,857,688
Scotia Canadian Dividend Fund	–	–	1,318,027
Scotia Canadian Growth Fund	–	–	–
Scotia Canadian Income Fund	–	–	39,389,193
Scotia Canadian Index Fund	–	–	33,741,869
Scotia Canadian Small Cap Fund	2032	142,967	12,867,206
Scotia CanAm Index Fund	–	–	75,880,962
Scotia Conservative Income Fund	–	–	71,152
Scotia Diversified Monthly Income Fund	–	–	–
Scotia Dividend Balanced Fund	–	–	–
Scotia European Fund	2035	99,729	50,780,288
Scotia Floating Rate Income Fund	–	–	13,818,799
Scotia Global Balanced Fund	–	–	–
Scotia Global Bond Fund	2033	1,251,522	28,926,482
Scotia Global Dividend Fund	–	–	–
Scotia Global Growth Fund	–	–	115,689,513
Scotia Global Opportunities Fund	–	–	–
Scotia Global Small Cap Fund	–	–	39,034,185
Scotia Income Advantage Fund	–	–	–
Scotia INNOVA Balanced Growth Portfolio	–	–	–
Scotia INNOVA Balanced Income Portfolio	–	–	–
Scotia INNOVA Growth Portfolio	–	–	–
Scotia INNOVA Income Portfolio	–	–	–
Scotia INNOVA Maximum Growth Portfolio	–	–	–
Scotia International Index Fund	2031	2,453,369	11,537,130
Scotia International Value Fund	–	–	42,980,644
Scotia Latin American Fund	2035	9,513	21,056,254

Trust Funds	Year of expiry	Non-Capital Loss $	Capital Loss $
Scotia Money Market Fund	–	–	–
Scotia Mortgage Income Fund	–	–	7,094,841
Scotia Nasdaq Index Fund	–	–	–
Scotia Pacific Rim Fund	–	–	11,755,205
Scotia Partners Balanced Growth Portfolio	–	–	–
Scotia Partners Balanced Income Portfolio	–	–	–
Scotia Partners Growth Portfolio	–	–	–
Scotia Partners Income Portfolio	–	–	–
Scotia Partners Maximum Growth Portfolio	2030	458,500	–
	2031	906,769	
Scotia Premium T-Bill Fund	–	–	–
Scotia Private Canadian Corporate Bond Pool	–	–	–
Scotia Private Canadian Equity Pool	–	–	18,424,683
Scotia Private Canadian Preferred Share Pool	–	–	36,504,039
Scotia Private International Core Equity Pool	–	–	170,202,580
Scotia Private North American Dividend Pool	–	–	60,329,120
Scotia Private Options Income Pool	–	–	–
Scotia Private Real Estate Income Pool	–	–	–
Scotia Private Short-Mid Government Bond Pool	–	–	12,719,594
Scotia Private U.S. Dividend Pool	–	–	–
Scotia Private U.S. Equity Pool	–	–	–
Scotia Resource Fund	2029	432,698	43,045,938
	2035	2,892,963	
Scotia Selected Balanced Growth Portfolio	–	–	–
Scotia Selected Balanced Income Portfolio	–	–	–
Scotia Selected Growth Portfolio	–	–	–
Scotia Selected Income Portfolio	–	–	–
Scotia Selected Maximum Growth Portfolio	–	–	–
Scotia Short Term Bond Fund	–	–	1,940,910
Scotia T-Bill Fund	–	–	–
Scotia U.S. $ Balanced Fund	2032	9,668	–
Scotia U.S. $ Bond Fund	–	–	6,016,630
Scotia U.S. $ Money Market Fund	–	–	46,724,079
Scotia U.S. Blue Chip Fund	2028	367,040	129,977,213
	2029	232,487	
	2030	83,350	
	2031	201,686	
	2032	404,417	
	2035	570,910	
Scotia U.S. Dividend Fund	–	–	–
Scotia U.S. Index Fund	–	–	34,710,441
Scotia U.S. Opportunities Fund	2015	16,904	32,433,722
	2026	472,977	

Withholding Taxes

The Funds currently incur withholding taxes imposed by certain countries on investment income and in some cases, capital gains. Such income and capital gains are recorded on a gross basis and the related withholding taxes are shown as a separate expense in the Statements of Comprehensive Income.

Uncertain Income Taxes

The Funds invest in securities issued by entities which are domiciled in countries other than Canada. These foreign countries may impose taxes on capital gains realized by non-residents. In addition, the Funds may be required to determine these capital gains taxes on a self-assessment basis; therefore, such taxes may not be deducted by the Fund's broker on a "withholding" basis.

As at December 31, 2015 and 2014, the Funds have measured uncertain tax liabilities and related interest and penalties with respect to foreign capital gains taxes as nil. While this represents the Manager's best estimate, the estimated value could differ significantly from the amount ultimately payable.

9. Client Brokerage Commissions

Client brokerage commissions are arrangements pursuant to which products or services, other than the execution of portfolio securities transactions, are obtained by a portfolio adviser from or through a broker-dealer in exchange for directing client securities transactions to the broker-dealer. The ascertainable soft dollar arrangements in connection with investment portfolio transactions for the periods ended December 31, 2015 and 2014 are set out below.

Fund	2015	2014
Scotia Balanced Opportunities Fund	$ 14,081	$ 35,159
Scotia Canadian Balanced Fund	312,686	261,146
Scotia Canadian Blue Chip Fund	59,549	43,482
Scotia Canadian Dividend Fund	153,300	374,930
Scotia Canadian Growth Fund	86,208	107,497
Scotia Canadian Small Cap Fund	9,474	8,623
Scotia Diversified Monthly Income Fund	136,849	205,727
Scotia Dividend Balanced Fund	40,543	30,477
Scotia European Fund	11,521	14,326
Scotia Global Dividend Fund	83,540	88,720
Scotia Global Growth Fund	126,380	99,637
Scotia Global Opportunities Fund	12,922	17,914
Scotia Global Small Cap Fund	23,809	10,463
Scotia Income Advantage Fund	20,061	17,634
Scotia International Value Fund	48,778	12,880
Scotia Pacific Rim Fund	655	–
Scotia Private Canadian Equity Pool	109,390	171,454
Scotia Private Canadian Corporate Bond Pool	10,560	–
Scotia Private Canadian Preferred Share Pool	46,141	35,680
Scotia Private International Core Equity Pool	3,288	1,520
Scotia Private North American Dividend Pool	10,700	1,969
Scotia Private Options Income Pool	28,546	–
Scotia Private Real Estate Income Pool	24,561	10,537
Scotia Private U.S. Dividend Pool	275,070	5,600
Scotia Private U.S. Equity Pool	22,514	87,401
Scotia Resource Fund	12,052	13,283
Scotia U.S. $ Balanced Fund	4,533	7,222
Scotia U.S. Blue Chip Fund	3,469	2,181
Scotia U.S. Dividend Fund	5,279	8,690
Scotia U.S. Opportunities Fund	549	2,799

10. Related Party Transactions

The Manager is a wholly-owned subsidiary of The Bank of Nova Scotia ("Scotiabank"). Scotiabank also owns, directly or indirectly, 100% of Scotia Securities Inc., HollisWealth Advisory Services Inc. and Tangerine Investment Funds Limited, each a mutual fund dealer, and Scotia Capital Inc., (which includes HollisWealth, ScotiaMcLeod and Scotia iTRADE), an investment dealer.

The Manager, on behalf of the Funds, may enter into transactions or arrangements with other members of Scotiabank or certain other companies that are related or connected to the Manager (each a "related party"). All transactions between the Funds and the related parties are in the normal course of business and are carried out at arm's length terms.

(a) The Manager earns fees for acting as trustee and manager of the Funds, and Fixed Administration Fee in return for paying certain operating expenses of the Funds as detailed in note 5 and note 6 respectively. In addition, Scotiabank as the custodian of the Funds earns a fee for providing custody and related services. The management fees, fixed administration fees, and

custodian fees (for Funds that are not subject to Fixed Administration Fee) are disclosed in separate line in the Statements of Comprehensive Income and Statements of Financial Position. The custodian fee charged to Funds that are subject to Fixed Administration Fee is paid by the Manager, in exchange for the Fixed Administration Fee received from these Funds.

(b) Scotia Mocatta is the custodian of gold bullion for certain Funds. Scotia Mocatta earns a fee for providing custody and related services which is paid by the Manager in exchange for the Fixed Administration Fee received by the Fund.

c) Decision about the purchase and sale of the Funds' portfolio securities are made by appointed Portfolio Managers of each Fund. Provided that the pricing, service and other terms are comparable to those offered by other dealers, a portion of the portfolio transactions may be executed for the Funds, by a related party to the Funds. In such cases, the related party will receive commissions from the Fund. Brokerage fees paid to related parties l for the periods ended December 31, 2015 and 2014 are as follows:

Fund	December 31, 2015	December 31, 2014
Scotia Balanced Opportunities Fund	$ 37,152	$ 37,748
Scotia Canadian Balanced Fund	76,593	260,124
Scotia Canadian Blue Chip Fund	13,778	32,190
Scotia Canadian Dividend Fund	542,245	383,285
Scotia Canadian Growth Fund	38,658	26,474
Scotia Canadian Small Cap Fund	3,780	8,094
Scotia Diversified Monthly Income Fund	148,914	298,842
Scotia Dividend Balanced Fund	27,551	30,171
Scotia Global Dividend Fund	21,839	3,162
Scotia Global Opportunities Fund	–	17,133
Scotia Global Small Cap Fund	–	2,190
Scotia Income Advantage Fund	10,195	16,781
Scotia Latin American Fund	–	90,664
Scotia Private Canadian Corporate Bond Pool	14,960	–
Scotia Private Canadian Equity Pool	82,561	47,382
Scotia Private Canadian Preferred Share Pool	25,854	16,120
Scotia Private International Core Equity Pool	3,715	–
Scotia Private North American Dividend Pool	1,131	528
Scotia Private Options Income Pool	9,650	–
Scotia Private Real Estate Income Pool	16,279	13,716
Scotia Private U.S. Equity Pool	–	35,257
Scotia Resource Fund	16,476	18,545
Scotia U.S. $ Balanced Fund	–	4,908
Scotia U.S. Blue Chip Fund	1,360	–
Scotia U.S. Dividend Fund	7,013	3,183
Scotia U.S. Opportunities Fund	–	2,350

d) Certain registered dealers through which units or shares of the Fund are distributed are related parties to the Fund and the Manager. The Manager pays to these related parties a trailer commission out of its management fees, representing distribution and servicing fees, based on the amount of assets held in the investors' accounts. These fees are paid on the basis and at the same rates that the Manager pays to non-affiliated dealers.

e) 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 disclosed in "Interest for distribution purposes" in the Statements of Comprehensive Income.

f) As at December 31, 2015, certain Funds invested in Funds managed by the Manager. These holdings are disclosed in the Schedule of Investment Portfolio, as applicable. Units held by the Manager or the other Funds managed by the Manager in the Funds as at December 31, 2015 and 2014, are disclosed below:

Fund	December 31, 2015	December 31, 2014
Scotia Aria Conservative Build Portfolio	–	508 Series Premium Units
Scotia Aria Conservative Build Portfolio	–	15,214 Series A Units
Scotia Aria Conservative Core Portfolio	–	503 Series Premium Units
Scotia Aria Conservative Core Portfolio	–	15,097 Series A Units
Scotia Aria Conservative Core Portfolio	347 Series T Units	336 Series T Units
Scotia Aria Conservative Core Portfolio	346 Series TL Units	335 Series TL Units
Scotia Aria Conservative Core Portfolio	–	337 Series TH Units
Scotia Aria Conservative Core Portfolio	342 Series Premium TL Units	336 Series Premium TL Units
Scotia Aria Conservative Core Portfolio	347 Series Premium T Units	336 Series Premium T Units
Scotia Aria Conservative Core Portfolio	352 Series Premium TH Units	336 Series Premium TH Units
Scotia Aria Conservative Pay Portfolio	–	508 Series Premium Units
Scotia Aria Conservative Pay Portfolio	–	15,236 Series A Units
Scotia Aria Conservative Pay Portfolio	–	339 Series T Units
Scotia Aria Conservative Pay Portfolio	348 Series TL Units	337 Series TL Units
Scotia Aria Conservative Pay Portfolio	–	340 Series TH Units
Scotia Aria Conservative Pay Portfolio	349 Series Premium TL Units	339 Series Premium TL Units
Scotia Aria Conservative Pay Portfolio	351 Series Premium T Units	339 Series Premium T Units
Scotia Aria Conservative Pay Portfolio	356 Series Premium TH Units	340 Series Premium TH Units
Scotia Aria Moderate Build Portfolio	–	509 Series Premium Units
Scotia Aria Moderate Build Portfolio	–	15,267 Series A Units
Scotia Aria Moderate Core Portfolio	–	506 Series Premium Units
Scotia Aria Moderate Core Portfolio	–	15,178 Series A Units
Scotia Aria Moderate Core Portfolio	353 Series T Units	338 Series T Units
Scotia Aria Moderate Core Portfolio	350 Series TL Units	338 Series TL Units
Scotia Aria Moderate Core Portfolio	–	339 Series TH Units
Scotia Aria Moderate Core Portfolio	344 Series Premium TL Units	337 Series Premium TL Units
Scotia Aria Moderate Core Portfolio	352 Series Premium T Units	337 Series Premium T Units
Scotia Aria Moderate Core Portfolio	–	339 Series Premium TH Units
Scotia Aria Moderate Pay Portfolio	–	510 Series Premium Units
Scotia Aria Moderate Pay Portfolio	–	15,317 Series A Units
Scotia Aria Moderate Pay Portfolio	–	342 Series T Units
Scotia Aria Moderate Pay Portfolio	354 Series TL Units	341 Series TL Units
Scotia Aria Moderate Pay Portfolio	–	342 Series TH Units
Scotia Aria Moderate Pay Portfolio	352 Series Premium TL Units	340 Series Premium TL Units
Scotia Aria Moderate Pay Portfolio	357 Series Premium T Units	342 Series Premium T Units
Scotia Aria Moderate Pay Portfolio	–	342 Series Premium TH Units
Scotia Aria Progressive Build Portfolio	–	512 Series Premium Units
Scotia Aria Progressive Build Portfolio	–	15,348 Series A Units
Scotia Aria Progressive Core Portfolio	–	508 Series Premium Units
Scotia Aria Progressive Core Portfolio	–	15,235 Series A Units
Scotia Aria Progressive Core Portfolio	356 Series T Units	338 Series T Units
Scotia Aria Progressive Core Portfolio	352 Series TL Units	338 Series TL Units
Scotia Aria Progressive Core Portfolio	366 Series TH Units	339 Series TH Units
Scotia Aria Progressive Core Portfolio	352 Series Premium TL Units	338 Series Premium TL Units
Scotia Aria Progressive Core Portfolio	359 Series Premium T Units	338 Series Premium T Units
Scotia Aria Progressive Core Portfolio	366 Series Premium TH Units	339 Series Premium TH Units
Scotia Aria Progressive Pay Portfolio	–	514 Series Premium Units
Scotia Aria Progressive Pay Portfolio	–	15,399 Series A Units
Scotia Aria Progressive Pay Portfolio	–	342 Series T Units
Scotia Aria Progressive Pay Portfolio	361 Series TL Units	342 Series TL Units
Scotia Aria Progressive Pay Portfolio	375 Series TH Units	344 Series TH Units
Scotia Aria Progressive Pay Portfolio	351 Series Premium TL Units	342 Series Premium TL Units
Scotia Aria Progressive Pay Portfolio	360 Series Premium T Units	342 Series Premium T Units
Scotia Aria Progressive Pay Portfolio	369 Series Premium TH Units	342 Series Premium TH Units
Scotia International Equity Blend Class	8,531 Series A Units	15,078 Series A Units
Scotia Money Market Fund	1,003,029 Series A Units	–

g) The Manager has received approval from the Independent Review Committee for the Funds to purchase securities of related party. Any related securities purchased by the Funds are disclosed in the Schedule of Investment Portfolio for the respective Funds.

h) All distributions received from related party fund are shown in the respective items on the Statements of Comprehensive Income.

i) Scotia Mortgage Income Fund purchases and sells mortgages from SMC and from Scotiabank at an amount which will produce a yield to Scotia Mortgage Income Fund of not more than one-quarter of one percent less than the interest rate at which Scotiabank is making similar commitments.

For conventional uninsured mortgages, Scotia Mortgage Income Fund pays SMC or Scotiabank a guarantee fee equal to 0.25 percent applied to the present value of each mortgage at the time of purchase. This guarantee fee is deferred and amortized over the remaining term to maturity of the mortgages purchased. Scotiabank has agreed to purchase from Scotia Mortgage Income Fund any mortgage purchased from SMC or from Scotiabank at such time if the mortgage is in default. The price of such purchase is equal to the principal value plus unpaid interest. Unamortized guarantee fees are included in "Non-derivative financial assets" in the Statements of Financial Position. Amortized guarantee fees are included in "Interest for distribution purposes" in the Statements of Comprehensive Income. As at December 31, 2015, unamortized guarantee fees is $235,847 (December 31, 2014 – $303,837).

Scotia Mortgage Income Fund pays SMC mortgage service fees for administering all mortgages it holds. The fee is equal to an annualized rate of 3/8 of 1% of the outstanding principal balance of mortgages held, paid by the Manager in return for the Fixed Administration Fee paid to Manager by the Fund (See Note 6).

There are no mortgages in arrears as at December 31, 2015 and 2014.

11. Securities Lending

Some of the Funds may enter into securities lending transactions under a securities lending program with their custodian, The Bank of Nova Scotia. These transactions involve the temporary exchange of securities for collateral with a commitment to return the same securities to the Fund on a future date. The income earned from these securities lending transactions is recorded in the Statements of Comprehensive Income. The fair value of the securities lent and collateral held is determined on a daily basis. The securities lending arrangement can be terminated by the borrower, the securities lending agent or the Fund at any time. The aggregate market value of all securities loaned by a Fund cannot exceed 50% of the Net Assets of the Fund.

The Funds receive collateral of at least 104% of the value of the securities on loan. Collateral is received in the form of debt obligations of the Government of Canada, a Canadian provincial government, the government of the United States of America, certain financial institutions or other qualified securities, and is not included in the Schedule of Investment Portfolio. The aggregate market value of the securities on loan and the collateral received by the Funds as at December 31, 2015 and 2014 are as follows:

	As at December 31, 2015	
Trust Funds	**Market value of securities on loan**	**Market value of collateral received**
Scotia Balanced Opportunities Fund	$ 49,981,392	$ 52,733,078
Scotia Bond Fund	7,555,941	7,985,626
Scotia Canadian Balanced Fund	7,066,176	7,530,461
Scotia Canadian Blue Chip Fund	99,360	104,570
Scotia Canadian Bond Index Fund	55,951,550	58,993,746
Scotia Canadian Dividend Fund	27,522,471	29,443,619
Scotia Canadian Growth Fund	5,953,768	6,305,433
Scotia Canadian Income Fund	1,549,922,973	1,629,724,789
Scotia Canadian Index Fund	11,222,558	11,960,779
Scotia CanAm Index Fund	1,999,400	2,142,358
Scotia Diversified Monthly Income Fund	13,510,570	14,377,392
Scotia Dividend Balanced Fund	21,998,601	23,302,770
Scotia Floating Rate Income Fund	63,927,529	67,228,103
Scotia Global Dividend Fund	4,149,583	4,392,776
Scotia Global Growth Fund	18,487,593	19,551,361
Scotia Income Advantage Fund	2,116,693	2,226,375
Scotia Latin American Fund	108,644	116,059
Scotia Money Market Fund	31,072,974	32,650,458
Scotia Premium T-Bill Fund	13,583,522	14,282,069
Scotia Private Canadian Corporate Bond Pool	327,466,819	344,111,526
Scotia Private Canadian Equity Pool	14,404,684	15,340,786
Scotia Private Canadian Preferred Share Pool	3,374,185	3,591,464
Scotia Private North American Dividend Pool	675,679	719,217
Scotia Private Real Estate Income Pool	20,947,290	22,287,508
Scotia Private Short-Mid Government Bond Pool	228,060,277	239,750,486
Scotia Private U.S. Equity Pool	24,046,362	25,572,556
Scotia Resource Fund	4,291,598	4,572,157
Scotia Short Term Bond Fund	5,274,713	5,541,890
Scotia T-Bill Fund	1,872,062	1,968,466
Scotia U.S. $ Bond Fund	8,552,560	9,067,321
Scotia U.S. Blue Chip Fund	532,617	566,937
Scotia U.S. Index Fund	928,912	996,643
Scotia U.S. Opportunities Fund	913,583	972,451

	As at December 31, 2014	
Trust Funds	**Market value of securities on loan**	**Market value of collateral received**
Scotia Balanced Opportunities Fund	$ 20,294,631	$ 21,395,391
Scotia Bond Fund	15,806,936	16,593,104
Scotia Canadian Balanced Fund	14,731,063	15,662,684
Scotia Canadian Blue Chip Fund	26,866	28,361
Scotia Canadian Bond Index Fund	73,058,340	77,038,534
Scotia Canadian Dividend Fund	70,186,320	74,031,853
Scotia Canadian Growth Fund	26,315,398	27,868,170
Scotia Canadian Income Fund	1,120,974,118	1,176,815,046
Scotia Canadian Index Fund	7,397,527	7,806,033
Scotia CanAm Index Fund	27,215,440	28,635,808
Scotia Diversified Monthly Income Fund	11,130,488	11,737,824
Scotia Dividend Balanced Fund	14,630,105	15,440,567
Scotia Floating Rate Income Fund	51,677,701	54,408,624
Scotia Global Bond Fund	736,130	783,072

	As at December 31, 2014	
Trust Funds	**Market value of securities on loan**	**Market value of collateral received**
Scotia Global Dividend Fund	$ 1,080,699	$ 1,139,593
Scotia Global Growth Fund	15,722,497	16,686,812
Scotia Global Small Cap Fund	1,772,304	1,882,020
Scotia Income Advantage Fund	6,114,340	6,437,114
Scotia International Index Fund	3,669,023	3,855,962
Scotia International Value Fund	993,362	1,047,496
Scotia Latin American Fund	239,118	252,378
Scotia Money Market Fund	218,898,329	230,443,292
Scotia Premium T-Bill Fund	77,806,244	81,818,943
Scotia Private Canadian Corporate Bond Pool	318,994,806	335,134,111
Scotia Private Canadian Equity Pool	18,429,520	19,457,736
Scotia Private Canadian Preferred Share Pool	3,842,753	4,061,828
Scotia Private North American Dividend Pool	122,705	129,399
Scotia Private Real Estate Income Pool	15,668,889	16,527,049
Scotia Private Short-Mid Government Bond Pool	185,786,988	195,008,511
Scotia Private U.S. Dividend Pool	2,693,506	2,865,701
Scotia Resource Fund	9,709,629	10,248,947
Scotia Short-Term Bond Fund	2,433,455	2,556,456
Scotia T-Bill Fund	17,448,847	18,350,638
Scotia U.S. Index Fund	246,352	261,890

12. Unfunded Credit Agreements

Certain Funds may enter into credit agreements, all or a portion of which may be unfunded. These Funds are obligated to fund the credit agreements at the issuer's discretion. The funded portions of the agreements are marked to market daily and any unrealized gain or loss is included in the Statements of Financial Positon and the Statements of Comprehensive Income. The unfunded portion of the credit agreements will be marked to market and any unrealized gain or loss will be included in the Statements of Financial Position and the Statements of Comprehensive Income when the issuer has called the amounts and has met all the conditions of the call in accordance with the credit agreement. The funded portions of credit agreements are presented on the Schedule of Investment Portfolio. The unfunded portions, as at December 31, 2015 and December 31, 2014, are listed below.

	December 31, 2015 ($)	December 31, 2014 ($)
Blackstone Tactical Opportunities Fund II LP		
Scotia Income Advantage Fund	1,507,674	–

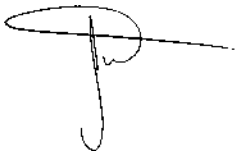
Management's Responsibility For Financial Reporting

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 Board of Directors of Scotia Corporate Class Inc. ("SCCI"), with respect to the Funds that are corporate funds (the "Corporate Funds"), 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. , in its capacity as trustee (the "Trustee") of the Funds, with respect to the Funds that are trust funds (the "Trust Funds"). The Board of Directors of SCCI, with respect to the Corporate 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., with respect to the Trust Funds, 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 International Financial Reporting Standards ("IFRS") 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 SCCI 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.

PricewaterhouseCoopers LLP is the external auditor of the Funds, appointed by the voting shareholders of SCCI and the Trustee of the Trust Funds. The auditor of the Funds has audited the financial statements in accordance with Canadian generally accepted auditing standards to enable it to express to the securityholders its opinion on the financial statements. The auditor's report is set out herein.



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

Abdurrehman Muhammadi
Chief Financial Officer
1832 Asset Management L.P.

March 10, 2016

Independent Auditor's Report

To the unitholders and trustee or shareholders, as applicable, of the Funds
Scotia T-Bill Fund
Scotia Premium T-Bill Fund
Scotia Money Market Fund
Scotia U.S. $ Money Market Fund
Scotia Short Term Bond Fund
Scotia Private Short-Mid Government Bond Pool
Scotia Mortgage Income Fund
Scotia Floating Rate Income Fund
Scotia Conservative Income Fund
Scotia Bond Fund
Scotia Canadian Income Fund
Scotia Private Canadian Corporate Bond Pool
Scotia U.S. $ Bond Fund
Scotia Global Bond Fund
Scotia Diversified Monthly Income Fund
Scotia Income Advantage Fund
Scotia Canadian Balanced Fund
Scotia Dividend Balanced Fund
Scotia Balanced Opportunities Fund
Scotia Global Balanced Fund
Scotia U.S. $ Balanced Fund
Scotia Private Canadian Preferred Share Pool
Scotia Canadian Dividend Fund
Scotia Canadian Blue Chip Fund
Scotia Private Canadian Equity Pool
Scotia Canadian Growth Fund
Scotia Canadian Small Cap Fund
Scotia Resource Fund
Scotia Private Real Estate Income Pool
Scotia Private North American Dividend Pool
Scotia U.S. Dividend Fund
Scotia Private U.S. Dividend Pool
Scotia Private U.S. Equity Pool
Scotia U.S. Blue Chip Fund
Scotia U.S. Opportunities Fund
Scotia Private International Core Equity Pool
Scotia International Value Fund
Scotia European Fund
Scotia Pacific Rim Fund
Scotia Latin American Fund
Scotia Global Dividend Fund
Scotia Global Growth Fund
Scotia Global Small Cap Fund
Scotia Global Opportunities Fund
Scotia Private Options Income Pool
Scotia Canadian Bond Index Fund
Scotia Canadian Index Fund
Scotia U.S. Index Fund
Scotia CanAm Index Fund
Scotia Nasdaq Index Fund
Scotia International Index Fund
Scotia Selected Income Portfolio
Scotia Selected Balanced Income Portfolio
Scotia Selected Balanced Growth Portfolio
Scotia Selected Growth Portfolio
Scotia Selected Maximum Growth Portfolio
Scotia Partners Income Portfolio
Scotia Partners Balanced Income Portfolio
Scotia Partners Balanced Growth Portfolio
Scotia Partners Growth Portfolio
Scotia Partners Maximum Growth Portfolio
Scotia INNOVA Income Portfolio
Scotia INNOVA Balanced Income Portfolio
Scotia INNOVA Balanced Growth Portfolio
Scotia INNOVA Growth Portfolio
Scotia INNOVA Maximum Growth Portfolio
Scotia Aria Conservative Build Portfolio
Scotia Aria Conservative Core Portfolio
Scotia Aria Conservative Pay Portfolio
Scotia Aria Moderate Build Portfolio
Scotia Aria Moderate Core Portfolio
Scotia Aria Moderate Pay Portfolio
Scotia Aria Progressive Build Portfolio
Scotia Aria Progressive Core Portfolio
Scotia Aria Progressive Pay Portfolio
Scotia Conservative Government Bond Capital Yield Class
Scotia Canadian Corporate Bond Capital Yield Class
Scotia Fixed Income Blend Class
Scotia Canadian Dividend Class
Scotia Canadian Equity Blend Class
Scotia Private Canadian Equity Class
Scotia Private U.S. Dividend Class
Scotia Private U.S. Equity Class
Scotia U.S. Equity Blend Class
Scotia Global Dividend Class
Scotia International Equity Blend Class
Scotia INNOVA Income Portfolio Class
Scotia INNOVA Balanced Income Portfolio Class
Scotia INNOVA Balanced Growth Portfolio Class
Scotia INNOVA Growth Portfolio Class
Scotia INNOVA Maximum Growth Portfolio Class
(collectively the Funds)

We have audited the accompanying financial statements of each of the Funds, which comprise the statements of financial position, comprehensive income, changes in net assets attributable to holders of redeemable units and cash flows as at and for the periods indicated in note 1, and the related notes, which comprise a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements

Independent Auditor's Report

that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in each of our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the 2015 financial statements present fairly, in all material respects, the financial position, financial performance and cash flows of each of the Funds as at and for the periods indicated in note 1, in accordance with International Financial Reporting Standards.

PricewaterhouseCoopers LLP

Chartered Professional Accountants, Licensed Public Accountants
Toronto, Ontario
March 10, 2016

FOR MORE INFORMATION ABOUT

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