

Scotia Private Pools[®] and Pinnacle Portfolios **Annual Report**

December 31, 2017

Money Market Fund

Scotia Private Short Term Income Pool

Bond Funds

Scotia Private Income Pool

Scotia Private High Yield Income Pool

Scotia Private American Core-Plus Bond Pool

Scotia Private Global High Yield Pool

Balanced Fund

Scotia Private Strategic Balanced Pool

Canadian Equity Funds

Scotia Private Canadian Value Pool

Scotia Private Canadian Mid Cap Pool

Scotia Private Canadian Growth Pool

Scotia Private Canadian Small Cap Pool

Foreign Equity Funds

Scotia Private U.S. Value Pool

Scotia Private U.S. Mid Cap Value Pool

Scotia Private U.S. Large Cap Growth Pool

Scotia Private International Equity Pool

Scotia Private International Small to Mid Cap Value Pool

Scotia Private Emerging Markets Pool

Scotia Private Global Equity Pool

Scotia Private Global Infrastructure Pool

Scotia Private Global Real Estate Pool

Pinnacle Portfolios

Pinnacle Income Portfolio

Pinnacle Balanced Portfolio

Pinnacle Growth Portfolio

Table of Contents

Financial Statements

1

Money Market Fund

3 Scotia Private Short Term Income Pool

Bond Funds

6 Scotia Private Income Pool

10 Scotia Private High Yield Income Pool

19 Scotia Private American Core-Plus Bond Pool

29 Scotia Private Global High Yield Pool

Balanced Fund

31 Scotia Private Strategic Balanced Pool

Canadian Equity Funds

37 Scotia Private Canadian Value Pool

42 Scotia Private Canadian Mid Cap Pool

47 Scotia Private Canadian Growth Pool

52 Scotia Private Canadian Small Cap Pool

Foreign Equity Funds

56 Scotia Private U.S. Value Pool

60 Scotia Private U.S. Mid Cap Value Pool

65 Scotia Private U.S. Large Cap Growth Pool

70 Scotia Private International Equity Pool

76 Scotia Private International Small to Mid Cap Value Pool

83 Scotia Private Emerging Markets Pool

89 Scotia Private Global Equity Pool

94 Scotia Private Global Infrastructure Pool

96 Scotia Private Global Real Estate Pool

The Pinnacle Portfolios

101 Pinnacle Income Portfolio

105 Pinnacle Balanced Portfolio

109 Pinnacle Growth Portfolio

113 Notes to the Financial Statements

125 Management's Responsibility for Financial Reporting

126 Independent Auditor's Report

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	December 31, 2017	December 31, 2016
ASSETS		
Current assets		
Investments		
Non-derivative financial assets	5,927,249	5,834,908
Cash	67,947	126,264
Subscriptions receivable	1,250,000	3,996
Accrued investment income and other	601	251
	<u>7,245,797</u>	<u>5,965,419</u>
LIABILITIES		
Current liabilities		
Redemptions payable	9,917	1,340
Accrued expenses	—	272
Distributions payable	29	21
	<u>9,946</u>	<u>1,633</u>
Net assets attributable to holders of redeemable units	<u>7,235,851</u>	<u>5,963,786</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Pinnacle Series	7,084,875	5,889,671
Series F	<u>150,976</u>	<u>74,115</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Pinnacle Series	10.00	10.00
Series F	<u>10.00</u>	<u>10.00</u>

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except average units)	2017	2016
INCOME		
Net gain (loss) on investments		
Interest for distribution purposes	46,865	47,317
Net gain (loss) on investments	46,865	47,317
Securities lending (note 11)	17	39
Total income (loss), net	<u>46,882</u>	<u>47,356</u>
EXPENSES		
Management fees (note 5)	415	331
Independent Review Committee fees	1,154	1,184
Audit fees	8,368	102
Custodian fees	1,643	1,930
Filing fees	16,268	16,287
Legal fees	14	79
Unitholder administration costs	41,155	36,216
Unitholder reporting costs	4,656	3,959
Harmonized Sales Tax/Goods and Services Tax	5,569	4,552
Total expenses	<u>79,242</u>	<u>64,640</u>
Expenses absorbed by the Manager	<u>(50,238)</u>	<u>(31,521)</u>
Net expenses	<u>29,004</u>	<u>33,119</u>
Increase (decrease) in net assets attributable to holders of redeemable units from operations	<u>17,878</u>	<u>14,237</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Pinnacle Series	17,638	14,135
Series F	<u>240</u>	<u>102</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT[†]		
Pinnacle Series	0.03	0.02
Series F	<u>0.03</u>	<u>0.02</u>
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Pinnacle Series	510,570	590,707
Series F	<u>8,251</u>	<u>6,703</u>

[†] 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)	2017	2016
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Pinnacle Series	5,889,671	6,083,021
Series F	<u>74,115</u>	<u>147,006</u>
	<u>5,963,786</u>	<u>6,230,027</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Pinnacle Series	17,638	14,135
Series F	<u>240</u>	<u>102</u>
	<u>17,878</u>	<u>14,237</u>
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net investment income		
Pinnacle Series	(17,637)	(14,135)
Series F	<u>(240)</u>	<u>(101)</u>
	<u>(17,877)</u>	<u>(14,236)</u>
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Pinnacle Series	8,333,703	3,971,200
Series F	<u>95,623</u>	<u>21,751</u>
Reinvested distributions		
Pinnacle Series	17,409	14,012
Series F	<u>240</u>	<u>101</u>
Payments on redemption		
Pinnacle Series	(7,155,909)	(4,178,562)
Series F	<u>(19,002)</u>	<u>(94,744)</u>
	<u>1,272,064</u>	<u>(266,242)</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Pinnacle Series	1,195,204	(193,350)
Series F	<u>76,861</u>	<u>(72,891)</u>
	<u>1,272,065</u>	<u>(266,241)</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Pinnacle Series	7,084,875	5,889,671
Series F	<u>150,976</u>	<u>74,115</u>
	<u>7,235,851</u>	<u>5,963,786</u>

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	17,878	14,237
Adjustments for:		
Purchases of portfolio investments	(24,511,732)	(31,458,768)
Proceeds from sale of portfolio investments	24,419,391	31,709,337
Accrued investment income and other	(350)	133
Accrued expenses and other payables	<u>(272)</u>	<u>272</u>
Net cash provided by (used in) operating activities	<u>(75,085)</u>	<u>265,211</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	7,183,322	3,988,955
Amounts paid on redemption of redeemable units	<u>(7,166,334)</u>	<u>(4,271,965)</u>
Distributions to unitholders of redeemable units	<u>(220)</u>	<u>(106)</u>
Net cash provided by (used in) financing activities	<u>16,768</u>	<u>(283,116)</u>
Net increase (decrease) in cash	(58,317)	(17,905)
Cash (bank overdraft), beginning of period	126,264	144,169
CASH (BANK OVERDRAFT), END OF PERIOD	<u>67,947</u>	<u>126,264</u>
Interest received ⁽¹⁾	47,215	45,084

⁽¹⁾ Classified as operating items.

Scotia Private Short Term Income Pool (Continued)

4

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2017

Issuer	Face Value (\$)	Average Cost (\$)	Carrying Value (\$)
Short Term Bonds – 15.9%			
Bank of Montreal (Floating Rate) 1.47% Mar 29, 2018	180,000	180,383	180,286
BMW Canada Inc. 2.27% Nov 26, 2018	100,000	100,667	100,814
Canadian Imperial Bank of Commerce (Floating Rate) 1.02% May 08, 2018	100,000	100,050	100,107
Honda Canada Finance Inc. (Floating Rate) 2.02% Dec 03, 2018	60,000	60,374	60,436
John Deere Canada Funding Inc. 2.65% Jul 16, 2018	100,000	101,100	101,810
OMERS Realty Corporation 2.50% Jun 05, 2018	100,000	101,222	100,707
Royal Bank of Canada (Floating Rate) 1.38% Aug 01, 2018	150,000	150,000	150,163
Toronto-Dominion Bank, The (Floating Rate) 1.49% Mar 28, 2018	150,000	150,477	150,201
Toyota Credit Canada Inc. 2.75% Jul 18, 2018	100,000	101,190	101,895
Wells Fargo Canada Corporation 2.78% Nov 15, 2018	100,000	101,087	101,291
		<u>1,146,550</u>	<u>1,147,710</u>
Bankers' Acceptances – 6.0%			
Canadian Imperial Bank of Commerce 0.00% May 03, 2018	100,000	99,038	99,660
HSBC Bank of Canada 0.00% Oct 30, 2018	100,000	98,333	98,608
National Bank of Canada 0.00% Mar 16, 2018	240,000	239,227	239,332
		<u>436,598</u>	<u>437,600</u>
Bearers' Deposit Notes – 1.9%			
Fédération des caisses Desjardins du Québec 0.00% Mar 19, 2018	135,000	134,542	134,598
Commercial Paper – 13.8%			
Caterpillar Financial Services Ltd. 0.00% Jan 05, 2018	100,000	99,915	99,980
Daimler Canada Finance Inc. 0.00% Jan 12, 2018	100,000	99,893	99,955
Enbridge Gas Distribution Inc. 0.00% Jan 16, 2018	100,000	99,883	99,940
Enbridge Pipelines Inc. 0.00% Jan 22, 2018	100,000	99,906	99,910
Husky Energy Inc. 0.00% Feb 01, 2018	100,000	99,665	99,873
Hydro One Inc. 0.00% Mar 13, 2018	100,000	99,700	99,730
Inter Pipeline (Corridor) Inc. 0.00% Feb 16, 2018	100,000	99,671	99,816
Nova Scotia Power Inc. 0.00% Jan 30, 2018	100,000	99,874	99,882
Ontario Teachers Financial Trust 0.00% Apr 23, 2018	100,000	99,540	99,580
Union Gas Ltd. 0.00% Jan 11, 2018	100,000	99,901	99,960
		<u>997,948</u>	<u>998,626</u>
Promissory Notes – 17.4%			
Province of British Columbia 0.00% Feb 20, 2018	175,000	174,608	174,739
Province of British Columbia 0.00% Feb 27, 2018	200,000	199,560	199,658
Province of Prince Edward Island 0.00% Jan 18, 2018	335,000	334,457	334,819
Province of Saskatchewan 0.00% Jan 10, 2018	100,000	99,670	99,965
Province of Saskatchewan 0.00% Mar 21, 2018	450,000	448,767	448,926
		<u>1,257,062</u>	<u>1,258,107</u>
Treasury Bills – 27.0%			
Greater Toronto Airports Authority 0.00% Feb 14, 2018	100,000	99,667	99,832
Province of Manitoba 0.00% Feb 21, 2018	515,000	513,955	514,209
Province of New Brunswick 0.00% Feb 15, 2018	120,000	119,776	119,836
Province of Newfoundland and Labrador 0.00% Mar 15, 2018	400,000	398,972	399,114
Province of Ontario 0.00% Mar 14, 2018	220,000	218,398	219,663
Province of Quebec 0.00% Apr 06, 2018	600,000	596,376	597,954
		<u>1,947,144</u>	<u>1,950,608</u>
TOTAL INVESTMENT PORTFOLIO		<u>5,919,844</u>	<u>5,927,249</u>
OTHER ASSETS, LESS LIABILITIES – 18.0%			<u>1,308,602</u>
NET ASSETS – 100.0%			<u>7,235,851</u>

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

MONEY MARKET FUND

FUND SPECIFIC NOTES

For the periods indicated in Note 1

The Fund (note 1)

The Fund's investment objective is to preserve investment capital while providing interest income and maintaining liquidity by investing primarily in highly liquid, senior investment grade money market instruments (i.e. federal and provincial treasury bills and bond) and bankers acceptances with a minimum credit rating of R-1(low) or A-1(low).

Risks associated with financial instruments (note 4)

Interest rate risk

The table below summarizes the Fund's exposure to interest rate risk by the remaining term to maturity of the Fund's portfolio, excluding cash and overdrafts, as applicable.

Interest rate exposure	December 31, 2017 (\$)	December 31, 2016 (\$)
Less than 1 year	5,927,249	5,834,908
1-3 years	—	—
3-5 years	—	—
5-10 years	—	—
> 10 years	—	—
	5,927,249	5,834,908

As at December 31, 2017, 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 \$1,782 or approximately 0.0% (December 31, 2016 – \$1,751 or approximately 0.0%).

Currency risk

The Fund did not have significant currency risk exposure as at December 31, 2017 or December 31, 2016.

Price risk

The Fund did not have significant price risk exposure to equities, underlying funds, derivatives or commodities, if applicable, as at December 31, 2017 and December 31, 2016.

Credit risk

The table below summarizes the credit ratings of bond and debentures and money market instruments held by the Fund.

Credit ratings	December 31, 2017		December 31, 2016	
	Percentage of total money market instruments (%)	Percentage of net assets (%)	Percentage of total money market instruments (%)	Percentage of net assets (%)
Short Term Rating				
A-1+	18.9	15.5	38.3	37.4
A-1	56.7	46.4	24.2	23.7
A-2	5.1	4.1	—	—
Bond Credit Rating				
AAA	—	—	6.9	6.8
AA	11.5	9.4	13.8	13.5
A	6.1	5.0	16.8	16.4
NOT RATED	1.7	1.4	—	—
	100.0	81.8	100.0	97.8

Concentration risk

Concentration risk arises as a result of the concentration of financial instruments 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 by carrying value as a percentage of net assets:

	Percentage of net assets (%)	
	December 31, 2017	December 31, 2016
Bankers' Acceptances	6.0	7.1
Bearer's Deposit Notes	1.9	1.7
Commercial Paper	13.8	8.8
Promissory Notes	17.4	21.3
Provincial Bonds	—	3.3
Short Term Bonds	15.9	33.4
Treasury Bills	27.0	22.2

Fair Value Classification (note 2)

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

December 31, 2017	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Bonds and debentures	—	1,147,710	—	1,147,710
Money market instruments	—	4,779,539	—	4,779,539
	—	5,927,249	—	5,927,249

December 31, 2016	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Bonds and debentures	—	2,193,529	—	2,193,529
Money market instruments	—	3,641,379	—	3,641,379
	—	5,834,908	—	5,834,908

Transfers between levels

During the periods ended December 31, 2017 and December 31, 2016, there were no significant transfers between Level 1 and Level 2.

Offsetting of financial assets and liabilities (note 2)

As at December 31, 2017 and December 31, 2016, the Fund did not enter into any agreement whereby the financial instruments were eligible for offset.

Interest in Underlying Funds (note 2)

The Fund did not hold any interest in Underlying Funds as at December 31, 2017 or December 31, 2016.

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

As at December 31, 2017 or December 31, 2016, there were no differences between the net asset value per unit and the net assets per unit for any series of the Fund.

Scotia Private Income Pool

6

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	December 31, 2017	December 31, 2016
ASSETS		
Current assets		
Investments		
Non-derivative financial assets	424,906,079	475,465,215
Cash	89,786,109	11,909,637
Receivable for securities sold	—	11,248,063
Subscriptions receivable	7,449,784	735,817
Accrued investment income and other	2,264,263	2,231,793
	<u>524,406,235</u>	<u>501,590,525</u>
LIABILITIES		
Current liabilities		
Management fee payable	—	39
Payable for securities purchased	—	10,679,103
Redemptions payable	432,653	529,990
Accrued expenses	—	1,007
	<u>432,653</u>	<u>11,210,139</u>
Net assets attributable to holders of redeemable units	<u>523,973,582</u>	<u>490,380,386</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Pinnacle Series	502,154,589	464,089,721
Series F	1,569,977	1,889,170
Series I	20,249,016	24,401,495
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Pinnacle Series	10.60	10.67
Series F	11.05	10.96
Series I	10.78	10.70

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except average units)	2017	2016
INCOME		
Net gain (loss) on investments		
Interest for distribution purposes	11,403,090	12,279,419
Net realized gain (loss) on non-derivative financial assets	(4,249,432)	770,214
Change in unrealized gain (loss) on non-derivative financial assets	1,265,707	(5,409,550)
Net gain (loss) on investments	8,419,365	7,640,083
Securities lending (note 11)	42,144	52,093
Other income	3,419	4,130
Total income (loss), net	<u>8,464,928</u>	<u>7,696,306</u>
EXPENSES		
Management fees (note 5)	12,139	15,070
Fixed administration fees (note 6)	350,238	318,518
Independent Review Committee fees	1,135	1,184
Other fund costs	—	78
Harmonized Sales Tax/Goods and Services Tax	36,451	34,260
Total expenses	<u>399,963</u>	<u>369,110</u>
Increase (decrease) in net assets attributable to holders of redeemable units from operations	<u>8,064,965</u>	<u>7,327,196</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Pinnacle Series	7,371,530	6,676,969
Series F	33,064	16,515
Series I	660,371	633,712
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT†		
Pinnacle Series	0.16	0.17
Series F	0.21	0.09
Series I	0.31	0.25
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Pinnacle Series	45,974,582	40,278,520
Series F	158,832	191,435
Series I	2,155,379	2,493,343

† 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)	2017	2016
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Pinnacle Series	464,089,721	393,787,102
Series F	1,889,170	2,200,367
Series I	24,401,495	29,816,483
	<u>490,380,386</u>	<u>425,803,952</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Pinnacle Series	7,371,530	6,676,969
Series F	33,064	16,515
Series I	660,371	633,712
	<u>8,064,965</u>	<u>7,327,196</u>
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net investment income		
Pinnacle Series	(10,576,822)	(11,247,049)
Series F	(22,632)	(36,192)
Series I	(495,256)	(692,110)
From net realized gains on investments		
Pinnacle Series	—	(1,330,480)
Series F	—	(5,689)
Series I	—	(69,769)
	<u>(11,094,710)</u>	<u>(13,381,289)</u>
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Pinnacle Series	144,652,111	149,326,839
Series F	486,268	605,063
Series I	524,600	70,601
Reinvested distributions		
Pinnacle Series	10,456,835	12,460,089
Series F	12,049	26,901
Series I	495,256	761,878
Payments on redemption		
Pinnacle Series	(113,838,786)	(85,583,749)
Series F	(827,942)	(917,795)
Series I	(5,337,450)	(6,119,300)
	<u>36,622,941</u>	<u>70,630,527</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Pinnacle Series	38,064,868	70,302,619
Series F	(319,193)	(311,197)
Series I	(4,152,479)	(5,414,988)
	<u>33,593,196</u>	<u>64,576,434</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Pinnacle Series	502,154,589	464,089,721
Series F	1,569,977	1,889,170
Series I	20,249,016	24,401,495
	<u>523,973,582</u>	<u>490,380,386</u>

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	8,064,965	7,327,196
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	4,249,432	(770,214)
Change in unrealized (gain) loss on non-derivative financial assets	(1,265,707)	5,409,550
Purchases of portfolio investments	(857,403,495)	(1,225,380,177)
Proceeds from sale of portfolio investments	905,547,866	1,165,724,452
Accrued investment income and other	(32,470)	(546,736)
Accrued expenses and other payables	(1,046)	846
Net cash provided by (used in) operating activities	<u>59,159,545</u>	<u>(48,235,083)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	138,949,012	149,553,254
Amounts paid on redemption of redeemable units	(120,101,515)	(92,225,041)
Distributions to unitholders of redeemable units	(130,570)	(132,421)
Net cash provided by (used in) financing activities	<u>18,716,927</u>	<u>57,195,792</u>
Net increase (decrease) in cash	77,876,472	8,960,709
Cash (bank overdraft), beginning of period	11,909,637	2,948,928
CASH (BANK OVERDRAFT), END OF PERIOD	<u>89,786,109</u>	<u>11,909,637</u>
Interest received ⁽¹⁾	11,370,622	11,732,681

⁽¹⁾ Classified as operating items.

Scotia Private Income Pool (Continued)

8

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2017

Issuer	Face Value (\$)	Average Cost (\$)	Carrying Value (\$)
BONDS AND DEBENTURES – 81.1%			
Corporate Bonds – 37.7%			
AIMCo Realty Investors LP 3.04% Jun 01, 2028	4,598,000	4,598,000	4,583,851
Alimentation Couche-Tard Inc. (Callable) 3.06% May 26, 2024	3,500,000	3,491,840	3,483,903
Alimentation Couche-Tard Inc. (Callable) 3.60% Mar 02, 2025	2,000,000	2,056,000	2,038,553
Allied Properties Real Estate Investment Trust (Callable) 3.64% Feb 21, 2025	2,000,000	1,935,400	1,947,351
Allied Properties Real Estate Investment Trust 3.75% May 13, 2020	1,500,000	1,550,700	1,528,165
Allied Properties Real Estate Investment Trust 3.93% Nov 14, 2022	970,000	996,093	988,605
Bank of America Corporation (Callable) 3.41% Sep 20, 2024	530,000	530,000	539,336
Bank of America Corporation 3.23% Jun 22, 2022	2,634,000	2,707,800	2,687,425
Bank of Montreal (Callable) 3.12% Sep 19, 2019	2,739,000	2,774,990	2,767,375
Bank of Montreal 1.61% Oct 28, 2021	2,033,000	2,032,898	1,972,884
Bank of Montreal 2.10% Oct 06, 2020	5,813,000	5,887,996	5,785,041
Bank of Montreal 2.70% Sep 11, 2024	52,000	51,993	51,982
Bank of Montreal 2.84% Jun 04, 2020	68,000	71,512	68,971
Bank of Nova Scotia, The 1.90% Dec 02, 2021	3,500,000	3,504,165	3,428,450
Bank of Nova Scotia, The 2.29% Jun 28, 2024	4,660,000	4,584,461	4,544,134
Bank of Nova Scotia, The 2.36% Nov 08, 2022	2,373,000	2,373,068	2,350,557
bcIMC Realty Corporation (Callable) 2.84% Mar 03, 2025	7,045,000	7,136,377	7,037,843
Bell Canada (Callable) 3.00% Sep 03, 2022	795,000	802,425	804,625
Bell Canada (Callable) 3.15% Aug 29, 2021	1,205,000	1,236,258	1,228,544
Bell Canada (Callable) 3.35% Dec 22, 2022	857,000	884,441	877,770
Brookfield Asset Management Inc. (Callable) 4.82% Oct 28, 2025	7,030,000	7,725,970	7,619,699
Brookfield Asset Management Inc. (Callable) 5.04% Dec 08, 2023	2,300,000	2,550,148	2,522,512
Canadian Imperial Bank of Commerce 1.64% Jul 12, 2021	3,456,000	3,454,593	3,368,343
Canadian Imperial Bank of Commerce 1.90% Apr 26, 2021	4,599,000	4,596,609	4,531,672
Canadian Imperial Bank of Commerce 2.30% Jul 11, 2022	4,800,000	4,796,736	4,757,124
CI Financial Corporation 3.90% Sep 27, 2027	1,832,000	1,832,000	1,869,402
CU Inc. (Callable) 3.55% May 22, 2047	15,788,000	15,804,677	15,969,821
Daimler Canada Finance Inc. 1.91% Jul 08, 2021	2,500,000	2,511,975	2,450,589
Dollarama Inc. 2.34% Jul 22, 2021	3,405,000	3,441,229	3,378,462
Enbridge Income Fund 3.94% Jan 13, 2023	2,305,000	2,422,555	2,389,844
EPCOR Utilities Inc. 3.55% Nov 27, 2047	5,976,000	5,976,000	6,012,980
Fortis Inc. (Callable) 2.85% Oct 12, 2023	4,610,000	4,638,628	4,606,483
Hollis Receivables Term Trust II 1.79% Feb 26, 2020	3,199,000	3,243,274	3,166,921
Honda Canada Finance Inc. 2.16% Feb 18, 2021	1,336,000	1,337,109	1,327,814
Hydro One Inc. (Callable) 2.77% Nov 26, 2025	4,610,000	4,621,940	4,604,597
Intact Financial Corporation (Callable) 3.77% Dec 02, 2025	1,271,000	1,330,196	1,320,859
Manufacturers Life Insurance Company, The (Callable) 2.81% Feb 21, 2019	4,000,000	4,069,520	4,029,241
McDonald's Corporation 3.13% Mar 04, 2025	1,479,000	1,489,612	1,491,645
Metro Inc. (Callable) 3.20% Nov 01, 2021	976,000	1,021,657	995,420
Metro Inc., Series F (Callable) 2.68% Nov 05, 2022	576,000	575,971	572,418
North West Redwater Partnership / NWR Financing Co., Ltd. (Callable) 3.20% Apr 23, 2024	2,305,000	2,358,476	2,345,334
OMERS Realty Corporation 3.36% Jun 05, 2023	6,825,000	7,179,179	7,076,743
PSP Capital Inc., Series B 1.34% Aug 18, 2021	18,300,000	17,867,508	17,817,007

Issuer	Face Value (\$)	Average Cost (\$)	Carrying Value (\$)
BONDS AND DEBENTURES (cont'd)			
Corporate Bonds (cont'd)			
Rogers Communications Inc. 4.70% Sep 29, 2020	880,000	979,211	933,977
Royal Bank of Canada (Callable) 3.04% Jul 17, 2019	2,929,000	2,963,884	2,956,416
Royal Bank of Canada 1.65% Jul 15, 2021	183,000	179,860	178,402
Royal Bank of Canada 1.92% Jul 17, 2020	5,071,000	5,059,692	5,028,559
Royal Bank of Canada 2.00% Mar 21, 2022	3,485,000	3,449,279	3,418,510
Royal Bank of Canada 2.36% Dec 05, 2022	13,136,000	13,134,817	13,008,071
TELUS Corporation (Callable) 3.75% Oct 17, 2024	5,310,000	5,595,184	5,507,682
TELUS Corporation 3.60% Jan 26, 2021	115,000	119,754	118,849
TMX Group Ltd. 3.00% Dec 11, 2024	1,495,000	1,495,000	1,485,093
Toronto-Dominion Bank, The (Callable) 3.22% Jul 25, 2024	4,630,000	4,611,133	4,628,843
Toronto-Dominion Bank, The 1.91% Jul 18, 2023	4,539,000	4,552,677	4,378,484
Toyota Credit Canada Inc. 2.20% Feb 25, 2021	2,035,000	2,041,777	2,026,428
Walt Disney Co, The 2.76% Oct 07, 2024	695,000	695,000	695,344
	<u>198,929,247</u>	<u>197,304,953</u>	
Federal Bonds – 5.4%			
Canadian Government Bond 1.00% Jun 01, 2027	31,224,000	29,218,796	28,455,732
Mortgage-Backed Securities – 0.3%			
Canadian Credit Card Trust II 1.83% Mar 24, 2020	1,510,000	1,529,434	1,495,375
Provincial Bonds – 37.7%			
Province of Alberta 2.55% Jun 01, 2027	47,100,000	47,222,060	46,692,649
Province of Alberta 3.05% Dec 01, 2048	5,400,000	5,231,952	5,459,991
Province of British Columbia 3.70% Dec 18, 2020	13,500,000	14,671,800	14,180,453
Province of Manitoba 2.45% Jun 02, 2025	11,000,000	11,224,176	10,924,680
Province of Ontario 2.60% Jun 02, 2027	26,400,000	27,192,000	26,373,426
Province of Ontario 2.80% Jun 02, 2048	22,050,000	20,595,587	21,459,631
Province of Quebec 3.00% Sep 01, 2023	70,000,000	75,684,000	72,559,189
	<u>201,821,575</u>	<u>197,650,019</u>	
TOTAL INVESTMENT PORTFOLIO	<u>431,499,052</u>		424,906,079
OTHER ASSETS, LESS LIABILITIES – 18.9%			99,067,503
NET ASSETS – 100.0%			<u>523,973,582</u>

BOND FUNDS

FUND SPECIFIC NOTES

For the periods indicated in Note 1

The Fund (note 1)

The Fund's investment objective is to preserve investment capital while seeking to achieve increased income by investing primarily in a portfolio of Canadian government and corporate bonds, preferred shares of Canadian corporations and loans of supranational organizations.

Risks associated with financial instruments (note 4)

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 underlying funds, preferred shares, cash and overdrafts, as applicable.

Interest rate exposure	December 31, 2017 (\$)	December 31, 2016 (\$)
Less than 1 year	—	—
1-3 years	41,940,494	46,885,216
3-5 years	71,410,199	100,257,638
5-10 years	253,440,269	260,597,773
> 10 years	58,115,117	67,724,588
	424,906,079	475,465,215

As at December 31, 2017, 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 \$7,716,505 or approximately 1.5% (December 31, 2016 – \$9,191,491 or approximately 1.9%).

Currency risk

The Fund did not have significant currency risk exposure as at December 31, 2017 or December 31, 2016.

Price risk

The Fund did not have significant price risk exposure to equities, underlying funds, derivatives or commodities, if applicable, as at December 31, 2017 and December 31, 2016.

Credit risk

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

Credit ratings	December 31, 2017		December 31, 2016	
	Percentage of total credit rated instruments (%)	Percentage of net assets (%)	Percentage of total credit rated instruments (%)	Percentage of net assets (%)
AAA	15.3	12.4	22.4	21.7
AA	32.4	26.3	24.9	24.2
A	43.3	35.1	48.4	47.0
BBB	9.0	7.3	4.3	4.1
	100.0	81.1	100.0	97.0

Concentration risk

Concentration risk arises as a result of the concentration of financial instruments 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 by carrying value as a percentage of net assets:

	Percentage of net assets (%)	
	December 31, 2017	December 31, 2016
Corporate Bonds	37.7	34.8
Federal Bonds	5.4	15.5
Mortgage-Backed Securities	0.3	1.1
Provincial Bonds	37.7	45.6

Fair Value Classification (note 2)

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

December 31, 2017	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Bonds and debentures	—	424,906,079	—	424,906,079
	—	424,906,079	—	424,906,079

December 31, 2016	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Bonds and debentures	—	475,465,215	—	475,465,215
	—	475,465,215	—	475,465,215

Transfers between levels

During the periods ended December 31, 2017 and December 31, 2016, there were no significant transfers between Level 1 and Level 2.

Offsetting of financial assets and liabilities (note 2)

As at December 31, 2017 and December 31, 2016, the Fund did not enter into any agreement whereby the financial instruments were eligible for offset.

Interest in Underlying Funds (note 2)

The Fund did not hold any interest in Underlying Funds as at December 31, 2017 or December 31, 2016.

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

As at December 31, 2017 or December 31, 2016, there were no differences between the net asset value per unit and the net assets per unit for any series of the Fund.

Scotia Private High Yield Income Pool

10

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	December 31, 2017	December 31, 2016
ASSETS		
Current assets		
Investments		
Non-derivative financial assets	1,274,989,765	1,227,956,543
Unrealized gain on currency forward contracts	6,139,249	–
Cash	61,451	12,505
Subscriptions receivable	4,194,412	1,010,350
Accrued investment income and other	16,276,867	14,048,089
	<u>1,301,661,744</u>	<u>1,243,027,487</u>
LIABILITIES		
Current liabilities		
Redemptions payable	411,263	1,083,084
Accrued expenses	3	6,122
Distributions payable	987	668
	<u>412,253</u>	<u>1,089,874</u>
Net assets attributable to holders of redeemable units	<u>1,301,249,491</u>	<u>1,241,937,613</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Pinnacle Series	233,876,810	222,187,763
Series F	16,042,557	16,993,904
Series I	556,189,200	525,927,796
Series K	11,197,921	1,327,050
Series M	483,943,003	475,501,100
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Pinnacle Series	8.97	9.37
Series F	9.32	9.73
Series I	9.00	9.40
Series K	9.88	10.32
Series M	9.02	9.42

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except average units)	2017	2016
INCOME		
Net gain (loss) on investments		
Dividends	1,398,157	6,094,640
Interest for distribution purposes	62,552,303	60,585,353
Net realized gain (loss) on non-derivative financial assets	21,821,444	(8,673,317)
Net realized gain (loss) on currency forward contracts	15,103,990	(5,193,667)
Change in unrealized gain (loss) on non-derivative financial assets	(96,177,238)	81,223,143
Change in unrealized gain (loss) on currency forward contracts	6,139,249	850,479
Net gain (loss) on investments	<u>10,837,905</u>	<u>134,886,631</u>
Securities lending (note 11)	85	20,958
Net realized and unrealized foreign currency translation gain (loss)	(2,104,005)	(5,803,205)
Other income	1,072	57
Total income (loss), net	<u>8,735,057</u>	<u>129,104,441</u>
EXPENSES		
Management fees (note 5)	1,564,702	1,517,436
Fixed administration fees (note 6)	574,102	514,482
Independent Review Committee fees	1,135	1,184
Interest expense and bank overdraft charges	1,062	446
Foreign withholding taxes/tax reclaims	142,732	1,011,134
Other fund costs	–	196
Harmonized Sales Tax/Goods and Services Tax	205,690	190,349
Transaction costs	19,853	18,581
Total expenses	<u>2,509,276</u>	<u>3,253,808</u>
Expenses absorbed by the Manager	–	(272)
Net expenses	<u>2,509,276</u>	<u>3,253,536</u>
Increase (decrease) in net assets attributable to holders of redeemable units from operations	<u>6,225,781</u>	<u>125,850,905</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Pinnacle Series	1,276,567	21,871,341
Series F	(28,958)	1,667,564
Series I	3,351,610	54,268,045
Series K	(28,406)	32,369
Series M	1,654,968	48,011,586
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT†		
Pinnacle Series	0.05	1.00
Series F	(0.02)	0.93
Series I	0.06	0.99
Series K	(0.04)	0.62
Series M	0.03	0.94
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Pinnacle Series	24,812,379	21,902,907
Series F	1,744,309	1,789,922
Series I	58,764,938	54,764,554
Series K	707,955	51,990
Series M	51,843,293	51,073,688

† 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)	2017	2016
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Pinnacle Series	222,187,763	174,547,341
Series F	16,993,904	16,398,227
Series I	525,927,796	466,871,812
Series K	1,327,050	—
Series M	475,501,100	454,307,887
	<u>1,241,937,613</u>	<u>1,112,125,267</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Pinnacle Series	1,276,567	21,871,341
Series F	(28,958)	1,667,564
Series I	3,351,610	54,268,045
Series K	(28,406)	32,369
Series M	1,654,968	48,011,586
	<u>6,225,781</u>	<u>125,850,905</u>
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net investment income		
Pinnacle Series	(11,281,386)	(11,025,128)
Series F	(687,814)	(793,138)
Series I	(27,338,442)	(27,810,970)
Series K	(404,087)	(18,885)
Series M	(22,464,057)	(24,297,531)
	<u>(62,175,786)</u>	<u>(63,945,652)</u>
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Pinnacle Series	49,456,357	59,200,373
Series F	1,238,829	1,233,784
Series I	39,574,839	26,854,207
Series K	11,194,579	1,294,681
Series M	115,223,056	91,787,838
Reinvested distributions		
Pinnacle Series	11,172,550	10,916,499
Series F	153,774	193,456
Series I	27,338,442	27,810,937
Series K	404,087	18,885
Series M	18,559,183	19,802,391
Payments on redemption		
Pinnacle Series	(38,935,041)	(33,322,663)
Series F	(1,627,178)	(1,705,989)
Series I	(12,665,045)	(22,066,235)
Series K	(1,295,302)	—
Series M	(104,531,247)	(114,111,071)
	<u>115,261,883</u>	<u>67,907,093</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Pinnacle Series	11,689,047	47,640,422
Series F	(951,347)	595,677
Series I	30,261,404	59,055,984
Series K	9,870,871	1,327,050
Series M	8,441,903	21,193,213
	<u>59,311,878</u>	<u>129,812,346</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Pinnacle Series	233,876,810	222,187,763
Series F	16,042,557	16,993,904
Series I	556,189,200	525,927,796
Series K	11,197,921	1,327,050
Series M	483,943,003	475,501,100
	<u>1,301,249,491</u>	<u>1,241,937,613</u>

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	6,225,781	125,850,905
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(21,821,444)	8,673,317
Unrealized foreign currency translation (gain) loss	(633)	(295,236)
Change in unrealized (gain) loss on non-derivative financial assets	96,177,238	(81,223,143)
Change in unrealized (gain) loss on currency forward contracts	(6,139,249)	(850,479)
Non-cash transactions	(446,828)	—
Purchases of portfolio investments	(1,761,395,668)	(1,571,502,201)
Proceeds from sale of portfolio investments	1,640,453,481	1,512,728,987
Accrued investment income and other	(2,228,778)	1,291,662
Accrued expenses and other payables	(6,119)	5,918
Net cash provided by (used in) operating activities	<u>(49,182,219)</u>	<u>(5,320,270)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	213,397,491	180,347,431
Amounts paid on redemption of redeemable units	(159,619,528)	(170,431,764)
Distributions to unitholders of redeemable units	(4,547,431)	(5,202,816)
Net cash provided by (used in) financing activities	<u>49,230,532</u>	<u>4,712,851</u>
Unrealized foreign currency translation gain (loss)	633	295,236
Net increase (decrease) in cash	48,313	(607,419)
Cash (bank overdraft), beginning of period	12,505	324,688
CASH (BANK OVERDRAFT), END OF PERIOD	<u>61,451</u>	<u>12,505</u>
Interest paid ⁽¹⁾	1,062	446
Interest received ⁽¹⁾	60,426,154	61,128,122
Dividends received, net of withholding taxes ⁽¹⁾	1,015,853	5,249,234

⁽¹⁾ Classified as operating items.

Scotia Private High Yield Income Pool (Continued)

12

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2017

BOND FUNDS

Issuer		Face Value (\$)	Average Cost (\$)	Carrying Value (\$)
BONDS AND DEBENTURES – 90.4%				
Corporate Bonds – 88.3%				
Adecoagro SA (Callable) 6.00% Sep 21, 2022	USD	600,000	731,279	747,653
ADT Corporation, The 4.13% Jun 15, 2023		15,250,000	18,574,969	19,308,418
AerCap Ireland Capital DAC / AerCap Global				
Aviation Trust (Callable) 3.65% Apr 21, 2027	USD	1,000,000	1,261,878	1,238,923
AES Corporation (Callable) 4.88%				
May 15, 2018	USD	912,000	1,196,137	1,170,880
AES Corporation (Callable) 5.13%				
Sep 01, 2022	USD	7,000,000	8,966,863	9,340,777
AES Corporation (Callable) 7.38%				
Jun 01, 2021	USD	2,000,000	2,854,472	2,812,305
AGT Food & Ingredients Inc. (Callable) 5.88%				
Dec 21, 2018	USD	6,500,000	6,539,375	6,567,708
AK Steel Corporation (Callable) 6.38%				
Oct 15, 2020	USD	9,800,000	12,086,119	12,362,248
AK Steel Corporation (Callable) 7.00%				
Mar 15, 2022	USD	5,750,000	7,323,469	7,372,874
AK Steel Corporation (Callable) 7.63%				
Oct 01, 2021	USD	4,500,000	4,885,541	5,869,882
American International Group Inc. (Callable)				
2.30% Jun 16, 2019	USD	12,000,000	16,434,104	15,087,637
American International Group Inc. 3.38%				
Aug 15, 2020	USD	9,800,000	13,397,868	12,602,066
American International Group Inc. 4.88%				
Jun 01, 2022	USD	1,300,000	1,936,251	1,774,259
Amkor Technology Inc. (Callable) 6.38%				
Oct 01, 2022	USD	12,300,000	15,136,653	16,007,579
Armstrong Energy Inc. (Callable) 11.75%				
Dec 15, 2019*	USD	10,925,000	10,772,606	2,371,218
Avis Budget Car Rental LLC / Avis Budget				
Finance Inc. (Callable) 5.13% Jun 01, 2022	USD	8,250,000	10,820,196	10,587,901
Avis Budget Car Rental LLC / Avis Budget				
Finance Inc. (Callable) 6.38% Apr 01, 2019	USD	8,750,000	11,738,774	11,514,430
Axalta Coating Systems LLC (Callable) 4.88%				
Aug 15, 2019	USD	5,000,000	7,088,928	6,614,463
Bank of Nova Scotia, The (Callable) 3.04%				
Oct 18, 2019		11,000,000	10,837,600	11,144,333
Banro Corporation (Callable) 10.00%				
Mar 01, 2021	USD	6,750,000	8,437,843	6,654,715
Baytex Energy Corporation (Callable) 5.13%				
Jun 01, 2021		1,000,000	1,098,378	1,199,387
Bellatrix Exploration Ltd. (Callable) 8.50%				
May 15, 2020		3,250,000	4,195,140	3,867,396
Brookfield Residential Properties Inc.				
(Callable) 6.13% May 15, 2018	USD	4,500,000	4,631,250	4,682,250
Cablevision Systems Corporation 5.88%				
Sep 15, 2022	USD	2,500,000	3,070,856	3,099,537
Calpine Corporation (Callable) 5.25%				
Jun 01, 2021		8,000,000	10,160,020	9,871,496
Calpine Corporation (Callable) 5.50%				
Feb 01, 2019		7,750,000	9,652,356	9,320,070
Cameco Corporation (Callable) 4.19%				
Mar 24, 2024	USD	4,000,000	3,998,400	3,970,644
Canadian Imperial Bank of Commerce 2.22%				
Mar 07, 2018		10,000,000	9,673,000	10,014,389
Cascades Inc. 5.50% Jul 15, 2021	USD	12,000,000	11,955,000	12,330,000
CCO Holdings LLC / CCO Holdings Capital				
Corporation (Callable) 5.50% May 01, 2021	USD	14,050,000	18,302,904	18,076,776
CenturyLink Inc. 5.80% Mar 15, 2022	USD	11,850,000	13,754,113	14,708,546
Cheniere Corpus Christi Holdings LLC 5.13%				
Jun 30, 2027	USD	4,950,000	6,416,686	6,453,886
CHS/ Community Health Systems Inc.				
(Callable) 6.25% Mar 31, 2020	USD	3,500,000	4,728,177	3,983,918

Issuer		Face Value (\$)	Average Cost (\$)	Carrying Value (\$)
BONDS AND DEBENTURES (cont'd)				
Corporate Bonds (cont'd)				
CHS/Community Health Systems Inc.				
(Callable) 5.13% Aug 01, 2021	USD	10,000,000	13,266,313	11,411,760
CIT Group Inc. 3.88% Feb 19, 2019	USD	4,100,000	5,587,419	5,223,942
CIT Group Inc. 5.38% May 15, 2020		311,000	436,099	413,169
Clearwater Seafoods Inc. (Callable) 6.88%				
May 01, 2020	USD	1,500,000	2,025,139	1,900,338
CNX Resources Corporation (Callable) 5.88%				
Jan 22, 2018	USD	3,000,000	3,943,127	3,860,771
Consolidated Energy Finance SA (Callable)				
6.75% Oct 15, 2019		4,500,000	5,857,454	5,743,513
CPPIB Capital Inc. 1.40% Jun 04, 2020	USD	9,330,000	9,440,094	9,216,064
Credit Suisse AG 6.00% Feb 15, 2018	USD	8,000,000	11,073,524	10,094,745
Crestwood Midstream Partners LP /				
Crestwood Midstream Finance Corporation				
(Callable) 6.25% Apr 01, 2018	USD	10,000,000	14,060,269	13,089,018
CSC Holdings LLC (Callable) 10.13%				
Jan 15, 2019	USD	2,000,000	3,102,550	2,841,480
CSC Holdings LLC 5.25% Jun 01, 2024	USD	2,500,000	2,914,412	3,118,972
DAE Funding LLC (Callable) 4.50%				
Aug 01, 2019	USD	1,000,000	1,253,400	1,238,038
DISH DBS Corporation 4.25% Apr 01, 2018	USD	5,000,000	5,013,554	6,303,062
DISH DBS Corporation 5.88% Jul 15, 2022	USD	6,000,000	8,214,721	7,592,158
DISH DBS Corporation 5.88% Nov 15, 2024	USD	15,300,000	19,668,500	18,760,870
DPL Inc. (Callable) 6.75% Sep 01, 2019		3,000,000	4,150,158	3,964,383
DPL Inc. (Callable) 7.25% Jul 15, 2021	USD	5,400,000	5,708,528	7,512,961
Dynegy Inc. (Callable) 5.88% Jun 01, 2018	USD	5,000,000	6,209,514	6,359,954
Dynegy Inc. (Callable) 7.38% Nov 01, 2018	USD	10,100,000	13,001,341	13,413,983
Exela Intermediate LLC / Exela Finance Inc.				
(Callable) 10.00% Jul 15, 2020	USD	9,000,000	11,721,650	11,077,062
Fairfax Financial Holdings Limited 6.40%				
May 25, 2021	USD	1,500,000	1,502,020	1,656,063
Fairfax Financial Holdings Limited 7.38%				
Apr 15, 2018	USD	13,117,000	15,750,406	16,681,574
Fairfax Financial Holdings Limited 7.75%				
Jul 15, 2037		2,000,000	1,943,339	3,212,820
First Data Corporation (Callable) 5.00%				
Jan 15, 2019	USD	2,450,000	3,330,180	3,189,425
First Data Corporation (Callable) 5.75%				
Jan 15, 2019	USD	15,000,000	19,877,086	19,612,052
First Quantum Minerals Ltd. (Callable) 7.00%				
Feb 15, 2018	USD	4,015,000	3,695,481	5,244,147
First Quantum Minerals Ltd. (Callable) 7.25%				
Nov 17, 2017	USD	1,400,000	1,816,367	1,847,584
Fly Leasing Ltd. (Callable) 5.25%				
Oct 15, 2020	USD	7,300,000	9,132,991	9,173,224
Ford Credit Canada Ltd. 2.92% Sep 16, 2020	USD	3,000,000	3,085,800	3,019,617
Ford Credit Canada Ltd. 2.94% Feb 19, 2019	USD	3,000,000	3,052,500	3,023,061
Freeport-McMoRan Inc. (Callable) 3.55%				
Dec 01, 2021	USD	2,400,000	2,986,674	2,983,754
Frontier Communications Corporation				
(Callable) 11.00% Jun 15, 2025	USD	9,500,000	12,750,323	8,808,833
Frontier Communications Corporation 8.75%				
Apr 15, 2022	USD	2,100,000	2,285,506	1,888,850
Gibson Energy Inc. (Callable) 5.25%				
Jul 15, 2020	USD	14,300,000	14,302,500	14,443,000
Gibson Energy Inc. (Callable) 5.25%				
Jul 15, 2020	USD	4,000,000	4,000,000	4,029,000
Goldman Sachs Group Inc., The 3.38%				
Feb 01, 2018		6,000,000	5,992,080	6,008,398
Golf Town Canada Inc. (Callable) 10.50%				
Jul 24, 2018	USD	14,435,000	14,179,375	2,165,250

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

Portfolio Adviser: Guardian Capital LP

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2017

Issuer	Face Value (\$)	Average Cost (\$)	Carrying Value (\$)
BONDS AND DEBENTURES (cont'd)			
Corporate Bonds (cont'd)			
Harvest Operations Corporation 2.33% Apr 14, 2021	4,950,000	6,201,627	5,971,158
HCA Inc. (Callable) 4.50% Aug 15, 2026	USD 10,000,000	13,359,364	12,761,605
HCA Inc. 6.50% Feb 15, 2020	USD 3,000,000	4,371,665	4,027,831
Hertz Corp, The (Callable) 6.25% Oct 15, 2022	USD 13,706,000	17,341,472	16,805,445
Hertz Corporation, The 7.63% Jun 01, 2022	USD 2,000,000	2,489,251	2,656,636
HSBC Bank of Canada 2.94% Jan 14, 2020	USD 5,000,000	4,895,100	5,068,270
HSBC Holdings PLC 2.65% Jan 05, 2022	USD 5,000,000	6,551,299	6,232,229
Icahn Enterprises LP / Icahn Enterprises Finance Corporation (Callable) 6.00% Feb 01, 2020	USD 6,750,000	8,915,790	8,729,799
IGM Financial Inc. (Callable) 3.44% Oct 16, 2026	2,250,000	2,248,493	2,256,094
JBS USA LLC / JBS USA Finance Inc. (Callable) 5.75% Jun 15, 2020	USD 20,500,000	25,132,906	25,037,991
Kellogg Company 3.25% Apr 01, 2026	1,000,000	1,352,889	1,250,320
Kinder Morgan Inc. (Callable) 4.30% Mar 01, 2025	USD 3,300,000	4,070,287	4,296,063
Kinder Morgan Inc. 7.25% Jun 01, 2018	USD 900,000	919,889	1,153,812
Loblaw Companies Limited 3.75% Mar 12, 2019	USD 5,000,000	5,243,650	5,099,184
Lundin Mining Corporation (Callable) 7.88% Nov 01, 2018	USD 4,500,000	5,678,151	6,082,494
Mattamy Group Corporation (Callable) 6.50% Oct 01, 2020	USD 3,050,000	3,760,325	4,060,334
Mattamy Group Corporation (Callable) 6.50% Oct 01, 2020	4,750,000	4,750,000	4,962,266
MEG Energy Corporation (Callable) 6.38% Jan 30, 2023	USD 9,925,000	10,784,738	10,626,272
MEG Energy Corporation (Callable) 7.00% Sep 30, 2018	USD 7,000,000	8,326,603	7,439,654
Methanex Corporation 5.25% Mar 01, 2022	USD 8,500,000	10,469,543	11,332,177
MGM Resorts International 6.63% Dec 15, 2021	USD 1,500,000	1,727,041	2,076,007
Midcontinent Express Pipeline LLC 6.70% Sep 15, 2019	USD 7,500,000	10,263,049	9,827,643
Morgan Stanley 1.49% Jan 24, 2019	USD 9,000,000	11,926,303	11,339,973
Morgan Stanley 2.50% Jan 24, 2019	USD 13,000,000	17,523,065	16,351,389
Netflix Inc. 3.63% May 15, 2027	USD 3,750,000	5,559,015	5,690,981
Netflix Inc. 4.88% Apr 15, 2028	USD 4,000,000	5,070,281	4,978,172
New Gold Inc. (Callable) 6.25% Nov 15, 2022	USD 3,900,000	4,397,376	5,069,451
Newalta Corporation (Callable) 5.88% Apr 01, 2021	USD 6,650,000	6,658,000	5,217,479
Newalta Corporation (Callable) 7.75% Nov 14, 2019	USD 2,500,000	2,500,000	2,335,416
NGPL PipeCo LLC (Callable) 4.88% Feb 15, 2027	2,500,000	3,125,234	3,283,244
NGPL PipeCo LLC 7.77% Dec 15, 2037	EUR 5,000,000	7,558,023	7,747,350
Norbord Inc. 6.25% Apr 15, 2023	3,500,000	4,379,053	4,807,753
Novelis Corporation (Callable) 5.88% Sep 30, 2021	USD 16,200,000	21,577,863	20,955,988
NRG Energy Inc. (Callable) 6.63% Jul 15, 2021	USD 2,500,000	3,391,380	3,344,657
Parkland Fuel Corporation (Callable) 5.50% May 28, 2021	USD 3,800,000	3,762,000	3,942,500
Parkland Fuel Corporation (Callable) 5.63% May 09, 2020	USD 2,500,000	2,511,250	2,530,469
Parkland Fuel Corporation (Callable) 5.75% Sep 16, 2019	5,000,000	5,050,000	5,114,583

Issuer	Face Value (\$)	Average Cost (\$)	Carrying Value (\$)
BONDS AND DEBENTURES (cont'd)			
Corporate Bonds (cont'd)			
Parkland Fuel Corporation (Callable) 6.00% Nov 21, 2022	500,000	500,625	523,021
PetSmart Inc. (Callable) 5.88% Jun 01, 2020	5,000,000	5,478,671	4,881,066
Postmedia Network Inc. (Callable) 8.25% Jul 15, 2021	3,166,501	3,180,606	3,024,008
Precision Drilling Corporation (Callable) 5.25% May 15, 2019	USD 4,500,000	5,832,356	5,313,316
Precision Drilling Corporation (Callable) 6.50% Nov 17, 2017	3,038,000	3,830,509	3,901,890
Precision Drilling Corporation (Callable) 7.13% Nov 15, 2020	USD 3,750,000	4,751,226	4,815,602
Precision Drilling Corporation (Callable) 7.75% Dec 15, 2019	USD 1,000,000	1,420,124	1,323,408
Quebecor Media Inc. 6.63% Jan 15, 2023	6,750,000	6,753,938	7,409,531
Radian Group Inc. (Callable) 4.50% Jul 01, 2024	USD 1,500,000	1,827,441	1,936,376
RioCan Real Estate Investment Trust 3.72% Dec 13, 2021	USD 4,290,000	4,277,988	4,427,892
Rite Aid Corporation (Callable) 6.13% Apr 01, 2018	18,500,000	24,061,923	21,104,786
River Cree Enterprises LP (Callable) 11.00% Jan 20, 2018	6,250,000	6,190,918	6,492,188
Rockies Express Pipeline LLC 5.63% Apr 15, 2020	USD 10,000,000	13,056,521	13,118,030
Rockies Express Pipeline LLC 6.00% Jan 15, 2019	USD 8,615,000	11,569,389	11,154,577
Royal Bank of Canada (Callable) 2.99% Dec 06, 2019	5,000,000	4,821,650	5,065,773
Royal Bank of Canada 2.82% Jul 12, 2018	USD 11,750,000	12,076,298	11,820,480
Sabine Pass Liquefaction LLC (Callable) 4.20% Sep 15, 2027	1,000,000	1,326,909	1,278,371
Scientific Games International Inc. (Callable) 10.00% Dec 01, 2018	3,825,000	5,020,178	5,301,697
SFR Group SA (Callable) 7.38% May 01, 2021	USD 9,000,000	11,800,699	11,643,010
Shaw Communications Inc. (Callable) 4.35% Oct 31, 2023	8,000,000	8,426,000	8,530,997
Sherritt International Corporation (Callable) 7.50% Sep 24, 2019	USD 4,434,329	4,369,946	3,634,303
Sherritt International Corporation (Callable) 7.88% Oct 11, 2018	USD 10,250,000	9,966,250	8,345,207
Sherritt International Corporation (Callable) 8.00% Nov 15, 2018	5,153,211	5,295,049	4,451,086
Six Flags Entertainment Corporation (Callable) 5.50% Apr 15, 2022	USD 5,000,000	6,357,106	6,491,447
Sobeys Inc. 3.52% Aug 08, 2018	USD 4,300,000	4,443,577	4,338,583
SoftBank Group Corporation (Callable) 4.75% Jun 21, 2024	USD 6,500,000	7,907,933	8,086,836
Source Energy Services Canada LP (Callable) 10.50% Dec 15, 2018	USD 9,056,809	9,543,059	10,075,700
Southern Pacific Resource Corporation (Callable) 8.75% Jan 25, 2018*	6,000,000	5,540,250	—
Sprint Communications Inc. 9.00% Nov 15, 2018	8,750,000	12,689,384	11,564,596
Sprint Corporation 7.25% Sep 15, 2021	10,850,000	13,330,775	14,426,627
Superior Plus Corporation (Callable) 5.25% Feb 27, 2020	10,800,000	10,849,500	11,022,750
Superior Plus LP (Callable) 6.50% Dec 09, 2021	7,500,000	7,500,000	7,926,563
Talen Energy Supply LLC (Callable) 6.50% Jun 01, 2020	4,300,000	4,515,878	4,405,523

BOND FUNDS

Scotia Private High Yield Income Pool (Continued)

14

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2017

Issuer		Number of Shares/ Face Value (\$)	Average Cost (\$)	Carrying Value (\$)
BONDS AND DEBENTURES (cont'd)				
Corporate Bonds (cont'd)				
Taseko Mines Ltd. (Callable) 8.75%				
Jun 15, 2019	USD	9,930,000	13,287,244	12,798,481
TerraForm Power Operating LLC (Callable)				
4.25% Oct 31, 2022	USD	5,500,000	7,039,732	6,890,196
TerraForm Power Operating LLC (Callable)				
5.00% Jul 31, 2027	USD	3,750,000	4,797,465	4,686,982
Tesoro Corporation (Callable) 4.75%				
Oct 15, 2023		4,000,000	5,631,653	5,409,475
Tidewater Midstream and Infrastructure Ltd.				
(Callable) 6.75% Dec 19, 2019	USD	5,000,000	4,973,950	4,985,875
Time Inc. (Callable) 5.75% Apr 15, 2022	USD	11,500,000	14,829,507	15,061,615
T-Mobile US Inc. (Callable) 6.50%				
Jan 15, 2019	USD	4,000,000	5,367,130	5,323,797
T-Mobile US Inc. (Callable) 6.63%				
Apr 01, 2018	USD	13,250,000	18,551,639	17,405,685
Transcontinental Inc. 3.90% May 13, 2019		10,000,000	10,090,909	10,140,749
Trilogy Energy Corporation (Callable) 7.25%				
Dec 13, 2019		7,000,000	7,085,000	7,122,500
Trinidad Drilling Ltd. (Callable) 6.63%				
Feb 15, 2020		500,000	650,601	598,990
Tyson Foods Inc. (Callable) 2.25%				
Jul 23, 2021		2,000,000	2,508,331	2,479,767
United Rentals North America Inc. (Callable)				
4.63% Oct 15, 2020	USD	1,500,000	1,822,490	1,910,737
United Rentals North America Inc. (Callable)				
5.50% May 15, 2022		3,600,000	4,806,024	4,758,480
United Rentals North America Inc. (Callable)				
5.88% Sep 15, 2021		1,613,000	2,231,916	2,173,450
Viacom Inc. (Callable) 2.75% Nov 15, 2019	USD	6,105,000	8,128,709	7,674,800
Wells Fargo Canada Corporation 3.04%				
Jan 29, 2021	USD	15,250,000	15,417,598	15,536,040
Wynn Las Vegas LLC (Callable) 4.25%				
Feb 28, 2023	USD	5,500,000	5,766,958	7,107,264
Zayo Group LLC / Zayo Capital Inc. (Callable)				
5.75% Jan 15, 2022	USD	12,500,000	17,413,270	16,150,124
			1,191,742,376	1,149,364,395
Federal Bonds – 2.1%				
Canada Housing Trust No. 1 1.15%				
Dec 15, 2021		8,000,000	7,984,240	7,729,552
Government of Canada 1.25% Sep 01, 2018	USD	10,000,000	10,171,400	9,993,158
Government of Canada 1.75% Mar 01, 2019		10,000,000	10,037,200	10,023,170
			28,192,840	27,745,880
TOTAL BONDS AND DEBENTURES			1,219,935,216	1,177,110,275
EQUITIES – 1.0%				
Energy – 0.8%				
Canadian International Oil				
Corporation, Warrants*		520,000	–	–
Connacher Oil and Gas Ltd.*	USD	309,158	3,312,451	–
Prairie Provident Resources Inc.		408,004	5,967,216	187,682
Source Energy Services Ltd.	USD	42,555	446,828	386,825
Tourmaline Oil Corporation	USD	282,900	12,501,485	6,444,462
Trident Exploration Corporation, Restricted*		8,471,215	3,213,132	2,893,767
			25,441,112	9,912,736
Materials – 0.2%				
Banro Corporation	USD	388,202	698,764	52,038
Hycroft Mining Corporation	USD	90,163	13,443,760	1,132
Sherritt International Corporation, Warrants				
Jul 29, 2021	USD	1,453,099	–	1,705,026

Issuer		Number of Shares/ Face Value (\$)	Average Cost (\$)	Carrying Value (\$)
EQUITIES (cont'd)				
Materials (cont'd)				
Trevali Mining Corporation, Warrants				
Dec 30, 2020	USD	285,824	–	329,557
			14,142,524	2,087,753
TOTAL EQUITIES			39,583,636	12,000,489
MONEY MARKET INSTRUMENTS – 6.6%				
Promissory Notes – 1.7%				
Province of Alberta 1.43% Jan 08, 2018	USD	9,150,000	11,761,733	11,487,422
Province of British Columbia 1.04%				
Feb 26, 2018		8,600,000	8,578,500	8,585,830
Province of Saskatchewan 1.01%				
Jan 16, 2018		1,550,000	1,547,567	1,549,275
			21,887,800	21,622,527
Treasury Bills – 4.9%				
Government of Canada 0.00%				
Feb 08, 2018		1,350,000	1,348,420	1,348,598
Government of Canada 0.00%				
Feb 22, 2018		9,820,000	9,803,210	9,807,429
Government of Canada 0.00%				
Jan 04, 2018		650,000	649,623	649,914
Government of Canada 0.00%				
Jan 11, 2018		7,305,000	7,298,201	7,303,036
Government of Canada 0.00%				
Jan 25, 2018		45,175,000	45,109,073	45,147,497
			64,208,527	64,256,474
TOTAL MONEY MARKET INSTRUMENTS			86,096,327	85,879,001
TOTAL INVESTMENT PORTFOLIO			1,345,615,179	1,274,989,765
Unrealized Gain (Loss) on Derivatives – 0.5%				6,139,249
OTHER ASSETS, LESS LIABILITIES – 1.5%				20,120,477
NET ASSETS – 100.0%				1,301,249,491

* These securities have no quoted values and are classified as Level 3 securities.

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

BOND FUNDS

SCHEDULE OF DERIVATIVE INSTRUMENTS

UNREALIZED GAIN ON CURRENCY FORWARD CONTRACTS

Counterparty	Credit Rating	Settlement Date	Currency To Be Received	Contractual Amount	Currency To Be Delivered	Contractual Amount	Contract Price	Market Price	Unrealized Gain (\$)
Royal Bank of Canada	A-1+	Jan. 10, 2018	Canadian Dollar	174,064,923	US Dollar	137,240,000	0.788	0.796	1,626,867
Bank of Nova Scotia, The	A-1	Jan. 11, 2018	Canadian Dollar	90,200,785	US Dollar	70,315,000	0.78	0.796	1,848,709
HSBC Bank Canada	A-1+	Jan. 12, 2018	Canadian Dollar	183,445,760	US Dollar	143,870,000	0.784	0.796	2,663,673
									6,139,249

FUND SPECIFIC NOTES

For the periods indicated in Note 1

The Fund (note 1)

The Fund's investment objective is to achieve superior long term returns and to provide income as well as capital growth by investing primarily in high yield, lower rated Canadian corporate bonds, preferred shares and short term money market securities. The Fund can invest up to 100% of its assets in foreign securities.

Risks associated with financial instruments (note 4)

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 underlying funds, preferred shares, cash and overdrafts, as applicable.

Interest rate exposure	December 31, 2017 (\$)	December 31, 2016 (\$)
Less than 1 year	196,098,590	319,346,449
1-3 years	231,427,797	369,994,571
3-5 years	313,053,131	232,871,397
5-10 years	500,506,063	182,702,433
> 10 years	21,903,695	3,086,179
	1,262,989,276	1,108,001,029

As at December 31, 2017, 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 \$9,395,067 or approximately 0.7% (December 31, 2016 – \$7,829,240 or approximately 0.6%).

Currency risk

The Fund's exposure to currency risk is summarized in the tables below. Amounts shown are based on the carrying value of monetary and non-monetary assets and liabilities of the Fund, net of currency contracts, as applicable.

Currency	December 31, 2017			
	Gross currency exposure (\$)	Currency contracts (\$)	Net exposure (\$)	Percentage of net assets (%)
US Dollar	904,218,269	(441,572,219)	462,646,050	35.6
European Euro	5,716,020	–	5,716,020	0.4
	909,934,289	(441,572,219)	468,362,070	36.0

Currency	December 31, 2016			
	Gross currency exposure (\$)	Currency contracts (\$)	Net exposure (\$)	Percentage of net assets (%)
US Dollar	781,119,967	–	781,119,967	62.9
	781,119,967	–	781,119,967	62.9

If the Canadian dollar strengthened or weakened by 10% in relation to all other currencies, with all other variables held constant, net assets of the Fund would have decreased or increased, respectively, by \$46,836,207 or 3.6% of net assets (December 31, 2016 – \$78,111,997 or 6.3%). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

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, underlying funds, derivatives and commodities, as applicable. As at December 31, 2017, approximately 1.0% (December 31, 2016 – 9.6%) of the Fund's net assets were exposed to price risk. If prices of these instruments 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 \$1,200,049 (December 31, 2016 – \$11,995,551). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Credit risk

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

Credit ratings	December 31, 2017		December 31, 2016	
	Percentage of total credit rated instruments (%)	Percentage of net assets (%)	Percentage of total credit rated instruments (%)	Percentage of net assets (%)
Short Term Rating				
A-1+	6.8	6.6	4.2	3.8
A-1	–	–	2.1	1.9
Bond Credit Rating				
AAA	2.9	2.8	5.7	5.1
AA	1.8	1.8	1.8	1.6
A	5.0	4.8	5.9	5.2
BBB	14.6	14.3	15.2	13.5
BB	32.8	31.9	29.2	26.1
B	33.0	32.0	29.9	26.5
CCC	1.0	1.0	4.3	3.9
D	–	–	0.3	0.3
NOT RATED	2.1	2.0	1.4	1.4
	100.0	97.2	100.0	89.3

Concentration risk

Concentration risk arises as a result of the concentration of financial instruments 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 by carrying value as a percentage of net assets:

	Percentage of net assets (%)	
	December 31, 2017	December 31, 2016
Corporate Bonds	88.3	79.2
Energy	0.8	1.1
Federal Bonds	2.1	4.4
Index Based ETFs	–	8.4
Materials	0.2	0.1
Promissory Notes	1.7	0.9
Treasury Bills	4.9	4.8
Telecommunication Services	–	0.0

FUND SPECIFIC NOTES

For the periods indicated in Note 1

Fair Value Classification (note 2)

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

December 31, 2017	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Equities	7,020,101	52,038	2,893,767	9,965,906
Bonds and debentures	–	1,177,110,275	–	1,177,110,275
Money market instruments	–	85,879,001	–	85,879,001
Warrants, rights and options	–	2,034,583	–	2,034,583
Unrealized gain on currency forward contracts	–	6,139,249	–	6,139,249
	7,020,101	1,271,215,146	2,893,767	1,281,129,014

December 31, 2016	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Equities	115,233,912	12	3,213,132	118,447,056
Bonds and debentures	–	1,038,050,600	–	1,038,050,600
Money market instruments	–	69,950,429	–	69,950,429
Warrants, rights and options	–	1,508,458	–	1,508,458
	115,233,912	1,109,509,499	3,213,132	1,227,956,543

Transfers between levels

During the periods ended December 31, 2017 and December 31, 2016, 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, 2017 (\$)	December 31, 2016 (\$)
Beginning of period	3,213,132	835,630
Purchases	–	–
Sales	(12,268)	(6,384)
Transfers into Level 3	–	3,331,414
Transfers out of Level 3	–	(447,385)
Net realized gains (losses)	(1,892,338)	823
Net changes in unrealized gain (loss)*	1,585,241	(500,966)
End of period	2,893,767	3,213,132

* Net change in unrealized gain (loss) for Level 3 financial instruments held as at December 31, 2017 and December 31, 2016 was \$(319,365) and \$(113,739), respectively.

Level 3 valuation techniques

The tables below summarize the significant unobservable inputs used in the fair value measurement of Level 3 financial instruments. The significant unobservable inputs in the valuation techniques 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. The tables also illustrate the potential impact on the Fund if the significant unobservable inputs used in the valuation techniques had increased or decreased by 5%, with all other variables held constant. Certain significant unobservable inputs used in the valuation techniques are not reasonably expected to shift and are indicated in

the tables below as "n/a". Securities where the reasonable possible shift in the significant unobservable input did not result in a material impact on the Fund are indicated in the table below as nil.

Security	Valuation technique	Significant unobservable input	Carrying value as at December 31, 2017 (\$)	Reasonable possible shift (+/-) (\$)
Equities	Fundamental model analysis based on financial data	Discount rate	2,893,767	nil
			2,893,767	

Security	Valuation technique	Significant unobservable input	Carrying value as at December 31, 2016 (\$)	Reasonable possible shift (+/-) (\$)
Equities	Financing transaction price	Financing price	3,213,132	nil
			3,213,132	

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. As at December 31, 2017, the Fund did not enter into any agreement whereby the financial instruments were eligible for offset.

	December 31, 2017			
Financial assets – by type	Gross amount of assets (\$)	Master netting offset (\$)	Collateral pledged/received (\$)	Net Amount (\$)
Currency forward contracts	6,139,249	–	–	6,139,249
Options contracts – OTC	–	–	–	–
Swap contracts – OTC	–	–	–	–
	6,139,249	–	–	6,139,249

Financial liabilities – by type	Gross amount of liabilities (\$)	Master netting offset (\$)	Collateral pledged/received (\$)	Net Amount (\$)
Currency forward contracts	–	–	–	–
Options contracts – OTC	–	–	–	–
Swap contracts – OTC	–	–	–	–
	–	–	–	–

Interest in Underlying Funds (note 2)

The Fund did not hold any interest in Underlying Funds as at December 31, 2017. The following table presents the percentage of the underlying Funds owned by the Fund

	December 31, 2016	
Underlying Fund	Carrying value of the Underlying Fund (\$)	Ownership percentage in Underlying Fund (%)
SPDR Barclays High Yield Bond ETF	48,966,926	0.3
iShares iBoxx \$ High Yield Corporate Bond Fund ETF	55,810,204	0.2
	104,777,130	

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

FUND SPECIFIC NOTES

For the periods indicated in Note 1

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

As at December 31, 2017 or December 31, 2016, there were no differences between the net asset value per unit and the net assets per unit for any series of the Fund.

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	December 31, 2017	December 31, 2016
ASSETS		
Current assets		
Investments		
Non-derivative financial assets	891,684,546	790,004,812
Unrealized gain on currency forward contracts	3,729,930	8,940,628
Cash	38,516,489	100,182,876
Receivable for securities sold	—	29,721,910
Subscriptions receivable	3,301,885	150,122
Accrued investment income and other	4,420,605	4,805,915
	<u>941,653,455</u>	<u>933,806,263</u>
LIABILITIES		
Current liabilities		
Payable for securities purchased	75,274,756	126,514,335
Redemptions payable	606,276	97,214
Accrued expenses	—	1,174
Distributions payable	—	104
Unrealized loss on currency forward contracts	29,935	125,636
	<u>75,910,967</u>	<u>126,738,463</u>
Net assets attributable to holders of redeemable units	<u>865,742,488</u>	<u>807,067,800</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Pinnacle Series	111,222,090	96,235,733
Series F	324,556	217,232
Series I	754,195,842	710,614,835
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Pinnacle Series	9.23	9.19
Series F	9.44	9.39
Series I	9.51	9.47

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except average units)	2017	2016
INCOME		
Net gain (loss) on investments		
Dividends	—	118,374
Interest for distribution purposes	27,983,830	24,160,739
Net realized gain (loss) on non-derivative financial assets	(9,153,459)	22,280,933
Net realized gain (loss) on currency forward contracts	52,374,817	9,998,047
Change in unrealized gain (loss) on non-derivative financial assets	(32,640,144)	(37,361,451)
Change in unrealized gain (loss) on currency forward contracts	(5,114,997)	5,076,051
Net gain (loss) on investments	<u>33,450,047</u>	<u>24,272,693</u>
Securities lending (note 11)	77,612	89,234
Net realized and unrealized foreign currency translation gain (loss)	1,842,826	1,561,919
Other income	446	386
Total income (loss), net	<u>35,370,931</u>	<u>25,924,232</u>
EXPENSES		
Management fees (note 5)	1,775	1,322
Fixed administration fees (note 6)	408,398	366,592
Independent Review Committee fees	1,135	1,184
Interest expense and bank overdraft charges	4,743	1,779
Foreign withholding taxes/tax reclaims	(32,814)	69,641
Other fund costs	—	132
Harmonized Sales Tax/Goods and Services Tax	41,652	38,716
Total expenses	<u>424,889</u>	<u>479,366</u>
Increase (decrease) in net assets attributable to holders of redeemable units from operations	<u>34,946,042</u>	<u>25,444,866</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Pinnacle Series	4,077,950	2,441,262
Series F	7,289	2,230
Series I	30,860,803	23,001,374
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT†		
Pinnacle Series	0.37	0.26
Series F	0.29	0.12
Series I	0.40	0.32
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Pinnacle Series	11,147,888	9,425,843
Series F	25,041	18,434
Series I	77,537,709	71,575,653

† 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.

Scotia Private American Core-Plus Bond Pool (Continued)

20

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

For the periods ended December 31 (note 1),

(in dollars)	2017	2016
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Pinnacle Series	96,235,733	65,167,343
Series F	217,232	133,753
Series I	710,614,835	666,123,804
	<u>807,067,800</u>	<u>731,424,900</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Pinnacle Series	4,077,950	2,441,262
Series F	7,289	2,230
Series I	30,860,803	23,001,374
	<u>34,946,042</u>	<u>25,444,866</u>
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net investment income		
Pinnacle Series	(3,263,216)	(2,621,387)
Series F	(5,898)	(4,161)
Series I	(24,459,215)	(21,231,830)
From net realized gains on investments		
Pinnacle Series	(454,326)	—
Series F	(1,217)	—
Series I	(3,178,068)	—
	<u>(31,361,940)</u>	<u>(23,857,378)</u>
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Pinnacle Series	31,458,850	45,415,694
Series F	140,499	82,684
Series I	34,548,093	35,715,385
Reinvested distributions		
Pinnacle Series	3,704,434	2,613,757
Series F	2,997	2,726
Series I	27,637,283	21,231,830
Payments on redemption		
Pinnacle Series	(20,537,335)	(16,780,936)
Series F	(36,346)	—
Series I	(21,827,889)	(14,225,728)
	<u>55,090,586</u>	<u>74,055,412</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Pinnacle Series	14,986,357	31,068,390
Series F	107,324	83,479
Series I	43,581,007	44,491,031
	<u>58,674,688</u>	<u>75,642,900</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Pinnacle Series	111,222,090	96,235,733
Series F	324,556	217,232
Series I	754,195,842	710,614,835
	<u>865,742,488</u>	<u>807,067,800</u>

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	34,946,042	25,444,866
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	9,153,459	(22,280,933)
Unrealized foreign currency translation (gain) loss	(635,830)	(1,291,981)
Change in unrealized (gain) loss on non-derivative financial assets	32,640,144	37,361,451
Change in unrealized (gain) loss on currency forward contracts	5,114,997	(5,076,051)
Purchases of portfolio investments	(3,508,829,529)	(4,116,045,482)
Proceeds from sale of portfolio investments	3,343,838,524	3,999,336,954
Accrued investment income and other	385,310	(321,397)
Accrued expenses and other payables	(1,174)	1,103
Net cash provided by (used in) operating activities	<u>(83,388,057)</u>	<u>(82,871,470)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	62,995,679	81,966,094
Amounts paid on redemption of redeemable units	(41,892,508)	(30,914,782)
Distributions to unitholders of redeemable units	(17,331)	(8,960)
Net cash provided by (used in) financing activities	21,085,840	51,042,352
Unrealized foreign currency translation gain (loss)	635,830	1,291,981
Net increase (decrease) in cash	(62,302,217)	(31,829,118)
Cash (bank overdraft), beginning of period	100,182,876	130,720,013
CASH (BANK OVERDRAFT), END OF PERIOD	<u>38,516,489</u>	<u>100,182,876</u>
Interest paid ⁽¹⁾	4,743	1,779
Interest received, net of withholding taxes ⁽¹⁾	28,478,577	23,771,796
Dividends received, net of withholding taxes ⁽¹⁾	—	116,278

⁽¹⁾ Classified as operating items.

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2017

Issuer		Face Value (\$)	Average Cost (\$)	Carrying Value (\$)
BONDS AND DEBENTURES – 96.6%				
Australian Dollar – 0.6%				
International Bank for Reconstruction & Development 3.00% Oct 19, 2026	AUD	4,100,000	4,232,254	3,989,600
Morgan Stanley 4.75% Nov 16, 2018	AUD	1,590,000	1,621,407	1,590,725
			5,853,661	5,580,325
Euro – 0.3%				
America Movil S.A.B. de C.V. 3.26% Jul 22, 2023	EUR	1,400,000	1,905,514	2,386,344
Indian Rupee – 0.5%				
International Finance Corporation 5.85% Nov 25, 2022	INR	220,000,000	4,292,757	4,278,948
Malaysian Ringgit – 0.5%				
Malaysia Government Bond 4.06% Sep 30, 2024	MYR	13,703,000	4,356,152	4,285,911
Mexican Peso – 0.3%				
Mexican Bonos 10.00% Dec 05, 2024	MXN	19,090,000	1,580,584	1,374,705
Mexican Bonos 4.75% Jun 14, 2018	MXN	25,000,000	1,687,933	1,578,644
			3,268,517	2,953,349
New Zealand Dollar – 0.9%				
Federal Republic of Germany 3.75% Jun 14, 2018	NZD	2,500,000	2,311,335	2,239,411
Goldman Sachs Group Inc., The 5.20% Dec 17, 2019	NZD	3,310,000	2,967,085	3,061,346
JPMorgan Chase & Co. 4.25% Nov 02, 2018	NZD	2,300,000	1,991,202	2,064,701
			7,269,622	7,365,458
United States Dollar – 93.5%				
21st Century Fox America Inc. 6.65% Nov 15, 2037	USD	1,605,000	2,792,655	2,811,673
AbbVie Inc. (Callable) 2.50% Apr 14, 2020	USD	1,530,000	2,008,089	1,926,450
Access Group Inc. (Floating Rate) 1.11% Aug 25, 2037	USD	965,709	996,185	1,125,239
Access Group Inc. (Floating Rate) 1.42% Jul 01, 2038	USD	1,217,197	1,391,716	1,510,288
Access Group Inc. 1.42% Jul 01, 2038	USD	1,869,123	2,221,625	2,319,193
Adjustable Rate Mortgage Trust Series 2005-10 2.71% Jan 25, 2036	USD	13,767	14,081	16,866
Ally Financial Inc. 1.36% Apr 22, 2019	USD	252,352	330,867	317,041
Alternative Loan Trust Series 2006-2CB 5.50% Mar 25, 2036	USD	11,809	15,577	10,606
Altria Group Inc. 10.20% Feb 06, 2039	USD	997,000	1,827,232	2,220,599
Altria Group Inc. 9.95% Nov 10, 2038	USD	195,000	389,323	417,884
Amazon.com Inc. (Callable) 5.20% Sep 03, 2025	USD	1,170,000	1,677,925	1,689,817
American Airlines 2014-1 Class B Pass Through Trust 4.38% Oct 01, 2022	USD	652,975	741,697	837,962
American Express Co (Callable) 2.20% Sep 29, 2020	USD	810,000	1,022,754	1,010,613
American Express Co (Callable) 3.00% Sep 29, 2024	USD	1,360,000	1,718,368	1,708,130
AmeriCredit Automobile Receivables Trust 2014-1 2.15% Mar 09, 2020	USD	2,497,366	3,216,130	3,140,570
Ameriquest Mortgage Securities Inc. Asset-Backed Pass-Through Certificate Series 2003-11 1.59% Dec 25, 2033	USD	1,047,518	1,343,273	1,340,757
Anadarko Petroleum Corporation 6.45% Sep 15, 2036	USD	2,309,000	3,481,418	3,574,377
Anthem Inc. (Callable) 2.95% Nov 01, 2022	USD	1,600,000	2,035,677	2,011,484
Anthem Inc. (Callable) 3.65% Sep 01, 2027	USD	1,790,000	2,273,904	2,290,498
Anthem Inc. 2.50% Nov 21, 2020	USD	2,030,000	2,579,380	2,546,028
Anthem Inc. 3.13% May 15, 2022	USD	860,000	1,132,603	1,096,774

Issuer		Face Value (\$)	Average Cost (\$)	Carrying Value (\$)
BONDS AND DEBENTURES (cont'd)				
United States Dollar (cont'd)				
Anthem Inc. 3.30% Jan 15, 2023	USD	695,000	962,832	888,367
Apache Corporation 6.90% Sep 15, 2018	USD	540,000	784,439	699,449
Apple Inc. (Callable) 2.85% Mar 11, 2024	USD	885,000	1,216,610	1,115,242
Asset Backed Securities Corporation Home Equity Loan Trust Series 2002-HE1 2.13% Mar 15, 2032	USD	2,001,007	2,621,685	2,548,502
Assurant Inc. 2.50% Mar 15, 2018	USD	1,550,000	2,129,789	1,948,985
AstraZeneca PLC (Callable) 2.38% May 12, 2022	USD	2,105,000	2,827,868	2,598,429
AstraZeneca PLC 2.38% Nov 16, 2020	USD	1,679,000	2,234,779	2,099,825
AT&T Inc. (Callable) 2.85% Jan 14, 2023	USD	965,000	1,240,583	1,205,674
AT&T Inc. (Callable) 4.90% Feb 14, 2037	USD	5,380,000	6,838,513	6,849,628
AutoNation Inc. (Callable) 3.80% Aug 15, 2027	USD	1,690,000	2,157,187	2,108,934
BANK 2017-BNK9 3.54% Nov 15, 2054	USD	1,915,000	2,503,605	2,481,955
Bank of America Alternative Loan Trust Series 2005-5 6.00% Jun 25, 2035	USD	61,142	55,989	76,146
Bank of America Commercial Mortgage Trust 2007-1 5.42% Jan 15, 2049	USD	393,601	515,284	493,882
Bank of America Commercial Mortgage Trust 2008-1 6.51% Feb 10, 2051	USD	517,824	683,638	651,729
Bank of America Corporation (Callable) 3.82% Jan 20, 2027	USD	1,185,000	1,575,486	1,529,491
Bank of America Mortgage Trust Series 2005-3 5.50% Apr 25, 2035	USD	714,501	822,566	923,540
Bank of America Mortgage Trust Series 2005-G 2.87% Aug 25, 2035	USD	95,378	81,073	115,220
Bank of America Mortgage Trust, Series 2003-J 3.62% Nov 25, 2051	USD	53,522	52,323	68,591
BankAmerica Capital III (Callable) 1.93% Jan 17, 2027	USD	1,050,000	1,242,430	1,261,928
Barclays PLC (Callable) 4.84% May 07, 2027	USD	2,300,000	3,123,339	3,002,997
Barrick North America Finance LLC 4.40% May 30, 2021	USD	1,690,000	2,385,916	2,248,837
Bear Stearns ARM Trust Series 2004-5 3.27% Jul 25, 2034	USD	299,936	301,804	390,774
Becton Dickinson and Company (Callable) 2.89% May 06, 2022	USD	1,725,000	2,331,333	2,151,993
California Republic Auto Receivables Trust 2015-1 1.82% Sep 15, 2020	USD	1,342,709	1,690,358	1,685,948
California Republic Auto Receivables Trust 2017-1 1.90% Mar 15, 2021	USD	1,970,000	2,587,508	2,465,099
CarMax Auto Owner Trust 2015-1 1.38% Nov 15, 2019	USD	571,162	713,476	716,719
CarMax Auto Owner Trust 2016-2 1.52% Feb 16, 2021	USD	2,700,000	3,441,827	3,379,539
Cengage Learning Inc. (First Lien Term Loan B) Jun 07, 2023	USD	2,928,741	3,778,430	3,521,375
CenturyLink Inc. (First Lien Term Loan B) Jun 31, 2025	USD	1,500,000	2,020,911	1,820,274
CF Industries Inc. 5.38% Mar 15, 2044	USD	3,320,000	3,673,828	4,122,710
Charles Schwab Corporation, The (Callable) 3.20% Oct 25, 2027	USD	1,150,000	1,458,312	1,453,026
CHL Mortgage Pass-Through Trust Series 2004-HYB4 2.72% Sep 20, 2034	USD	32,354	31,383	35,768
Cigna Corporation (Callable) 3.05% Jul 15, 2027	USD	1,530,000	1,890,514	1,881,016
Citigroup Capital III 7.63% Dec 01, 2036	USD	1,025,000	1,682,705	1,694,190
Citigroup Inc. 4.45% Sep 29, 2027	USD	1,640,000	2,194,861	2,176,825
Citigroup Inc. 8.13% Jul 15, 2039	USD	829,000	1,701,502	1,656,725
Citigroup Mortgage Loan Trust Inc. (Floating Rate) 2.26% Aug 25, 2034	USD	1,029,722	1,272,170	1,308,770

Scotia Private American Core-Plus Bond Pool (Continued)

22

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2017

BOND FUNDS

Issuer		Face Value (\$)	Average Cost (\$)	Carrying Value (\$)
BONDS AND DEBENTURES (cont'd)				
United States Dollar (cont'd)				
CNOOC Finance 2013 Ltd. 3.00%				
May 09, 2023	USD	920,000	849,880	1,143,922
COMM 2006-C8 Mortgage Trust 5.38%				
Dec 10, 2046	USD	829,633	1,111,467	1,062,694
COMM 2012-CCRE2 Mortgage Trust (Floating Rate) 3.79% Aug 15, 2045	USD	300,000	427,158	387,699
COMM 2013-CCRE12 Mortgage Trust 2.90%				
Oct 10, 2046	USD	1,385,000	1,770,379	1,751,923
Comm 2014-UBS2 Mortgage Trust 3.96%				
Mar 10, 2047	USD	1,190,000	1,730,694	1,573,114
COMM 2015-CCRE25 Mortgage Trust 3.76%				
Aug 10, 2048	USD	1,694,000	2,276,828	2,232,438
COMM 2015-CCRE26 Mortgage Trust 4.64%				
Oct 10, 2048	USD	1,800,000	2,288,490	2,280,575
Commonwealth Edison Company 5.80%				
Mar 15, 2018	USD	700,000	810,486	886,306
Concho Resources Inc. (Callable) 3.75%				
Jul 01, 2027	USD	890,000	1,080,690	1,135,570
Concho Resources Inc. (Callable) 4.88%				
Apr 01, 2047	USD	475,000	612,565	657,641
Corp Andina de Fomento 2.75% Jan 06, 2023	USD	2,505,000	3,224,130	3,118,965
Credit Suisse First Boston Mortgage Securities Corporation 4.88% Jul 15, 2037	USD	306,446	391,543	386,204
CSAIL 2015-C3 Commercial Mortgage Trust 3.45% Aug 15, 2048	USD	2,095,066	2,870,753	2,698,071
CSMC Mortgage-Backed Trust Series 2007-5 6.00% Oct 25, 2024	USD	228,175	293,377	293,119
Darden Restaurants Inc. 6.80% Oct 15, 2037	USD	900,000	1,393,337	1,514,568
Dell International LLC (First Lien Term Loan B) Sep 07, 2023	USD	1,299,704	1,686,996	1,633,420
Devon Financing Co LLC 7.88% Sep 30, 2031	USD	2,596,000	4,350,321	4,482,863
Digicel International Finance Ltd. (First Lien Term Loan B) May 10, 2024	USD	915,000	1,251,382	1,155,615
Discovery Communications LLC 5.63% Aug 15, 2019	USD	1,093,000	1,557,999	1,438,461
Discovery Communications LLC 6.35% Jun 01, 2040	USD	1,655,000	2,308,444	2,460,270
Drive Auto Receivables Trust 2017-1 (Callable) 1.67% Mar 15, 2021	USD	814,624	1,084,398	1,023,416
Ecopetrol S.A. 5.88% May 28, 2045	USD	550,000	649,640	711,155
Energy Transfer Equity LP (Callable) 4.25% Dec 15, 2022	USD	1,260,000	1,573,230	1,575,198
Energy Transfer Partners LP (Callable) 6.05% Dec 01, 2040	USD	1,785,000	2,190,373	2,402,433
Energy Transfer Partners LP (Callable) 6.25% Feb 15, 2023	USD	1,690,000	2,151,551	2,066,413
EnLink Midstream Partners LP (Callable) 4.15% Mar 01, 2025	USD	1,530,000	1,963,620	1,936,731
EnLink Midstream Partners LP (Callable) 6.00% Dec 15, 2022	USD	1,390,000	1,698,229	1,675,877
Enterprise Products Operating LLC (Callable) 7.03% Jan 15, 2018	USD	805,000	885,038	1,012,660
Exelon Corporation (Callable) 2.85% May 15, 2020	USD	1,475,000	1,828,656	1,867,952
Export-Import Bank of Korea 5.00% Apr 11, 2022	USD	400,000	403,409	541,181
Fannie Mae 2.00% Dec 25, 2042	USD	1,405,000	1,357,140	1,637,404
Fannie Mae 2.50% May 25, 2041	USD	118,044	120,552	148,129
Fannie Mae 4.00% Nov 25, 2029	USD	531,483	549,818	696,695
Fannie Mae 4.50% Aug 25, 2023	USD	15,950	14,861	20,818
Fannie Mae 4.50% Jun 25, 2029	USD	172,528	199,101	230,500
Fannie Mae 4.50% Sep 25, 2024	USD	286,783	336,918	375,266

Issuer		Face Value (\$)	Average Cost (\$)	Carrying Value (\$)
BONDS AND DEBENTURES (cont'd)				
United States Dollar (cont'd)				
Fannie Mae 5.00% Oct 25, 2024	USD	42,411	44,634	55,378
Fannie Mae 5.50% Sep 25, 2035	USD	57,969	69,391	75,484
Fannie Mae 7.50% Nov 25, 2026	USD	4,182	6,063	5,897
Fannie Mae Grantor Trust 2003-T4 5.02% Sep 26, 2033	USD	14,815	16,960	20,037
Fannie Mae Grantor Trust Series 2001-T4 7.50% Jul 25, 2041	USD	341,246	478,637	496,663
Fannie Mae Pass-Through Certificates Pool 3.60% Apr 01, 2018	USD	1,235,003	1,518,132	1,557,839
Fannie Mae Pass-Through Certificates Pool 2.55% Jul 01, 2026	USD	1,219,627	1,591,743	1,515,560
Fannie Mae Pass-Through Certificates Pool 2.57% Jun 01, 2022	USD	845,976	1,076,944	1,058,924
Fannie Mae Pass-Through Certificates Pool 2.68% Aug 01, 2022	USD	721,684	961,466	884,498
Fannie Mae Pass-Through Certificates Pool 3.00% Dec 01, 2046	USD	13,805,470	18,606,030	17,351,081
Fannie Mae Pass-Through Certificates Pool 3.00% Mar 01, 2047	USD	4,583,334	6,040,781	5,760,474
Fannie Mae Pass-Through Certificates Pool 3.50% Aug 01, 2047	USD	6,299,200	8,128,143	8,132,471
Fannie Mae Pass-Through Certificates Pool 3.50% Dec 01, 2046	USD	1,033,586	1,391,981	1,338,493
Fannie Mae Pass-Through Certificates Pool 3.50% May 01, 2045	USD	4,431,193	6,126,277	5,744,204
Fannie Mae Pass-Through Certificates Pool 3.50% May 01, 2045	USD	1,697,361	2,333,346	2,200,320
Fannie Mae Pass-Through Certificates Pool 3.50% Oct 01, 2046	USD	2,792,454	3,819,461	3,620,244
Fannie Mae Pass-Through Certificates Pool 3.66% Feb 01, 2027	USD	513,968	709,693	684,519
Fannie Mae Pass-Through Certificates Pool 4.00% Apr 01, 2046	USD	4,467,869	6,262,119	5,925,454
Fannie Mae Pass-Through Certificates Pool 4.00% Aug 01, 2047	USD	1,093,291	1,447,155	1,441,267
Fannie Mae Pass-Through Certificates Pool 4.00% Jul 01, 2042	USD	849,195	1,133,812	1,122,234
Fannie Mae Pass-Through Certificates Pool 4.00% Jul 01, 2047	USD	1,458,552	1,930,354	1,923,002
Fannie Mae Pass-Through Certificates Pool 4.00% Jun 01, 2042	USD	786,215	1,049,414	1,039,056
Fannie Mae Pass-Through Certificates Pool 4.00% Sep 01, 2043	USD	1,236,768	1,715,996	1,645,086
Fannie Mae Pass-Through Certificates Pool 4.50% Apr 01, 2035	USD	1,586,142	2,212,128	2,134,799
Fannie Mae Pass-Through Certificates Pool 5.00% Feb 01, 2031	USD	2,869,531	4,174,447	3,882,673
Fannie Mae Pass-Through Certificates Pool 5.25% Aug 01, 2029	USD	782,792	1,181,384	1,104,189
Fannie Mae Pass-Through Certificates Pool 5.26% Jun 01, 2023	USD	262,394	328,052	342,555
Fannie Mae Pass-Through Certificates Pool 5.50% Aug 01, 2037	USD	280,752	344,087	387,287
Fannie Mae Pass-Through Certificates Pool 5.50% Feb 01, 2038	USD	498,965	628,587	688,413
Fannie Mae Pass-Through Certificates Pool 6.00% Sep 01, 2039	USD	117,854	177,273	166,405
Fannie Mae Pool 3.00% Dec 01, 2099	USD	7,965,000	10,435,948	10,190,827
Fannie Mae Pool 3.00% Dec 01, 2099	USD	6,715,000	8,631,473	8,434,704
Fannie Mae Pool 3.50% Dec 01, 2099	USD	16,315,000	21,546,966	21,047,127
Fannie Mae Pool 3.50% Oct 01, 2045	USD	823,728	1,126,351	1,064,122
Fannie Mae Pool 3.50% Sep 01, 2045	USD	1,192,652	1,653,662	1,541,112

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

Portfolio Adviser: Logan Circle Partners, L.P.

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2017

Issuer		Face Value (\$)	Average Cost (\$)	Carrying Value (\$)
BONDS AND DEBENTURES (cont'd)				
United States Dollar (cont'd)				
Fannie Mae Pool 3.62% Dec 01, 2020	USD	670,176	943,169	868,067
Fannie Mae Pool 4.00% Dec 01, 2099	USD	13,115,000	17,605,046	17,227,809
Fannie Mae Pool 4.00% Jul 01, 2047	USD	2,278,506	3,050,504	2,979,547
Fannie Mae Pool 4.00% May 01, 2047	USD	1,696,699	2,433,719	2,223,942
Fannie Mae Pool 4.50% Dec 01, 2099	USD	5,044,000	6,909,424	6,740,100
Fannie Mae Pool 4.50% Mar 01, 2046	USD	1,491,656	2,148,249	2,039,528
Fannie Mae Pool 5.00% Jan 01, 2036	USD	2,147	2,382	2,873
Fannie Mae Pool 5.00% Nov 01, 2033	USD	1,319	1,712	1,727
Fannie Mae Pool 5.00% Nov 01, 2034	USD	635	753	817
Fannie Mae Pool 5.00% Nov 01, 2034	USD	656	782	842
Fannie Mae Pool 5.50% Apr 01, 2036	USD	1,210,066	1,727,752	1,669,715
Fannie Mae Pool 5.50% Feb 01, 2038	USD	1,485,900	2,176,294	2,049,813
Fannie Mae Pool 5.50% Jan 01, 2040	USD	145,431	208,687	200,181
Fannie Mae Pool 5.50% Jul 01, 2040	USD	1,503,916	2,198,672	2,073,110
Fannie Mae Pool 7.50% Apr 01, 2032	USD	1,564	2,271	2,285
Fannie Mae Pool 7.50% Jun 01, 2031	USD	1,061	1,701	1,536
Fannie Mae Whole Loan (Callable) 6.50% Jun 25, 2023	USD	79,095	99,741	114,371
Fannie Mae Whole Loan 6.00% Feb 25, 2047	USD	483,228	620,299	698,627
Fannie Mae Whole Loan 6.50% May 25, 2044	USD	28,628	34,564	40,256
Fannie Mae Whole Loan 7.00% Jul 25, 2044	USD	579,110	695,515	831,391
Fannie Mae-Aces (Floating Rate) 1.39% Aug 25, 2028	USD	718,814	939,113	904,453
Federal Home Loan Mortgage Corporation 2.00% Dec 15, 2041	USD	251,529	255,465	303,168
Federal Home Loan Mortgage Corporation 2.50% May 15, 2041	USD	641,706	666,420	793,016
Federal Home Loan Mortgage Corporation 3.00% Jan 15, 2042	USD	331,787	350,958	416,304
Federal Home Loan Mortgage Corporation 4.00% Nov 15, 2036	USD	215,833	235,331	280,314
Federal Home Loan Mortgage Corporation 4.50% Dec 15, 2033	USD	381,000	404,720	535,761
Federal Home Loan Mortgage Corporation 4.50% Nov 15, 2029	USD	220,000	229,963	304,455
FHLMC Multifamily Structured Pass Through Certificates (Floating Rate) 1.15% Sep 25, 2022	USD	1,084,218	1,443,447	1,369,277
FHLMC Multifamily Structured Pass Through Certificates 2.85% Mar 25, 2026	USD	2,685,000	3,468,626	3,366,282
FHLMC Multifamily Structured Pass Through Certificates 3.00% Dec 25, 2025	USD	1,420,000	1,969,162	1,813,655
FHLMC Structured Pass Through Securities 5.23% May 25, 2043	USD	344,268	391,927	471,765
FHLMC Structured Pass Through Securities 6.50% Sep 25, 2043	USD	12,041	17,337	17,474
Fifth Third Bancorp (Callable) 2.88% Sep 01, 2021	USD	1,200,000	1,304,907	1,517,580
Ford Credit Floorplan Master Owner Trust A (Floating Rate) 1.30% Jul 15, 2020	USD	1,490,000	1,960,255	1,875,802
Ford Motor Credit Company LLC 2.55% Oct 05, 2018	USD	990,000	1,319,398	1,246,657
Freddie Mac 3.00% May 15, 2041	USD	194,116	204,767	244,978
Freddie Mac 4.00% Aug 15, 2024	USD	290,000	343,589	378,117
Freddie Mac 4.50% Apr 15, 2030	USD	1,125,589	1,331,070	1,482,195
Freddie Mac 5.00% Feb 15, 2040	USD	569,528	828,838	777,050
Freddie Mac 5.00% Jun 15, 2033	USD	48,244	52,448	66,560
Freddie Mac 5.00% May 15, 2026	USD	49,751	50,887	65,865
Freddie Mac 5.00% May 15, 2033	USD	144,443	152,209	194,008
Freddie Mac 7.00% May 15, 2024	USD	3,639	4,759	5,018
Freddie Mac Gold Pool 3.00% Dec 01, 2047	USD	4,337,660	5,540,058	5,451,715
Freddie Mac Gold Pool 3.50% Jul 01, 2043	USD	934,738	1,395,511	1,211,791

Issuer		Face Value (\$)	Average Cost (\$)	Carrying Value (\$)
BONDS AND DEBENTURES (cont'd)				
United States Dollar (cont'd)				
Freddie Mac Gold Pool 3.50% Nov 01, 2045	USD	1,062,768	1,610,914	1,379,921
Freddie Mac Gold Pool 3.50% Sep 01, 2047	USD	3,878,149	4,903,162	5,005,321
Freddie Mac Gold Pool 4.00% Aug 01, 2044	USD	1,455,002	1,719,795	1,934,832
Freddie Mac Gold Pool 4.00% Feb 01, 2046	USD	2,749,533	3,891,168	3,646,759
Freddie Mac Gold Pool 4.00% Jan 01, 2045	USD	2,944,999	4,159,854	3,905,443
Freddie Mac Gold Pool 4.00% Nov 01, 2047	USD	4,669,133	6,308,097	6,135,736
Freddie Mac Gold Pool 4.50% Mar 01, 2046	USD	476,217	694,305	639,110
Freddie Mac Gold Pool 5.00% Jun 01, 2018	USD	474	476	597
Freddie Mac Gold Pool 5.00% Sep 01, 2033	USD	4,381	5,968	5,911
Freddie Mac Gold Pool 5.50% Jun 01, 2041	USD	600,270	897,054	824,669
Freddie Mac Gold Pool Nov 01, 2047 3.50%	USD	6,458,635	8,469,059	8,335,498
Freddie Mac Multifamily Structured Pass Through Certificates 2.98% Nov 25, 2025	USD	1,780,000	2,316,519	2,275,826
Freddie Mac Gold Strips 3.00% Aug 15, 2042	USD	2,401,488	3,179,443	3,049,232
Freddie Mac Whole Loan Securities Trust (Callable) 3.50% Oct 25, 2039	USD	711,988	909,736	921,246
Freeport-McMoRan Inc. (Callable) 5.45% Sep 15, 2042	USD	4,770,000	5,380,947	5,997,036
FRESB 2017-SB42 Mortgage Trust 2.96% Oct 25, 2027	USD	1,908,613	2,446,320	2,398,839
General Motors Company (Callable) 4.20% Jul 01, 2027	USD	1,380,000	1,732,365	1,796,631
General Motors Corporation 4.88% Oct 02, 2023	USD	2,125,000	2,918,675	2,896,228
Georgia-Pacific LLC 8.88% May 15, 2031	USD	1,215,000	2,040,652	2,370,047
Gilead Sciences Inc. 2.55% Sep 01, 2020	USD	2,805,000	3,745,023	3,548,207
Ginnie Mae I Pool 7.00% Dec 15, 2034	USD	15,026	18,380	21,476
Ginnie Mae I Pool 7.50% Feb 15, 2032	USD	1,098	1,602	1,617
Ginnie Mae II Pool 2.00% Feb 20, 2040	USD	79,439	86,999	103,098
Ginnie Mae II Pool 2.00% Jan 20, 2040	USD	324,683	389,861	416,260
Ginnie Mae II Pool 3.00% Apr 20, 2040	USD	352,937	391,270	456,456
Ginnie Mae II Pool 3.50% Jun 20, 2040	USD	42,495	44,440	55,730
Ginnie Mae II Pool 4.51% Jan 20, 2067	USD	3,796,920	5,581,781	5,185,522
Ginnie Mae II Pool 4.55% Dec 20, 2066	USD	1,796,500	2,638,193	2,453,425
Ginnie Mae II Pool 4.56% Nov 20, 2062	USD	1,676,070	1,842,889	2,168,140
Ginnie Mae II Pool 4.63% Jun 20, 2062	USD	248,985	356,471	319,497
Ginnie Mae II Pool 4.65% Jan 20, 2063	USD	145,135	160,377	194,790
Ginnie Mae II Pool 4.66% Jan 20, 2063	USD	53,127	58,766	71,272
Ginnie Mae II Pool 4.68% Aug 20, 2064	USD	267,550	327,484	340,447
Ginnie Mae II Pool 4.73% Apr 20, 2063	USD	92,471	105,717	118,907
Ginnie Mae II Pool 4.81% Feb 20, 2061	USD	1,179,225	1,378,729	1,503,772
Ginnie Mae II Pool 4.85% May 20, 2062	USD	102,660	119,316	131,389
Ginnie Mae II Pool 5.07% Apr 20, 2062	USD	155,486	181,420	200,543
Ginnie Mae II Pool 5.39% Dec 20, 2059	USD	51,669	58,215	69,904
Ginnie Mae II Pool 5.50% Sep 20, 2043	USD	432,067	638,113	590,565
GM Financial Automobile Leasing Trust 2015-3 1.69% Mar 20, 2019	USD	717,860	937,982	901,777
GMACM Mortgage Loan Trust 2005-AR2 3.39% May 25, 2035	USD	176,108	173,771	204,594
Goldman Sachs Group Inc., The (Callable) 2.64% Oct 28, 2026	USD	2,410,000	3,219,573	3,180,922
Goldman Sachs Group Inc., The (Callable) 3.27% Sep 29, 2024	USD	1,535,000	1,896,021	1,925,035
Government National Mortgage Association 1.81% Nov 20, 2066	USD	2,771,293	3,700,603	3,433,250
Government National Mortgage Association 4.50% Jun 16, 2039	USD	39,699	42,804	51,419
Government National Mortgage Association 4.74% May 20, 2066	USD	2,148,640	2,818,279	2,742,929
Government National Mortgage Association 5.47% Nov 20, 2059	USD	66,946	75,001	85,728

Scotia Private American Core-Plus Bond Pool (Continued)

24

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2017

BOND FUNDS

Issuer		Face Value (\$)	Average Cost (\$)	Carrying Value (\$)
BONDS AND DEBENTURES (cont'd)				
United States Dollar (cont'd)				
Great Plains Energy Inc. (Callable) 5.29% Mar 15, 2022	USD	2,000,000	2,362,965	2,726,414
GS Mortgage Securities Trust 2013-GC12 3.78% Jun 10, 2046	USD	250,000	334,450	317,955
Harris Corporation 2.00% Apr 27, 2018	USD	1,100,000	1,534,396	1,381,645
Hasbro Inc. (Callable) 3.50% Jun 15, 2027	USD	1,400,000	1,786,775	1,727,512
HCA Inc. (Callable) 5.50% Dec 15, 2046	USD	2,025,000	2,764,676	2,593,482
Hewlett Packard Enterprise Company (Callable) 6.20% Apr 15, 2035	USD	1,156,000	1,620,837	1,585,086
Homestar Mortgage Acceptance Corporation 0.90% Oct 25, 2034	USD	85,596	81,290	107,535
HSBC Bank PLC (Callable) 1.63% Jun 30, 2049	USD	3,140,000	3,154,682	3,480,169
HSBC Bank PLC 7.65% May 01, 2025	USD	964,000	1,590,523	1,494,300
HSBC Bank USA N.A. 5.88% Nov 01, 2034	USD	960,000	1,389,920	1,554,062
John Deere Owner Trust 2015-B 1.44% Oct 15, 2019	USD	290,507	367,333	364,687
JP Morgan Chase Commercial Mortgage Securities Trust Series 2004-LN2 5.27% Jul 15, 2041	USD	690,000	758,811	445,470
JP Morgan Chase Commercial Mortgage Securities Trust Series 2005-CIBC12 4.99% Sep 12, 2037	USD	270,143	327,434	338,490
JP Morgan Chase Commercial Mortgage Securities Trust Series 2007-LDP10 5.46% Jan 15, 2049	USD	3,321,341	4,266,413	4,156,556
JP Morgan Mortgage Trust Series 2005-A4 2.61% Jul 25, 2035	USD	285,077	319,466	362,354
JP Morgan Mortgage Trust Series 2005-A4 2.66% Jul 25, 2035	USD	7,182	7,214	9,240
JP Morgan Mortgage Trust Series 2005-A6 2.74% Sep 25, 2035	USD	45,308	50,167	57,201
JP Morgan Mortgage Trust Series 2006-A6 2.69% Oct 25, 2036	USD	80,748	70,330	95,779
JPMBB Commercial Mortgage Securities Trust 2014-C25 4.35% Nov 15, 2047	USD	895,000	1,180,479	1,157,883
JPMBB Commercial Mortgage Securities Trust 2015-C32 (Floating Rate) 4.67% Nov 15, 2048	USD	352,676	444,811	442,238
JPMBB Commercial Mortgage Securities Trust 2017-C5 3.60% Mar 15, 2050	USD	2,451,000	3,367,188	3,187,079
Kohl's Corporation (Callable) 5.55% Jan 17, 2045	USD	1,105,000	1,407,707	1,364,340
Kraft Heinz Foods Company (Callable) 3.95% Apr 15, 2025	USD	2,765,000	3,742,465	3,577,668
Kroger Co, The (Callable) 4.65% Jul 15, 2047	USD	1,515,000	1,926,725	1,964,968
LB-UBS Commercial Mortgage Trust Series 2005-C7 5.35% Nov 15, 2040	USD	890,000	1,157,046	1,129,054
Lloyds Banking Group PLC (Callable) 2.91% Nov 07, 2022	USD	1,200,000	1,548,008	1,492,600
LyondellBasell Industries NV (Callable) 5.00% Jan 15, 2019	USD	880,000	1,244,770	1,134,333
MacDermid Inc. (First Lien Term Loan B6) Jun 07, 2023	USD	2,017,379	2,309,024	2,549,783
MASTR Adjustable Rate Mortgages Trust Series 2006-2 2.81% Feb 25, 2036	USD	229,768	251,531	287,967
McGraw-Hill Global Education Holdings LLC (First Lien Term Loan) May 04, 2022	USD	2,873,625	3,772,827	3,607,496
Mercury General Corporation (Callable) 4.40% Dec 15, 2026	USD	1,170,000	1,560,701	1,522,591
Merrill Lynch Mortgage Investors Trust MLMI Series 2005-A10 0.66% Feb 25, 2036	USD	534,712	548,418	647,742

Issuer		Face Value (\$)	Average Cost (\$)	Carrying Value (\$)
BONDS AND DEBENTURES (cont'd)				
United States Dollar (cont'd)				
Merrill Lynch Mortgage Investors Trust Series 2005-2 2.52% Oct 25, 2035	USD	237,493	303,018	293,566
Merrill Lynch Mortgage Investors Trust Series MLMI 2005-A1 2.76% Dec 25, 2034	USD	46,533	40,812	59,499
Merrill Lynch Mortgage Trust 2005-CK11 5.35% Nov 12, 2037	USD	127,503	170,204	160,164
Merrill Lynch Mortgage Trust 2008-C1 6.38% Feb 12, 2051	USD	11,537	15,179	14,509
Mexico Government International Bond 4.60% Jan 23, 2046	USD	1,150,000	1,375,526	1,434,929
Morgan Stanley (Callable) 2.28% Oct 24, 2022	USD	1,730,000	2,271,325	2,229,007
Morgan Stanley (Callable) 3.59% Jul 22, 2027	USD	1,570,000	1,976,485	1,990,068
Morgan Stanley 3.75% Feb 25, 2023	USD	1,250,000	1,642,982	1,620,005
Morgan Stanley Bank of America Merrill Lynch Trust 2014-C14 4.83% Feb 15, 2047	USD	135,000	188,514	175,987
Morgan Stanley Bank of America Merrill Lynch Trust Series 2015-C24 4.35% May 15, 2048	USD	1,305,000	1,621,869	1,558,390
Morgan Stanley Capital I Trust 2008-TOP29 (Floating Rate) 6.50% Jan 11, 2043	USD	10,465	13,015	13,217
Mortgage IT Trust Series 2005-1 (Callable) 1.09% Feb 25, 2035	USD	466,562	588,966	576,208
Municipal Electric Authority of Georgia 6.64% Apr 01, 2057	USD	1,250,000	1,658,851	2,014,915
Municipal Electric Authority of Georgia 7.06% Apr 01, 2057	USD	1,500,000	1,698,121	2,304,236
Mylan Inc. 2.55% Mar 28, 2019	USD	1,395,000	1,819,464	1,750,872
Mylan NV 3.95% Jun 15, 2026	USD	710,000	912,219	887,955
Mylan NV 5.25% Jun 15, 2046	USD	1,275,000	1,684,764	1,752,396
Navistar Inc. (First Lien Term Loan B) Nov 03, 2024	USD	3,000,000	3,821,974	3,787,131
NCUA Guaranteed Notes Trust Series 2010-R3 2.40% Dec 08, 2020	USD	75,508	75,030	94,890
Newell Brands Inc. (Callable) 5.00% Nov 15, 2018	USD	1,640,000	2,362,244	2,175,259
Nokia Oyj 6.63% May 15, 2039	USD	2,050,000	2,381,910	2,850,315
NovaStar Mortgage Funding Trust Series 2003-3 (Floating Rate) 0.84% Dec 25, 2033	USD	2,221,462	2,768,682	2,795,731
NVR Inc. (Callable) 3.95% Jun 15, 2022	USD	1,227,000	1,303,935	1,608,920
Oracle Corporation (Callable) 2.95% Sep 15, 2024	USD	3,575,000	4,559,490	4,509,159
PacificCorp (Callable) 2.95% Nov 01, 2021	USD	1,520,000	1,657,915	1,940,117
Party City Holdings Inc. (First Lien Term Loan B) Aug 19, 2022	USD	2,679,996	3,485,188	3,382,257
Petco Animal Supplies Inc. (First Lien Term Loan B1) Jan 26, 2023	USD	2,856,391	3,728,255	2,724,143
Petrobras Global Finance BV 6.13% Jan 17, 2022	USD	3,025,000	4,028,076	4,030,015
Petrobras Global Finance BV 8.75% May 23, 2026	USD	2,530,000	3,358,926	3,791,219
Petroleos Mexicanos 5.63% Jan 23, 2046	USD	1,380,000	1,430,798	1,604,780
Petroleos Mexicanos 6.75% Sep 21, 2047	USD	920,000	1,197,929	1,209,118
Petroleos Mexicanos 8.63% Feb 01, 2022	USD	1,000,000	1,344,780	1,467,937
PQ Corporation (First Lien Term Loan B) Nov 04, 2022	USD	2,846,740	3,746,620	3,609,068
Prudential Financial Inc. 5.40% Jun 13, 2035	USD	3,374,000	5,185,293	5,075,407
Public Service Co of Colorado (Callable) 2.25% Mar 15, 2022	USD	1,810,000	2,346,922	2,237,188
QUALCOMM Inc. (Callable) 2.60% Dec 30, 2022	USD	2,125,000	2,747,364	2,601,406

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

Portfolio Adviser: Logan Circle Partners, L.P.

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2017

Issuer		Face Value (\$)	Average Cost (\$)	Carrying Value (\$)
BONDS AND DEBENTURES (cont'd)				
United States Dollar (cont'd)				
Renaissance Home Equity Loan				
Trust Series 2006-1 5.61% May 25, 2036	USD	137,280	126,178	123,583
Reynolds American Inc. (Callable) 4.45%				
Mar 12, 2025	USD	1,445,000	1,970,734	1,932,795
Reynolds American Inc. 6.88% May 01, 2020	USD	1,295,000	1,949,573	1,781,812
Reynolds American Inc. 8.13% May 01, 2040	USD	1,045,000	1,941,283	1,904,162
Royal Bank of Scotland Group PLC 3.88%				
Sep 12, 2023	USD	1,395,000	1,812,339	1,775,934
Sabine Pass Liquefaction LLC (Callable) 5.00%				
Sep 15, 2026	USD	740,000	1,016,084	995,339
Sabine Pass Liquefaction LLC (Callable) 6.25%				
Dec 15, 2021	USD	2,245,000	3,325,931	3,135,681
Santander Drive Auto Receivables				
Trust 2015-2 2.44% Apr 15, 2021	USD	2,810,000	3,626,782	3,538,930
Santander Drive Auto Receivables				
Trust 2016-2 1.56% May 15, 2020	USD	1,050,275	1,320,609	1,319,193
Santander Drive Auto Receivables				
Trust 2016-3 (Floating Rate) 1.34%				
Nov 15, 2019	USD	404,719	533,967	508,407
Santander UK Group Holdings PLC (Callable)				
3.82% Nov 03, 2027	USD	1,560,000	2,002,304	1,969,798
Scientific Games International Inc. (First Lien				
Term Loan B4) Aug 14, 2024	USD	2,344,125	2,925,446	2,971,387
Select Income Real Estate Investment Trust				
(Callable) 4.25% Feb 15, 2024	USD	925,000	1,246,846	1,155,791
Sequoia Mortgage Trust Series 2004-11				
1.04% Dec 20, 2034	USD	166,269	186,134	205,891
Shire Acquisitions Investments Ireland DAC				
1.90% Sep 23, 2019	USD	2,585,000	3,410,993	3,222,533
Simon Property Group LP (Callable) 3.38%				
Sep 01, 2027	USD	1,030,000	1,318,882	1,299,977
SLM Private Credit Student Loan Trust 2002-A				
1.18% Dec 16, 2030	USD	1,392,356	1,766,537	1,745,232
SLM Private Credit Student Loan Trust 2004-B				
(Callable) 1.65% Sep 15, 2024	USD	472,557	587,107	591,666
SLM Private Credit Student Loan Trust 2006-A				
1.88% Jun 15, 2039	USD	2,490,000	3,030,457	2,993,625
SMART Trust Series 2015-3US 1.66%				
Aug 14, 2019	USD	718,857	941,782	902,046
South Carolina Student Loan Corporation				
Series 2015-A 1.95% Jan 25, 2036	USD	2,398,047	3,104,266	3,031,451
Sprint Capital Corporation 8.75%				
Mar 15, 2032	USD	2,935,000	3,485,827	4,212,354
Structured Adjustable Rate Mortgage Loan				
Trust 2.92% Dec 25, 2034	USD	1,435	1,730	1,802
Structured Asset Securities Corporation 3.08%				
Nov 25, 2033	USD	125,441	121,788	158,715
Sungard Availability Services Capital Inc. (First				
Lien Term Loan) Sep 17, 2021	USD	1,726,112	1,940,574	2,010,661
Sunoco Logistics Partners Operations LP				
(Callable) 5.40% Apr 01, 2047	USD	1,410,000	1,726,578	1,803,619
Tennessee Gas Pipeline Co., LLC 8.38%				
Jun 15, 2032	USD	1,637,000	2,743,114	2,691,909
Time Warner Cable LLC 6.75% Jun 15, 2039	USD	1,045,000	1,482,573	1,563,983
Time Warner Inc. 4.75% Mar 29, 2021	USD	2,187,000	3,080,000	2,924,176
Total Capital SA 2.13% Aug 10, 2018	USD	1,740,000	1,858,788	2,190,472
Twenty-First Century Fox Inc. 6.40%				
Dec 15, 2035	USD	815,000	1,198,017	1,367,938
UBS Commercial Mortgage Trust 2017-C7				
4.06% Dec 15, 2050	USD	2,185,000	2,886,805	2,850,684
UBS-Barclays Commercial Mortgage				
Trust 2013-C6 3.24% Apr 10, 2046	USD	1,374,544	1,798,956	1,757,548

Issuer		Face Value (\$)	Average Cost (\$)	Carrying Value (\$)
BONDS AND DEBENTURES (cont'd)				
United States Dollar (cont'd)				
United Parcel Service Inc. (Callable) 2.50%				
Mar 01, 2023	USD	1,350,000	1,705,173	1,683,075
United Parcel Service Inc. (Callable) 3.05%				
Aug 15, 2027	USD	940,000	1,185,781	1,180,324
United States Treasury Notes 1.50%				
Oct 31, 2019	USD	2,520,000	3,236,412	3,144,936
United States Treasury Notes 1.75%				
Nov 30, 2019	USD	14,995,000	19,221,443	18,796,574
United States Treasury Notes 1.88%				
Dec 15, 2020	USD	21,040,000	27,033,998	26,362,757
United States Treasury Notes 2.00%				
Nov 30, 2022	USD	28,820,000	36,802,749	35,888,906
United States Treasury Notes 2.13%				
Nov 30, 2024	USD	4,360,000	5,492,613	5,408,576
United States Treasury Notes 2.25%				
Aug 15, 2027	USD	18,215,000	22,878,068	22,585,054
United States Treasury Notes 2.25%				
Nov 15, 2027	USD	22,465,000	28,032,574	27,855,539
United States Treasury Notes 2.25%				
Oct 31, 2024	USD	675,000	862,135	844,623
United States Treasury Notes 2.75%				
Aug 15, 2047	USD	5,900,000	7,393,564	7,444,393
United States Treasury Notes 3.00%				
Feb 15, 2047	USD	9,550,000	13,010,036	12,656,293
United States Treasury Notes 3.00%				
May 15, 2047	USD	22,720,000	29,688,589	30,112,332
UnitedHealth Group Inc. 2.95% Oct 15, 2027	USD	1,150,000	1,420,903	1,441,956
Vale Overseas Ltd. 6.88% Nov 10, 2039	USD	1,196,000	1,506,671	1,854,691
Validus Holdings Ltd. 8.88% Jan 26, 2040	USD	1,005,000	1,489,146	1,869,052
Verizon Communications Inc. 4.67%				
Mar 15, 2055	USD	3,700,000	4,516,121	4,520,493
Vodafone Group PLC 6.25% Nov 30, 2032	USD	1,085,000	1,684,787	1,679,349
Vodafone Group PLC 7.88% Feb 15, 2030	USD	740,000	1,269,991	1,260,711
Wachovia Bank Commercial Mortgage				
Trust Series 2006-C26 6.01% Jun 15, 2045	USD	209,170	272,279	261,676
Wachovia Bank Commercial Mortgage				
Trust Series 2006-C28 5.67% Oct 15, 2048	USD	1,105,000	1,525,441	1,386,406
WaMu Mortgage Pass-Through Certificates				
Series 2003-AR10 Trust 2.54% Oct 25, 2033	USD	106,348	100,418	137,417
WaMu Mortgage Pass-Through Certificates				
Series 2003-AR7 Trust 2.43% Aug 25, 2033	USD	207,659	240,362	265,434
WaMu Mortgage Pass-Through Certificates				
Series 2004-AR1 Trust 2.77% Mar 25, 2034	USD	200,446	258,752	251,319
Wells Fargo & Company (Callable) 3.07%				
Jan 24, 2022	USD	2,265,000	2,970,045	2,868,372
Wells Fargo Mortgage Backed Securities				
Series 2004-P Trust 2.74% Sep 25, 2034	USD	50,937	46,989	66,094
Wells Fargo Mortgage Backed Securities				
Series 2005-AR16 Trust 2.90% Oct 25, 2035	USD	19,285	19,749	23,798
Wells Fargo Mortgage Backed Securities				
Series 2005-AR2 Trust 2.87% Mar 25, 2035	USD	39,080	34,528	49,408
Wells Fargo Mortgage Backed Securities				
Series 2006-AR10 Trust 2.92% Jul 25, 2036	USD	16,026	12,256	20,367
Wells Fargo Mortgage Backed Securities				
Series 2006-AR6 Trust 2.76% Mar 25, 2036	USD	36,407	37,421	46,840
Wells Fargo Mortgage Backed Securities				
Series 2007-8 Trust 6.00% Jul 25, 2037	USD	6,701	6,826	8,519
WFRBS Commercial Mortgage Trust 2014-C22				
4.37% Sep 15, 2057	USD	500,000	647,589	640,997
WFRBS Commercial Mortgage				
Trust Series 2013-C12 4.28% Mar 15, 2048	USD	100,000	125,376	127,220

Scotia Private American Core-Plus Bond Pool (Continued)

26

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2017

Issuer		Face Value (\$)/ Number of Shares	Average Cost (\$)	Carrying Value (\$)
BONDS AND DEBENTURES (cont'd)				
United States Dollar (cont'd)				
Williams Partners LP (Callable) 3.60%				
Jan 15, 2022	USD	1,635,000	2,158,339	2,092,190
Williams Partners LP (Callable) 3.75%				
Mar 15, 2027	USD	1,010,000	1,336,738	1,267,796
Williams Partners LP (Callable) 4.30%				
Dec 04, 2023	USD	650,000	860,365	857,652
Williams Partners LP (Callable) 5.80%				
May 15, 2043	USD	1,340,000	1,899,538	1,986,212
			816,740,444	809,734,072
TOTAL BONDS AND DEBENTURES			843,686,667	836,584,407
EQUITIES – 0.0%				
NRG Energy, Inc.		3	69	107
Quad/Graphics Inc.		5	144	142
TOTAL EQUITIES			213	249

Issuer	Face Value (\$)	Average Cost (\$)	Carrying Value (\$)
MONEY MARKET INSTRUMENTS – 6.4%			
Treasury Bill – 6.4%			
United States Treasury Bills 0.00%			
Jan 11, 2018	USD	43,890,000	55,914,769
Transaction Costs			(16,156)
TOTAL INVESTMENT PORTFOLIO		899,585,493	891,684,546
Unrealized Gain (Loss) on Derivatives – 0.4%			3,699,995
OTHER ASSETS, LESS LIABILITIES – (3.4%)			(29,642,053)
NET ASSETS – 100.0%			865,742,488

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

SCHEDULE OF DERIVATIVE INSTRUMENTS

UNREALIZED GAIN ON CURRENCY FORWARD CONTRACTS

Counterparty	Credit Rating	Settlement Date	Currency To Be Received	Contractual Amount	Currency To Be Delivered	Contractual Amount	Contract Price	Market Price	Unrealized Gain (\$)
Toronto-Dominion Bank, The	A-1+	Jan. 03, 2018	US Dollar	80,155	Mexican Peso	1,577,000	19.674	19.676	9
Standard Chartered Bank	A-1	Jan. 31, 2018	Canadian Dollar	851,210,018	US Dollar	674,060,245	0.792	0.795	3,729,921
									3,729,930

UNREALIZED LOSS ON CURRENCY FORWARD CONTRACTS

Counterparty	Credit Rating	Settlement Date	Currency To Be Received	Contractual Amount	Currency To Be Delivered	Contractual Amount	Contract Price	Market Price	Unrealized Loss (\$)
HSBC Bank Canada	A-1+	Jan. 31, 2018	US Dollar	947,154	Mexican Peso	18,824,300	19.875	19.783	(5,496)
Toronto-Dominion Bank, The	A-1+	Jan. 31, 2018	US Dollar	5,980,535	New Zealand Dollar	8,467,474	1.416	1.411	(24,370)
Toronto-Dominion Bank, The	A-1+	Jan. 31, 2018	Mexican Peso	1,577,000	US Dollar	79,756	0.051	0.051	(69)
									(29,935)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

The Fund (note 1)

The Fund's investment objective is to achieve superior long term returns and to provide income as well as capital growth by investing primarily in a portfolio of U.S. government and corporate bonds and mortgage pass through securities. The Fund may also invest in the U.S. dollar denominated emerging markets, non-investment grade debt and non-U.S. investment grade sovereign and corporate debt.

Risks associated with financial instruments (note 4)

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 underlying funds, preferred shares, cash and overdrafts, as applicable.

Interest rate exposure	December 31, 2017 (\$)	December 31, 2016 (\$)
Less than 1 year	72,485,321	26,555,931
1-3 years	87,411,262	59,138,933
3-5 years	100,640,481	68,160,928
5-10 years	182,205,185	219,042,492
> 10 years	448,942,048	417,106,479
	891,684,297	790,004,763

As at December 31, 2017, 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 \$13,814,539 or approximately 1.6% (December 31, 2016 – \$12,946,366 or approximately 1.6%).

Currency risk

The Fund's exposure to currency risk is summarized in the tables below. Amounts shown are based on the carrying value of monetary and non-monetary assets and liabilities of the Fund, net of currency contracts, as applicable.

Currency	December 31, 2017			
	Gross currency exposure (\$)	Currency contracts (\$)	Net exposure (\$)	Percentage of net assets (%)
Australian Dollar	5,612,636	–	5,612,636	0.6
Malaysian Ringgit	4,328,620	–	4,328,620	0.5
Indian Rupee	4,309,027	–	4,309,027	0.5
European Euro	2,416,487	–	2,416,487	0.3
Mexican Peso	3,065,391	(1,194,860)	1,870,531	0.2
Norwegian Krone	9,198	–	9,198	0.0
New Zealand Dollar	7,520,825	(7,535,340)	(14,515)	0.0
US Dollar	831,668,421	(838,749,898)	(7,081,477)	(0.8)
	858,930,605	(847,480,098)	11,450,507	1.3

Currency	December 31, 2016			
	Gross currency exposure (\$)	Currency contracts (\$)	Net exposure (\$)	Percentage of net assets (%)
US Dollar	762,794,175	(754,345,450)	8,448,725	1.0
Indian Rupee	5,059,663	–	5,059,663	0.6
Mexican Peso	4,899,815	–	4,899,815	0.6
Norwegian Krone	3,471,333	–	3,471,333	0.4
Swedish Krona	1	–	1	0.0
British Pound	1	–	1	0.0
Australian Dollar	5,533,577	(5,541,457)	(7,880)	0.0
European Euro	2,450,965	(2,471,576)	(20,611)	0.0
New Zealand Dollar	9,135,733	(9,240,684)	(104,951)	0.0
	793,345,263	(771,599,167)	21,746,096	2.6

If the Canadian dollar strengthened or weakened by 10% in relation to all other currencies, with all other variables held constant, net assets of the Fund would have decreased or increased, respectively, by \$1,145,051 or 0.1% of net assets (December 31, 2016 – \$2,174,610 or 0.3%). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

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, underlying funds, derivatives and commodities, as applicable. As at December 31, 2017, approximately 0.0% (December 31, 2016 – 0.0%) of the Fund's net assets were exposed to price risk. If prices of these instruments 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 (December 31, 2016 – \$5). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Credit risk

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

Credit ratings	December 31, 2017		December 31, 2016	
	Percentage of total credit rated instruments (%)	Percentage of net assets (%)	Percentage of total credit rated instruments (%)	Percentage of net assets (%)
Short Term Rating				
A-1+	6.2	6.4	29.8	29.1
Bond Credit Rating				
AAA	54.1	55.7	23.1	22.6
AA	2.4	2.4	2.4	2.3
A	8.9	9.2	9.9	9.7
BBB	19.4	20.0	23.6	23.0
BB	4.8	4.9	4.4	4.1
B	3.4	3.5	6.2	6.0
CCC	0.1	0.2	0.6	0.6
NOT RATED	0.7	0.7	–	–
	100.0	103.0	100.0	97.4

Scotia Private American Core-Plus Bond Pool (Continued)

28

FUND SPECIFIC NOTES

For the periods indicated in Note 1

Concentration risk

Concentration risk arises as a result of the concentration of financial instruments 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 by carrying value as a percentage of net assets:

	Percentage of net assets (%)	
	December 31, 2017	December 31, 2016
Australian Dollar	0.6	0.2
European Euro	0.3	0.3
Malaysian Ringgit	0.5	–
Mexican Peso	0.3	0.6
New Zealand Dollar	0.9	1.6
Norwegian Krone	–	0.4
US Dollar	93.5	94.2
Treasury Bills	6.4	–
Equities	0.0	0.0

Fair Value Classification (note 2)

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

December 31, 2017	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Equities	249	–	–	249
Bonds and debentures	–	836,584,407	–	836,584,407
Money market instruments	–	55,099,890	–	55,099,890
Unrealized gain on currency forward contracts	–	3,729,930	–	3,729,930
	249	895,414,227	–	895,414,476
Unrealized loss on currency forward contracts	–	(29,935)	–	(29,935)
	249	895,384,292	–	895,384,541

December 31, 2016	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Equities	49	–	–	49
Bonds and debentures	–	790,004,763	–	790,004,763
Unrealized gain on currency forward contracts	–	8,940,628	–	8,940,628
	49	798,945,391	–	798,945,440
Unrealized loss on currency forward contracts	–	(125,636)	–	(125,636)
	49	798,819,755	–	798,819,804

Transfers between levels

During the periods ended December 31, 2017 and December 31, 2016, there were no significant transfers between Level 1 and Level 2.

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.

Financial assets – by type	December 31, 2017			
	Gross amount of assets (\$)	Master netting offset (\$)	Collateral pledged/received (\$)	Net Amount (\$)
Currency forward contracts	3,729,930	(9)	–	3,729,921
Options contracts – OTC	–	–	–	–
Swap contracts – OTC	–	–	–	–
	3,729,930	(9)	–	3,729,921

Financial liabilities – by type	December 31, 2017			
	Gross amount of liabilities (\$)	Master netting offset (\$)	Collateral pledged/received (\$)	Net Amount (\$)
Currency forward contracts	29,935	(9)	–	29,926
Options contracts – OTC	–	–	–	–
Swap contracts – OTC	–	–	–	–
	29,935	(9)	–	29,926

Financial assets – by type	December 31, 2016			
	Gross amount of assets (\$)	Master netting offset (\$)	Collateral pledged/received (\$)	Net Amount (\$)
Currency forward contracts	8,940,628	–	–	8,940,628
Options contracts – OTC	–	–	–	–
Swap contracts – OTC	–	–	–	–
	8,940,628	–	–	8,940,628

Financial liabilities – by type	December 31, 2016			
	Gross amount of liabilities (\$)	Master netting offset (\$)	Collateral pledged/received (\$)	Net Amount (\$)
Currency forward contracts	125,636	–	–	125,636
Options contracts – OTC	–	–	–	–
Swap contracts – OTC	–	–	–	–
	125,636	–	–	125,636

Interest in Underlying Funds (note 2)

The Fund did not hold any interest in Underlying Funds as at December 31, 2017 or December 31, 2016.

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

As at December 31, 2017 or December 31, 2016, there were no differences between the net asset value per unit and the net assets per unit for any series of the Fund.

STATEMENT OF FINANCIAL POSITION

As at

(in dollars)	December 31, 2017*
ASSETS	
Current assets	
Cash	150,000
Net assets attributable to holders of redeemable units	150,000
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES	
Pinnacle Series	75,000
Series M	75,000
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT	
Pinnacle Series	10.00
Series M	10.00

STATEMENT OF COMPREHENSIVE INCOME

For the period ended December 31 (note 1),

(in dollars except average units)	2017*
INCOME	
Total income (loss), net	—
EXPENSES	
Total expenses	—
Increase (decrease) in net assets attributable to holders of redeemable units from operations	—
Increase (decrease) in net assets attributable to holders of redeemable units from operations per series	—
Pinnacle Series	—
Series M	—
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT†	
Pinnacle Series	—
Series M	—
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES	
Pinnacle Series	7,500
Series M	7,500

† 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)	2017*
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD	
Pinnacle Series	—
Series M	—
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS	
Pinnacle Series	—
Series M	—
REDEEMABLE UNIT TRANSACTIONS	
Proceeds from issue	
Pinnacle Series	75,000
Series M	75,000
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS	
Pinnacle Series	75,000
Series M	75,000
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD	
Pinnacle Series	75,000
Series M	75,000

STATEMENT OF CASH FLOWS

For the period ended December 31 (note 1),

(in dollars)	2017*
CASH FLOWS FROM OPERATING ACTIVITIES	
Increase (decrease) in net assets attributable to holders of redeemable units	—
Net cash provided by (used in) operating activities	—
CASH FLOWS FROM FINANCING ACTIVITIES	
Proceeds from issue of redeemable units	150,000
Net cash provided by (used in) financing activities	150,000
Net increase (decrease) in cash	150,000
Cash (bank overdraft), beginning of period	—
CASH (BANK OVERDRAFT), END OF PERIOD	150,000

* No comparative figures are shown as the Fund was seeded on November 14, 2017.

FUND SPECIFIC NOTES

For the periods indicated in Note 1

The Fund (note 1)

The Fund's objective is to achieve long term total returns through income generation and capital growth by investing primarily in non-investment grade fixed income securities around the world.

The Fund was seeded on November 14, 2017 and commenced operation on January 16, 2018. Expenses incurred during the period were absorbed by the Manager.

Risks associated with financial instruments (note 4)

Credit risk

The Fund is exposed to credit risk, which is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. As at December 31, 2017, the credit risk is considered limited as the cash balance for the Fund represents a deposit with an A+ rated financial institution

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	December 31, 2017	December 31, 2016
ASSETS		
Current assets		
Investments		
Non-derivative financial assets	60,340,116	56,756,969
Cash	551,666	152,974
Subscriptions receivable	6,455	90,372
Accrued investment income and other	259,040	255,629
	<u>61,157,277</u>	<u>57,255,944</u>
LIABILITIES		
Current liabilities		
Redemptions payable	75,590	35,109
Accrued expenses	—	538
Unrealized loss on currency forward contracts	—	9,008
	<u>75,590</u>	<u>44,655</u>
Net assets attributable to holders of redeemable units	<u>61,081,687</u>	<u>57,211,289</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Pinnacle Series	59,855,309	56,419,693
Series F	<u>1,226,378</u>	<u>791,596</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Pinnacle Series	18.53	18.41
Series F	<u>18.76</u>	<u>18.62</u>

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except average units)	2017	2016
INCOME		
Net gain (loss) on investments		
Dividends	973,333	885,220
Interest for distribution purposes	906,667	823,785
Net realized gain (loss) on non-derivative financial assets	863,307	781,063
Net realized gain (loss) on currency forward contracts	12,566	53,234
Change in unrealized gain (loss) on non-derivative financial assets	(479,559)	4,300,986
Change in unrealized gain (loss) on currency forward contracts	9,008	8,533
Net gain (loss) on investments	<u>2,285,322</u>	<u>6,852,821</u>
Securities lending (note 11)	10,490	9,186
Net realized and unrealized foreign currency translation gain (loss)	(3,564)	(25,721)
Other income	—	710
Total income (loss), net	<u>2,292,248</u>	<u>6,836,996</u>
EXPENSES		
Management fees (note 5)	10,181	6,684
Fixed administration fees (note 6)	175,931	159,558
Independent Review Committee fees	1,135	1,184
Interest expense and bank overdraft charges	144	206
Foreign withholding taxes/tax reclaims	12,211	9,429
Other fund costs	—	9
Harmonized Sales Tax/Goods and Services Tax	19,072	17,513
Transaction costs	13,293	19,755
Total expenses	<u>231,967</u>	<u>214,338</u>
Increase (decrease) in net assets attributable to holders of redeemable units from operations	<u>2,060,281</u>	<u>6,622,658</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Pinnacle Series	2,033,004	6,549,921
Series F	<u>27,277</u>	<u>72,737</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT[†]		
Pinnacle Series	0.64	2.19
Series F	<u>0.49</u>	<u>1.95</u>
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Pinnacle Series	3,190,064	2,996,051
Series F	<u>55,171</u>	<u>37,309</u>

[†] 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.

Scotia Private Strategic Balanced Pool (Continued)

32

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

For the periods ended December 31 (note 1),

(in dollars)	2017	2016
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Pinnacle Series	56,419,693	48,117,892
Series F	791,596	538,613
	57,211,289	48,656,505
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Pinnacle Series	2,033,004	6,549,921
Series F	27,277	72,737
	2,060,281	6,622,658
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net investment income		
Pinnacle Series	(1,632,655)	(1,514,811)
Series F	(20,365)	(14,117)
	(1,653,020)	(1,528,928)
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Pinnacle Series	15,103,724	13,596,963
Series F	707,999	269,477
Reinvested distributions		
Pinnacle Series	1,573,246	1,500,531
Series F	6,726	3,051
Payments on redemption		
Pinnacle Series	(13,641,703)	(11,830,803)
Series F	(286,855)	(78,165)
	3,463,137	3,461,054
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Pinnacle Series	3,435,616	8,301,801
Series F	434,782	252,983
	3,870,398	8,554,784
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Pinnacle Series	59,855,309	56,419,693
Series F	1,226,378	791,596
	61,081,687	57,211,289

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	2,060,281	6,622,658
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(863,307)	(781,063)
Unrealized foreign currency translation (gain) loss	(654)	26,265
Change in unrealized (gain) loss on non-derivative financial assets	479,559	(4,300,986)
Change in unrealized (gain) loss on currency forward contracts	(9,008)	(8,533)
Purchases of portfolio investments	(27,476,052)	(35,723,586)
Proceeds from sale of portfolio investments	24,276,653	32,246,702
Accrued investment income and other	(3,411)	(17,747)
Accrued expenses and other payables	(538)	535
Net cash provided by (used in) operating activities	(1,536,477)	(1,935,755)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	15,895,640	13,777,998
Amounts paid on redemption of redeemable units	(13,888,077)	(11,879,360)
Distributions to unitholders of redeemable units	(73,048)	(25,346)
Net cash provided by (used in) financing activities	1,934,515	1,873,292
Unrealized foreign currency translation gain (loss)	654	(26,265)
Net increase (decrease) in cash	398,038	(62,463)
Cash (bank overdraft), beginning of period	152,974	241,702
CASH (BANK OVERDRAFT), END OF PERIOD	551,666	152,974
Interest paid ⁽¹⁾	144	206
Interest received ⁽¹⁾	916,841	798,151
Dividends received, net of withholding taxes ⁽¹⁾	947,535	883,679

⁽¹⁾ Classified as operating items.

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2017

Issuer	Face Value (\$)	Average Cost (\$)	Carrying Value (\$)
BONDS AND DEBENTURES – 46.6%			
Corporate Bonds – 17.1%			
407 International Inc. (Callable) 2.43% Feb 04, 2027	50,000	49,982	48,696
407 International Inc. (Callable) 3.30% Sep 27, 2044	40,000	40,041	38,728
407 International Inc. (Callable) 3.83% Nov 11, 2045	25,000	24,960	26,393
407 International Inc. (Callable) 4.19% Jan 25, 2042	120,000	133,791	133,920
Alectra Inc. (Callable) 2.49% Feb 17, 2027	105,000	105,000	102,026
AltaGas Ltd. (Callable) 3.57% Mar 12, 2023	105,000	105,426	107,127
AltaGas Ltd. (Callable) 3.98% Jul 04, 2027	135,000	135,529	137,465
AltaGas Ltd. (Callable) 4.12% Jan 07, 2026	50,000	49,972	51,962
AltaLink LP (Callable) 4.05% May 21, 2044	90,000	102,060	99,107
AltaLink LP (Callable) 4.09% Dec 30, 2044	115,000	118,360	127,257
Bank of Montreal (Floating Rate) 3.40% Apr 23, 2021	40,000	42,715	41,289
Bank of Montreal 1.88% Mar 31, 2021	40,000	39,998	39,399
Bank of Montreal 2.12% Mar 16, 2022	340,000	335,453	335,122
Bank of Montreal 2.70% Sep 11, 2024	80,000	79,990	79,973
Bank of Montreal 2.84% Jun 04, 2020	255,000	267,226	258,642
Bank of Nova Scotia, The 2.29% Jun 28, 2024	95,000	94,994	92,638
Bank of Nova Scotia, The 2.36% Nov 08, 2022	260,000	259,964	257,541
Bank of Nova Scotia, The 2.87% Jun 04, 2021	515,000	538,040	522,876
Bell Canada (Callable) 2.70% Dec 27, 2023	60,000	59,932	59,016
Bell Canada (Callable) 2.90% May 12, 2026	55,000	54,853	53,168
Bell Canada (Callable) 3.15% Aug 29, 2021	180,000	189,810	183,517
Bell Canada (Callable) 3.55% Dec 02, 2025	40,000	39,850	40,694
Bell Canada 3.54% Jun 12, 2020	310,000	330,407	318,630
Cameco Corporation (Callable) 4.19% Mar 24, 2024	70,000	75,600	69,486
Cameco Corporation 3.75% Nov 14, 2022	35,000	37,023	34,570
Cameco Corporation 5.67% Sep 02, 2019	170,000	194,650	176,350
Canadian Imperial Bank of Commerce 1.85% Jul 14, 2020	115,000	115,390	113,881
Canadian Imperial Bank of Commerce 1.90% Apr 26, 2021	195,000	195,646	192,145
Canadian Imperial Bank of Commerce 2.04% Mar 21, 2022	65,000	64,979	63,872
Canadian Imperial Bank of Commerce 2.30% Jul 11, 2022	160,000	159,992	158,571
CU Inc. 4.54% Oct 24, 2041	110,000	130,865	128,765
CU Inc. 5.43% Jan 23, 2019	180,000	208,980	186,596
Enbridge Gas Distribution Inc. 4.04% Nov 23, 2020	190,000	209,302	199,658
Enbridge Income Fund (Callable) 3.95% Aug 19, 2024	160,000	168,616	165,113
Enbridge Pipelines Inc. 4.49% Nov 12, 2019	210,000	237,468	219,532
ENMAX Corporation (Callable) 3.81% Sep 05, 2024	110,000	117,322	111,542
EPCOR Utilities Inc. 4.55% Feb 28, 2042	20,000	24,100	23,330
FortisAlberta Inc. 4.54% Oct 18, 2041	40,000	48,480	46,791
FortisBC Energy Inc. (Callable) 3.38% Oct 13, 2044	25,000	25,000	24,421
FortisBC Energy Inc. 5.80% May 13, 2038	20,000	27,840	26,660
Greater Toronto Airports Authority 6.47% Feb 02, 2034	145,000	205,265	208,427
Hydro One Inc. 3.20% Jan 13, 2022	40,000	44,140	41,276
Hydro One Inc. 4.39% Sep 26, 2041	190,000	216,399	216,016
Hydro One Inc. 6.03% Mar 03, 2039	50,000	73,299	68,487
Inter Pipeline Ltd. (Callable) 2.61% Jul 13, 2023	20,000	20,000	19,537
Inter Pipeline Ltd. (Callable) 2.73% Feb 18, 2024	40,000	40,000	38,979
Inter Pipeline Ltd. (Callable) 3.17% Dec 24, 2024	30,000	28,191	29,730
Inter Pipeline Ltd. (Callable) 3.48% Sep 16, 2026	150,000	151,820	149,549
Loblaws Companies Limited 6.15% Jan 29, 2035	130,000	165,815	161,064
Metro Inc., Series G (Callable) 3.39% Sep 06, 2027	165,000	164,903	163,914

Issuer	Face Value (\$)	Average Cost (\$)	Carrying Value (\$)
BONDS AND DEBENTURES (cont'd)			
Corporate Bonds (cont'd)			
National Bank of Canada 1.81% Jul 26, 2021	185,000	185,039	181,235
North West Redwater Partnership / NWR Financing Co., Ltd. (Callable) 2.10% Jan 23, 2022	145,000	143,043	142,153
North West Redwater Partnership / NWR Financing Co., Ltd. (Callable) 3.70% Aug 23, 2042	25,000	24,909	24,740
North West Redwater Partnership / NWR Financing Co., Ltd. (Callable) 4.05% Jan 24, 2044	50,000	55,850	52,237
North West Redwater Partnership / NWR Financing Co., Ltd. (Callable) 4.15% Dec 01, 2032	30,000	29,924	32,313
North West Redwater Partnership / NWR Financing Co., Ltd. (Callable) 4.25% Mar 01, 2029	50,000	49,861	54,253
Nova Scotia Power Inc. 4.15% Mar 06, 2042	45,000	50,558	48,851
Nova Scotia Power Inc. 5.61% Jun 15, 2040	30,000	40,174	39,117
Reliance LP (Callable) 3.84% Jan 15, 2025	140,000	139,997	139,795
Reliance LP 4.08% Aug 02, 2021	90,000	91,152	92,338
Rogers Communications Inc. 4.00% Jun 06, 2022	350,000	383,320	369,822
Royal Bank of Canada 1.97% Mar 02, 2022	675,000	667,279	661,380
Royal Bank of Canada 2.98% May 07, 2019	50,000	52,376	50,631
Shaw Communications Inc. (Callable) 4.35% Oct 31, 2023	30,000	33,240	31,991
Shaw Communications Inc. 5.50% Dec 07, 2020	160,000	189,040	173,535
SNC-Lavalin Group Inc. 6.19% Jul 03, 2019	120,000	141,481	126,508
Sun Life Financial Inc. 4.57% Aug 23, 2021	90,000	104,869	96,446
TELUS Corporation (Callable) 4.40% Jul 29, 2045	40,000	39,989	39,869
TELUS Corporation (Callable) 4.75% Jul 17, 2044	160,000	175,565	168,237
TELUS Corporation 5.05% Dec 04, 2019	130,000	149,942	136,924
Teranet Holdings LP 4.81% Dec 16, 2020	140,000	161,000	146,517
Toronto-Dominion Bank, The 1.91% Jul 18, 2023	55,000	55,000	53,055
Toronto-Dominion Bank, The 1.99% Mar 23, 2022	80,000	80,000	78,565
Toronto-Dominion Bank, The 2.05% Mar 08, 2021	210,000	210,000	208,217
Toronto-Dominion Bank, The 2.45% Apr 02, 2019	222,000	230,519	223,362
Toronto-Dominion Bank, The 3.23% Jul 24, 2024	170,000	180,011	175,585
TransCanada PipeLines Ltd. (Callable) 4.35% Dec 06, 2045	150,000	150,629	161,206
TransCanada PipeLines Ltd. 4.55% Nov 15, 2041	140,000	159,250	154,734
Wells Fargo Canada Corporation 2.94% Jul 25, 2019	210,000	223,146	212,762
Westcoast Energy Inc. 3.88% Oct 28, 2021	160,000	177,205	167,685
	10,723,806	10,437,511	
Federal Bonds – 16.9%			
Canada Housing Trust No 1 2.35% Jun 15, 2027	780,000	804,980	777,211
Canadian Government Bond 0.50% Mar 01, 2022	1,270,000	1,209,935	1,202,797
Canadian Government Bond 1.00% Jun 01, 2027	300,000	269,550	273,403
Government of Canada 0.75% Mar 01, 2021	125,000	121,783	121,098
Government of Canada 1.75% Sep 01, 2019	3,780,000	3,882,222	3,785,339
Government of Canada 2.25% Jun 01, 2025	4,080,000	4,323,696	4,152,269
	10,612,166	10,312,117	
Provincial Bonds – 12.6%			
Province of Alberta 3.45% Dec 01, 2043	160,000	163,619	172,716
Province of British Columbia 4.30% Jun 18, 2042	295,000	377,244	368,615
Province of Manitoba 5.70% Mar 05, 2037	320,000	476,991	445,485
Province of New Brunswick 4.55% Mar 26, 2037	450,000	574,593	547,763
Province of Ontario 2.85% Jun 02, 2023	2,400,000	2,603,716	2,466,575
Province of Ontario 3.15% Jun 02, 2022	415,000	444,539	431,767
Province of Ontario 3.45% Jun 02, 2045	1,225,000	1,316,317	1,339,901
Province of Ontario 4.70% Jun 02, 2037	50,000	61,685	63,370

Scotia Private Strategic Balanced Pool (Continued)

34

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2017

Issuer	Number of Shares/ Face Value (\$)	Average Cost (\$)	Carrying Value (\$)
BONDS AND DEBENTURES (cont'd)			
Provincial Bonds (cont'd)			
Province of Quebec 3.50% Dec 01, 2045	1,390,000	1,473,826	1,539,405
Province of Quebec 5.00% Dec 01, 2038	35,000	44,755	46,482
Province of Saskatchewan 4.75% Jun 01, 2040	205,000	282,941	263,905
		<u>7,820,226</u>	<u>7,685,984</u>
TOTAL BONDS AND DEBENTURES		<u>29,156,198</u>	<u>28,435,612</u>
EQUITIES – 51.2%			
Consumer Discretionary – 1.4%			
Shaw Communications, Inc., Class B	30,755	824,267	882,361
Consumer Staples – 2.2%			
George Weston Limited	3,625	369,767	395,705
Metro Inc., Class A	10,270	369,353	413,368
North West Company Inc.	17,290	457,254	519,910
		<u>1,196,374</u>	<u>1,328,983</u>
Energy – 9.8%			
ARC Resources Ltd.	42,825	751,195	631,669
Cenovus Energy Inc.	68,565	1,260,890	787,126
Crescent Point Energy Corporation	89,730	1,194,572	859,613
Enbridge Inc.	15,350	712,505	754,606
Enbridge Income Fund Holdings Inc.	30,100	990,035	897,281
Enerplus Corporation	27,650	240,303	340,372
Husky Energy Inc.	51,001	952,793	905,268
Inter Pipeline Ltd.	30,200	742,963	786,106
		<u>6,845,256</u>	<u>5,962,041</u>
Financials – 18.4%			
Bank of Montreal	9,150	542,142	920,399
Bank of Nova Scotia, The	13,145	681,350	1,066,322
Canadian Imperial Bank of Commerce	4,795	374,746	587,579
Chartwell Seniors Housing Real Estate Investment Trust	39,555	600,540	643,164
Intact Financial Corporation	9,050	775,523	950,160
Laurentian Bank of Canada	10,990	525,401	621,265
Manulife Financial Corporation	33,920	737,994	889,382
Power Financial Corporation	35,100	1,186,518	1,212,354
Royal Bank of Canada	14,470	821,490	1,485,346
Sun Life Financial Inc.	20,150	866,336	1,045,382
Toronto-Dominion Bank, The	24,435	1,179,901	1,799,638
		<u>8,291,941</u>	<u>11,220,991</u>
Health Care – 3.8%			
GlaxoSmithKline PLC – ADR	15,825	861,950	704,954
Johnson & Johnson	2,845	300,183	499,226
Merck & Co., Inc.	8,185	603,191	578,431
Pfizer Inc.	12,385	518,514	563,379
		<u>2,283,838</u>	<u>2,345,990</u>
Materials – 1.9%			
Agrium Inc.	8,230	996,215	1,189,893
Real Estate – 5.0%			
Brookfield Property Partners LP	29,050	850,036	809,043
Cominar Real Estate Investment Trust	21,735	290,364	312,984
Dream Industrial Real Estate Investment Trust	54,795	394,169	482,196
H&R Real Estate Investment Trust	27,600	564,783	589,536
RioCan Real Estate Investment Trust	35,880	987,483	874,037
		<u>3,086,835</u>	<u>3,067,796</u>
Telecommunication Services – 5.9%			
BCE Inc.	19,750	1,134,377	1,192,505
Rogers Communications, Inc., Class B	8,965	405,124	574,208
TELUS Corporation	18,675	784,148	889,304

Issuer	Number of Shares/ Face Value (\$)	Average Cost (\$)	Carrying Value (\$)
EQUITIES (cont'd)			
Telecommunication Services (cont'd)			
Verizon Communications Inc.	13,895	857,971	923,669
		<u>3,181,620</u>	<u>3,579,686</u>
Utilities – 2.8%			
Brookfield Renew Energy Partners LP	6,335	231,181	277,535
Hydro One Limited	37,875	872,952	848,400
Superior Plus Corporation	50,755	605,293	602,462
		<u>1,709,426</u>	<u>1,728,397</u>
TOTAL EQUITIES		<u>28,415,772</u>	<u>31,306,138</u>
MONEY MARKET INSTRUMENTS – 1.0%			
Treasury Bills – 1.0%			
Government of Canada 0.00% Apr 05, 2018	600,000	598,332	598,366
Transaction Costs		(25,853)	
TOTAL INVESTMENT PORTFOLIO		<u>58,144,449</u>	<u>60,340,116</u>
OTHER ASSETS, LESS LIABILITIES – 1.2%			
			<u>741,571</u>
NET ASSETS – 100.0%			<u>61,081,687</u>

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

BALANCED FUND

FUND SPECIFIC NOTES

For the periods indicated in Note 1

The Fund (note 1)

The Fund's investment objective is to achieve superior long term returns through a combination of capital growth and income by investing primarily in large capitalization stocks of Canadian corporations and Canadian government bonds. The weighting of the Fund's portfolio will be allocated between asset classes within specified ranges: 40%-80% equities, 20%-60% fixed income securities, and 0%-30% short-term money market securities and cash.

Risks associated with financial instruments (note 4)

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 underlying funds, preferred shares, cash and overdrafts, as applicable.

Interest rate exposure	December 31, 2017 (\$)	December 31, 2016 (\$)
Less than 1 year	598,366	290,018
1-3 years	6,328,867	6,845,844
3-5 years	5,623,681	5,272,672
5-10 years	9,590,499	8,517,797
> 10 years	6,892,565	7,141,958
	29,033,978	28,068,289

As at December 31, 2017, 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 \$505,748 or approximately 0.8% (December 31, 2016 – \$498,431 or approximately 0.9%).

Currency risk

The Fund's exposure to currency risk is summarized in the tables below. Amounts shown are based on the carrying value of monetary and non-monetary assets and liabilities of the Fund, net of currency contracts, as applicable.

December 31, 2017				
Currency	Gross currency exposure (\$)	Currency contracts (\$)	Net exposure (\$)	Percentage of net assets (%)
US Dollar	3,323,046	–	3,323,046	5.4
	3,323,046	–	3,323,046	5.4

December 31, 2016				
Currency	Gross currency exposure (\$)	Currency contracts (\$)	Net exposure (\$)	Percentage of net assets (%)
US Dollar	3,232,466	(389,262)	2,843,204	5.0
	3,232,466	(389,262)	2,843,204	5.0

If the Canadian dollar strengthened or weakened by 10% in relation to all other currencies, with all other variables held constant, net assets of the Fund would have decreased or increased, respectively, by \$332,305 or 0.5% of net assets (December 31, 2016 – \$284,320 or 0.5%).

In practice, actual results may differ from this sensitivity analysis and the difference could be material.

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, underlying funds, derivatives and commodities, as applicable. As at December 31, 2017, approximately 51.2% (December 31, 2016 – 50.2%) of the Fund's net assets were exposed to price risk. If prices of these instruments 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 \$3,130,614 (December 31, 2016 – \$2,868,868). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Credit risk

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

Credit ratings	December 31, 2017		December 31, 2016	
	Percentage of total credit rated instruments (%)	Percentage of net assets (%)	Percentage of total credit rated instruments (%)	Percentage of net assets (%)
Short Term Rating				
A-1+	2.1	1.0	0.9	0.4
Bond Credit Rating				
AAA	36.8	17.4	32.4	16.1
AA	16.8	8.0	13.9	6.7
A	29.0	13.9	38.7	18.9
BBB	15.3	7.3	14.1	6.9
	100.0	47.6	100.0	49.0

Concentration risk

Concentration risk arises as a result of the concentration of financial instruments 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 by carrying value as a percentage of net assets:

	Percentage of net assets (%)	
	December 31, 2017	December 31, 2016
Consumer Discretionary	1.4	1.9
Consumer Staples	2.2	3.1
Corporate Bonds	17.1	18.5
Energy	9.8	7.5
Federal Bonds	16.9	15.3
Financials	18.4	16.9
Health Care	3.8	3.5
Materials	1.9	1.9
Provincial Bonds	12.6	14.8
Real Estate	5.0	5.7
Telecommunication Services	5.9	6.7
Treasury Bills	1.0	0.4
Utilities	2.8	3.0

Scotia Private Strategic Balanced Pool (Continued)

36

FUND SPECIFIC NOTES

For the periods indicated in Note 1

Fair Value Classification (note 2)

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

December 31, 2017	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Equities	31,306,138	–	–	31,306,138
Bonds and debentures	–	28,435,612	–	28,435,612
Money market instruments	–	598,366	–	598,366
	31,306,138	29,033,978	–	60,340,116

December 31, 2016	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Equities	28,688,680	–	–	28,688,680
Bonds and debentures	–	27,818,466	–	27,818,466
Money market instruments	–	249,823	–	249,823
	28,688,680	28,068,289	–	56,756,969
Unrealized loss on currency forward contracts	–	(9,008)	–	(9,008)
	28,688,680	28,059,281	–	56,747,961

Transfers between levels

During the periods ended December 31, 2017 and December 31, 2016, there were no significant transfers between Level 1 and Level 2.

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. As at December 31, 2017, the Fund did not enter into any agreement whereby the financial instruments were eligible for offset.

	December 31, 2016			
Financial assets – by type	Gross amount of assets (\$)	Master netting offset (\$)	Collateral pledged/ received (\$)	Net Amount (\$)
Currency forward contracts	–	–	–	–
Options contracts – OTC	–	–	–	–
Swap contracts – OTC	–	–	–	–
	–	–	–	–

Financial liabilities – by type	Gross amount of liabilities (\$)	Master netting offset (\$)	Collateral pledged/ received (\$)	Net Amount (\$)
Currency forward contracts	9,008	–	–	9,008
Options contracts – OTC	–	–	–	–
Swap contracts – OTC	–	–	–	–
	9,008	–	–	9,008

Interest in Underlying Funds (note 2)

The Fund did not hold any interest in Underlying Funds as at December 31, 2017 or December 31, 2016.

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

As at December 31, 2017 or December 31, 2016, there were no differences between the net asset value per unit and the net assets per unit for any series of the Fund.

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	December 31, 2017	December 31, 2016
ASSETS		
Current assets		
Investments		
Non-derivative financial assets	212,354,568	195,571,311
Cash	3,875	49,354
Receivable for securities sold	—	276,806
Subscriptions receivable	1,670,545	268,403
Accrued investment income and other	622,813	624,291
	<u>214,651,801</u>	<u>196,790,165</u>
LIABILITIES		
Current liabilities		
Payable for securities purchased	—	88,148
Redemptions payable	144,464	117,894
Accrued expenses	—	886
	<u>144,464</u>	<u>206,928</u>
Net assets attributable to holders of redeemable units	<u>214,507,337</u>	<u>196,583,237</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Pinnacle Series	207,303,946	188,236,198
Series F	1,021,957	854,641
Series I	6,181,434	7,492,398
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Pinnacle Series	25.08	23.22
Series F	25.03	23.02
Series I	25.81	23.73

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except average units)	2017	2016
INCOME		
Net gain (loss) on investments		
Dividends	5,774,609	5,337,855
Interest for distribution purposes	23,432	22,183
Net realized gain (loss) on non-derivative financial assets	12,104,276	5,531,585
Change in unrealized gain (loss) on non-derivative financial assets	3,725,119	32,326,142
Net gain (loss) on investments	<u>21,627,436</u>	<u>43,217,765</u>
Securities lending (note 11)	15,100	53,605
Net realized and unrealized foreign currency translation gain (loss)	21	—
Other income	827	268
Total income (loss), net	<u>21,643,384</u>	<u>43,271,638</u>
EXPENSES		
Management fees (note 5)	8,410	7,205
Fixed administration fees (note 6)	290,027	250,331
Independent Review Committee fees	1,135	1,184
Interest expense and bank overdraft charges	1,386	1,963
Foreign withholding taxes/tax reclaims	3,821	4,510
Other fund costs	—	30
Harmonized Sales Tax/Goods and Services Tax	28,580	25,128
Transaction costs	186,442	149,072
Total expenses	<u>519,801</u>	<u>439,423</u>
Increase (decrease) in net assets attributable to holders of redeemable units from operations	<u>21,123,583</u>	<u>42,832,215</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Pinnacle Series	20,289,400	40,711,575
Series F	90,237	173,257
Series I	743,946	1,947,383
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT†		
Pinnacle Series	2.54	5.17
Series F	2.53	4.94
Series I	2.61	4.94
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Pinnacle Series	7,990,111	7,876,718
Series F	35,732	35,040
Series I	285,345	393,905

† 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)	2017	2016
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Pinnacle Series	188,236,198	147,175,167
Series F	854,641	650,154
Series I	7,492,398	10,041,665
	196,583,237	157,866,986
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Pinnacle Series	20,289,400	40,711,575
Series F	90,237	173,257
Series I	743,946	1,947,383
	21,123,583	42,832,215
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net investment income		
Pinnacle Series	(5,162,771)	(4,914,223)
Series F	(16,025)	(15,762)
Series I	(166,136)	(207,212)
	(5,344,932)	(5,137,197)
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Pinnacle Series	38,858,936	45,563,368
Series F	246,122	200,340
Series I	41,000	87,900
Reinvested distributions		
Pinnacle Series	5,140,076	4,895,184
Series F	10,486	10,385
Series I	166,136	207,212
Payments on redemption		
Pinnacle Series	(40,057,893)	(45,194,873)
Series F	(163,504)	(163,733)
Series I	(2,095,910)	(4,584,550)
	2,145,449	1,021,233
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Pinnacle Series	19,067,748	41,061,031
Series F	167,316	204,487
Series I	(1,310,964)	(2,549,267)
	17,924,100	38,716,251
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Pinnacle Series	207,303,946	188,236,198
Series F	1,021,957	854,641
Series I	6,181,434	7,492,398
	214,507,337	196,583,237

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	21,123,583	42,832,215
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(12,104,276)	(5,531,585)
Unrealized foreign currency translation (gain) loss	(104)	–
Change in unrealized (gain) loss on non-derivative financial assets	(3,725,119)	(32,326,142)
Purchases of portfolio investments	(119,580,944)	(135,827,980)
Proceeds from sale of portfolio investments	118,815,739	135,073,858
Accrued investment income and other	1,478	(13,421)
Accrued expenses and other payables	(886)	696
Net cash provided by (used in) operating activities	4,529,471	4,207,641
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	37,743,916	45,676,416
Amounts paid on redemption of redeemable units	(42,290,737)	(49,834,804)
Distributions to unitholders of redeemable units	(28,233)	(24,415)
Net cash provided by (used in) financing activities	(4,575,054)	(4,182,803)
Unrealized foreign currency translation gain (loss)	104	–
Net increase (decrease) in cash	(45,583)	24,838
Cash (bank overdraft), beginning of period	49,354	24,516
CASH (BANK OVERDRAFT), END OF PERIOD	3,875	49,354
Interest paid ⁽¹⁾	1,386	1,963
Interest received ⁽¹⁾	23,466	22,222
Dividends received, net of withholding taxes ⁽¹⁾	5,772,232	5,319,884

⁽¹⁾ Classified as operating items.

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2017

Issuer	Number of Shares	Average Cost (\$)	Carrying Value (\$)
EQUITIES – 96.8%			
Consumer Discretionary – 4.8%			
Gildan Activewear Inc.	63,800	1,816,719	2,590,918
Magna International Inc.	107,500	5,003,495	7,658,300
		<u>6,820,214</u>	<u>10,249,218</u>
Energy – 17.1%			
Cameco Corporation	149,600	1,906,914	1,736,856
Canadian Natural Resources Ltd.	131,000	4,245,233	5,884,520
Cenovus Energy Inc.	333,700	6,254,929	3,830,876
Crescent Point Energy Corporation	368,200	3,511,624	3,527,356
Enbridge Inc.	81,600	4,063,496	4,011,456
Suncor Energy, Inc.	172,414	5,446,636	7,956,906
TransCanada Corporation	115,200	6,116,678	7,047,936
Trican Well Service Ltd.	294,160	1,108,454	1,200,173
Trinidad Drilling Ltd.	884,300	2,210,061	1,503,310
		<u>34,864,025</u>	<u>36,699,389</u>
Financials – 42.6%			
Bank of Montreal	81,300	7,734,568	8,177,967
Bank of Nova Scotia, The	115,000	6,303,608	9,328,800
Canadian Imperial Bank of Commerce	96,200	7,747,668	11,788,348
CI Financial Corporation	108,400	3,240,345	3,227,068
ECN Capital Corporation	445,800	1,483,097	1,751,994
Element Financial Corporation	253,500	3,130,854	2,408,250
Manulife Financial Corporation	294,080	6,100,194	7,710,778
Power Corporation of Canada	211,200	6,487,897	6,836,544
Royal Bank of Canada	198,600	13,512,363	20,386,289
Toronto-Dominion Bank, The	265,600	12,415,528	19,561,440
		<u>68,156,122</u>	<u>91,177,478</u>
Industrials – 9.8%			
Canadian National Railway Company	92,600	5,538,886	9,597,990
Canadian Pacific Railway Limited	23,400	4,264,849	5,374,044
WestJet Airlines Ltd.	232,400	5,161,242	6,126,064
		<u>14,964,977</u>	<u>21,098,098</u>
Information Technology – 0.7%			
Celestica Inc.	115,900	1,550,384	1,527,562
Materials – 14.8%			
Agrium Inc.	59,900	6,344,304	8,660,342
Barrick Gold Corporation	166,200	4,572,082	3,021,516
Goldcorp, Inc.	362,200	6,998,395	5,806,066
Lundin Mining Corporation	340,500	1,890,171	2,846,580
Major Drilling Group International Inc.	326,100	2,359,823	2,302,266
Methanex Corporation	66,500	3,068,318	5,064,640
Sherritt International Corporation	1,200,200	2,761,186	2,064,344
Teck Resources Ltd., Class B	61,600	1,611,666	2,024,792
		<u>29,605,945</u>	<u>31,790,546</u>
Real Estate – 0.5%			
Boardwalk Real Estate Investment Trust	26,500	1,039,925	1,141,885
Telecommunication Services – 5.2%			
BCE Inc.	23,600	1,090,342	1,424,968
Rogers Communications, Inc., Class B	79,800	3,508,672	5,111,190
TELUS Corporation	97,300	3,099,494	4,633,426
		<u>7,698,508</u>	<u>11,169,584</u>
Utilities – 1.3%			
Capital Power Corporation	20,500	491,974	502,045
TransAlta Corporation	315,900	2,195,895	2,353,455
		<u>2,687,869</u>	<u>2,855,500</u>
TOTAL EQUITIES		<u>167,387,969</u>	<u>207,709,260</u>

Issuer	Face Value (\$)	Average Cost (\$)	Carrying Value (\$)
MONEY MARKET INSTRUMENTS – 2.2%			
Treasury Bills – 2.2%			
Government of Canada 0.00% Feb 08, 2018	3,650,000	3,645,691	3,646,125
Government of Canada 0.00% Feb 22, 2018	200,000	199,688	199,704
Government of Canada 0.00% Jan 25, 2018	800,000	799,174	799,479
		<u>4,644,553</u>	<u>4,645,308</u>
Transaction Costs		(220,171)	
TOTAL INVESTMENT PORTFOLIO		<u>171,812,351</u>	212,354,568
OTHER ASSETS, LESS LIABILITIES – 1.0%			2,152,769
NET ASSETS – 100.0%			<u>214,507,337</u>

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

FUND SPECIFIC NOTES

For the periods indicated in Note 1

The Fund (note 1)

The Fund's investment objective is to achieve superior long term returns through capital growth by investing primarily in securities of Canadian corporations.

Risks associated with financial instruments (note 4)

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 underlying funds, preferred shares, cash and overdrafts, as applicable.

Interest rate exposure	December 31, 2017 (\$)	December 31, 2016 (\$)
Less than 1 year	4,645,308	2,548,961
1-3 years	—	—
3-5 years	—	—
5-10 years	—	—
> 10 years	—	—
	4,645,308	2,548,961

As at December 31, 2017, 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 \$1,246 or approximately 0.0% (December 31, 2016 – \$590 or approximately 0.0%).

Currency risk

The Fund's exposure to currency risk is summarized in the tables below. Amounts shown are based on the carrying value of monetary and non-monetary assets and liabilities of the Fund, net of currency contracts, as applicable.

Currency	December 31, 2017			
	Gross currency exposure (\$)	Currency contracts (\$)	Net exposure (\$)	Percentage of net assets (%)
US Dollar	6,262	—	6,262	0.0
	6,262	—	6,262	0.0

If the Canadian dollar strengthened or weakened by 10% in relation to all other currencies, with all other variables held constant, net assets of the Fund would have decreased or increased, respectively, by \$626 or 0.0% of net assets (December 31, 2016 – nil or 0.0%). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

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, underlying funds, derivatives and commodities, as applicable. As at December 31, 2017, approximately 96.8% (December 31, 2016 – 98.2%) of the Fund's

net assets were exposed to price risk. If prices of these instruments 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 \$20,770,926 (December 31, 2016 – \$19,302,235). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Credit risk

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

Credit ratings	December 31, 2017		December 31, 2016	
	Percentage of total credit rated instruments (%)	Percentage of net assets (%)	Percentage of total credit rated instruments (%)	Percentage of net assets (%)
Short Term Rating				
A-1+	100.0	2.2	100.0	1.3
	100.0	2.2	100.0	1.3

Concentration risk

Concentration risk arises as a result of the concentration of financial instruments 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 by carrying value as a percentage of net assets:

	Percentage of net assets (%)	
	December 31, 2017	December 31, 2016
Consumer Discretionary	4.8	6.0
Consumer Staples	—	1.5
Energy	17.1	17.1
Financials	42.6	41.6
Index Based ETFs	—	2.5
Industrials	9.8	8.7
Information Technology	0.7	0.2
Materials	14.8	14.6
Real Estate	0.5	0.3
Telecommunication Services	5.2	5.0
Treasury Bills	2.2	1.3
Utilities	1.3	0.9

Fair Value Classification (note 2)

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

	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
December 31, 2017				
Equities	207,709,260	—	—	207,709,260
Money market instruments	—	4,645,308	—	4,645,308
	207,709,260	4,645,308	—	212,354,568

	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
December 31, 2016				
Equities	193,022,350	—	—	193,022,350
Money market instruments	—	2,548,961	—	2,548,961
	193,022,350	2,548,961	—	195,571,311

FUND SPECIFIC NOTES

For the periods indicated in Note 1

Transfers between levels

During the periods ended December 31, 2017 and December 31, 2016, there were no significant transfers between Level 1 and Level 2.

Offsetting of financial assets and liabilities (note 2)

As at December 31, 2017 and December 31, 2016, the Fund did not enter into any agreement whereby the financial instruments were eligible for offset.

Interest in Underlying Funds (note 2)

The following table present the percentage of the Underlying Funds owned by the Fund. The Fund did not hold any interest in underlying funds as at December 31, 2017.

Underlying Fund	December 31, 2016	
	Carrying value of the Underlying Fund (\$)	Ownership percentage in Underlying Fund (%)
iShares S&P/TSX 60 Index ETF	4,881,184	0.0
	4,881,184	

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

As at December 31, 2017 or December 31, 2016, there were no differences between the net asset value per unit and the net assets per unit for any series of the Fund.

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	December 31, 2017	December 31, 2016
ASSETS		
Current assets		
Investments		
Non-derivative financial assets	104,679,558	87,708,006
Cash	749,901	176,879
Subscriptions receivable	872,497	134,575
Accrued investment income and other	296,728	119,844
	<u>106,598,684</u>	<u>88,139,304</u>
LIABILITIES		
Current liabilities		
Payable for securities purchased	–	6,322
Redemptions payable	61,542	46,513
Accrued expenses	–	591
	<u>61,542</u>	<u>53,426</u>
Net assets attributable to holders of redeemable units	<u>106,537,142</u>	<u>88,085,878</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Pinnacle Series	88,853,798	76,587,808
Series F	365,594	282,570
Series I	<u>17,317,750</u>	<u>11,215,500</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Pinnacle Series	20.89	21.61
Series F	20.73	21.41
Series I	<u>21.31</u>	<u>22.03</u>

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except average units)	2017	2016
INCOME		
Net gain (loss) on investments		
Dividends	2,105,359	1,168,416
Interest for distribution purposes	250,835	159,157
Net realized gain (loss) on non-derivative financial assets	5,297,052	5,038,250
Change in unrealized gain (loss) on non-derivative financial assets	(5,679,614)	8,104,316
Net gain (loss) on investments	<u>1,973,632</u>	<u>14,470,139</u>
Securities lending (note 11)	34,503	38,362
Net realized and unrealized foreign currency translation gain (loss)	(32,838)	2,567
Other income	179	290
Total income (loss), net	<u>1,975,476</u>	<u>14,511,358</u>
EXPENSES		
Management fees (note 5)	3,061	2,268
Fixed administration fees (note 6)	204,984	174,394
Independent Review Committee fees	1,135	1,184
Interest expense and bank overdraft charges	–	753
Foreign withholding taxes/tax reclaims	–	261
Other fund costs	–	13
Harmonized Sales Tax/Goods and Services Tax	21,083	18,635
Transaction costs	<u>407,847</u>	<u>217,188</u>
Total expenses	<u>638,110</u>	<u>414,696</u>
Increase (decrease) in net assets attributable to holders of redeemable units from operations	<u>1,337,366</u>	<u>14,096,662</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Pinnacle Series	1,074,715	12,379,609
Series F	8	35,340
Series I	<u>262,643</u>	<u>1,681,713</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT†		
Pinnacle Series	0.28	3.66
Series F	0.00	3.17
Series I	<u>0.38</u>	<u>3.58</u>
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Pinnacle Series	3,836,479	3,386,748
Series F	14,814	11,153
Series I	<u>695,149</u>	<u>469,900</u>

† 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)	2017	2016
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Pinnacle Series	76,587,808	58,914,639
Series F	282,570	186,165
Series I	11,215,500	9,638,812
	<u>88,085,878</u>	<u>68,739,616</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Pinnacle Series	1,074,715	12,379,609
Series F	8	35,340
Series I	262,643	1,681,713
	<u>1,337,366</u>	<u>14,096,662</u>
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net investment income		
Pinnacle Series	(1,600,523)	(1,052,406)
Series F	(3,447)	(1,920)
Series I	(339,265)	(169,551)
From net realized gains on investments		
Pinnacle Series	(2,077,705)	(1,143,557)
Series F	(8,134)	(4,257)
Series I	(403,563)	(164,987)
	<u>(4,432,637)</u>	<u>(2,536,678)</u>
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Pinnacle Series	22,111,317	24,874,545
Series F	177,077	145,341
Series I	8,721,357	2,398,225
Reinvested distributions		
Pinnacle Series	3,659,724	2,185,517
Series F	8,719	4,374
Series I	742,828	334,538
Payments on redemption		
Pinnacle Series	(10,901,538)	(19,570,539)
Series F	(91,199)	(82,473)
Series I	(2,881,750)	(2,503,250)
	<u>21,546,535</u>	<u>7,786,278</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Pinnacle Series	12,265,990	17,673,169
Series F	83,024	96,405
Series I	6,102,250	1,576,688
	<u>18,451,264</u>	<u>19,346,262</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Pinnacle Series	88,853,798	76,587,808
Series F	365,594	282,570
Series I	17,317,750	11,215,500
	<u>106,537,142</u>	<u>88,085,878</u>

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	1,337,366	14,096,662
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(5,297,052)	(5,038,250)
Unrealized foreign currency translation (gain) loss	—	(19,020)
Change in unrealized (gain) loss on non-derivative financial assets	5,679,614	(8,104,316)
Non-cash transactions	—	(5,440)
Purchases of portfolio investments	(148,340,845)	(108,452,225)
Proceeds from sale of portfolio investments	130,980,407	102,398,944
Accrued investment income and other	(176,884)	24,530
Accrued expenses and other payables	(591)	413
Net cash provided by (used in) operating activities	<u>(15,817,985)</u>	<u>(5,098,702)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	30,271,829	27,316,836
Amounts paid on redemption of redeemable units	(13,859,457)	(22,112,260)
Distributions to unitholders of redeemable units	(21,365)	(12,249)
Net cash provided by (used in) financing activities	<u>16,391,007</u>	<u>5,192,327</u>
Unrealized foreign currency translation gain (loss)	—	19,020
Net increase (decrease) in cash	573,022	93,625
Cash (bank overdraft), beginning of period	176,879	64,234
CASH (BANK OVERDRAFT), END OF PERIOD	<u>749,901</u>	<u>176,879</u>
Interest paid ⁽¹⁾	—	753
Interest received ⁽¹⁾	250,938	159,096
Dividends received, net of withholding taxes ⁽¹⁾	1,928,374	1,187,304

⁽¹⁾ Classified as operating items.

Scotia Private Canadian Mid Cap Pool (Continued)

44

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2017

Issuer	Number of Shares	Average Cost (\$)	Carrying Value (\$)
EQUITIES – 95.9%			
Consumer Discretionary – 3.8%			
EnerCare Inc.	197,415	3,805,865	4,048,982
Consumer Staples – 5.2%			
Clearwater Seafoods Inc.	316,990	3,467,501	2,323,537
Cott Corporation	155,575	2,383,461	3,263,964
		5,850,962	5,587,501
Energy – 24.7%			
CES Energy Solutions Corporation	450,200	2,902,394	2,939,806
Freehold Royalties Ltd.	192,830	2,514,330	2,709,262
Gibson Energy Inc.	160,070	2,903,638	2,910,073
Keyera Corporation	80,885	3,282,175	2,864,947
Parkland Fuel Corporation	93,490	2,883,886	2,510,207
Secure Energy Services Inc.	364,195	3,349,509	3,190,348
Tidewater Midstream and Infrastructure Ltd.	2,211,596	2,984,205	3,361,626
Vermilion Energy, Inc.	78,855	3,376,342	3,602,096
Whitecap Resources Inc.	251,160	2,421,024	2,247,882
		26,617,503	26,336,247
Financials – 12.7%			
Brookfield Asset Management Inc., Class A	56,315	2,893,662	3,081,557
Industrial Alliance Insurance and Financial Services Inc.	66,525	3,295,037	3,979,526
Intact Financial Corporation	35,495	3,169,784	3,726,620
Toronto-Dominion Bank, The	37,110	2,409,077	2,733,152
		11,767,560	13,520,855
Industrials – 21.9%			
Badger Daylighting Ltd.	101,430	2,431,287	2,756,867
Boyd Group Income Fund	26,685	2,312,429	2,692,250
Cargojet Inc.	52,690	2,384,624	3,090,269
Finning International Inc.	101,200	3,095,422	3,210,064
Morneau Shepell, Inc.	158,115	3,375,434	3,525,965
New Flyer Industries Inc.	69,326	3,191,073	3,743,604
Stantec Inc.	121,770	3,870,126	4,281,433
		20,660,395	23,300,452
Information Technology – 3.5%			
Open Text Corporation	83,310	2,979,282	3,724,790
Materials – 10.7%			
CCL Industries Inc., Class B	34,500	1,550,754	2,003,760
Chemtrade Logistics Income Fund	163,060	2,858,442	3,163,364
Intertape Polymer Group Inc.	143,775	3,415,318	3,089,725
Lundin Mining Corporation	372,130	2,635,477	3,111,007
		10,459,991	11,367,856
Real Estate – 6.1%			
Canadian Apartment Properties Real Estate Investment Trust	85,775	2,869,419	3,201,123
Pure Industrial Real Estate Trust	485,100	3,308,668	3,284,127
		6,178,087	6,485,250
Telecommunication Services – 2.2%			
BCE Inc.	39,300	2,389,220	2,372,934
Utilities – 5.1%			
Algonquin Power & Utilities Corporation	204,600	2,932,410	2,876,671
Boralex Inc.	109,040	2,216,352	2,562,440
		5,148,762	5,439,111
TOTAL EQUITIES		95,857,627	102,183,978

Issuer	Face Value (\$)	Average Cost (\$)	Carrying Value (\$)
MONEY MARKET INSTRUMENTS – 2.3%			
Treasury Bills – 2.3%			
Government of Canada 0.00% Mar 08, 2018	2,500,000	2,493,074	2,495,580
Transaction Costs		(138,263)	
TOTAL INVESTMENT PORTFOLIO		98,212,438	104,679,558
OTHER ASSETS, LESS LIABILITIES – 1.8%			1,857,584
NET ASSETS – 100.0%			106,537,142

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

FUND SPECIFIC NOTES

For the periods indicated in Note 1

The Fund (note 1)

The Fund's investment objective is to achieve superior long term returns through capital growth by investing primarily in stocks of small and medium capitalization Canadian corporations.

Risks associated with financial instruments (note 4)

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 underlying funds, preferred shares, cash and overdrafts, as applicable.

Interest rate exposure	December 31, 2017 (\$)	December 31, 2016 (\$)
Less than 1 year	2,495,580	1,348,847
1-3 years	—	—
3-5 years	—	—
5-10 years	—	—
> 10 years	—	—
	2,495,580	1,348,847

As at December 31, 2017, 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 \$1,176 or approximately 0.0% (December 31, 2016 – \$613 or approximately 0.0%).

Currency risk

The Fund's exposure to currency risk is summarized in the table below. Amounts shown are based on the carrying value of monetary and non-monetary assets and liabilities of the Fund, net of currency contracts, as applicable. The Fund did not have any exposure to currency risk as at December 31, 2017.

Currency	December 31, 2016			
	Gross currency exposure (\$)	Currency contracts (\$)	Net exposure (\$)	Percentage of net assets (%)
US Dollar	2,720,721	—	2,720,721	3.1
	2,720,721	—	2,720,721	3.1

If the Canadian dollar strengthened or weakened by 10% in relation to all other currencies, with all other variables held constant, net assets of the Fund would have decreased or increased, respectively, by \$272,072 or 0.3% of net assets. In practice, actual results may differ from this sensitivity analysis and the difference could be material.

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, underlying funds, derivatives and commodities, as applicable. As at December 31,

2017, approximately 95.9% (December 31, 2016 – 98.1%) of the Fund's net assets were exposed to price risk. If prices of these instruments 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 \$10,218,398 (December 31, 2016 – \$8,635,916). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Credit risk

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

Credit ratings	December 31, 2017		December 31, 2016	
	Percentage of total credit rated instruments (%)	Percentage of net assets (%)	Percentage of total credit rated instruments (%)	Percentage of net assets (%)
A-1+	100.0	2.3	100.0	1.5
	100.0	2.3	100.0	1.5

Concentration risk

Concentration risk arises as a result of the concentration of financial instruments 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 by carrying value as a percentage of net assets:

	Percentage of net assets (%)	
	December 31, 2017	December 31, 2016
Consumer Discretionary	3.8	5.9
Consumer Staples	5.2	5.6
Energy	24.7	26.8
Financials	12.7	13.4
Health Care	—	0.3
Industrials	21.9	16.4
Information Technology	3.5	7.7
Materials	10.7	14.8
Real Estate	6.1	5.4
Telecommunication Services	2.2	—
Treasury Bills	2.3	1.5
Utilities	5.1	1.8

Fair Value Classification (note 2)

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

	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
December 31, 2017				
Equities	102,183,978	—	—	102,183,978
Money market instruments	—	2,495,580	—	2,495,580
	102,183,978	2,495,580	—	104,679,558

	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
December 31, 2016				
Equities	84,503,666	1,489,531	—	85,993,197
Money market instruments	—	1,348,847	—	1,348,847
Warrants, rights and options	—	365,962	—	365,962
	84,503,666	3,204,340	—	87,708,006

FUND SPECIFIC NOTES

For the periods indicated in Note 1

Transfers between levels

During the periods ended December 31, 2017 and December 31, 2016, there were no significant transfers between Level 1 and Level 2.

Offsetting of financial assets and liabilities (note 2)

As at December 31, 2017 and December 31, 2016, the Fund did not enter into any agreement whereby the financial instruments were eligible for offset.

Interest in Underlying Funds (note 2)

The Fund did not hold any interest in Underlying Funds as at December 31, 2017 or December 31, 2016.

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

As at December 31, 2017 or December 31, 2016, there were no differences between the net asset value per unit and the net assets per unit for any series of the Fund.

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	December 31, 2017	December 31, 2016
ASSETS		
Current assets		
Investments		
Non-derivative financial assets	236,264,714	209,497,110
Cash	20,769	36,865
Subscriptions receivable	2,196,401	344,254
Accrued investment income and other	411,531	261,206
	<u>238,893,415</u>	<u>210,139,435</u>
LIABILITIES		
Current liabilities		
Payable for securities purchased	—	546,156
Redemptions payable	170,587	64,977
Accrued expenses	—	936
	<u>170,587</u>	<u>612,069</u>
Net assets attributable to holders of redeemable units	<u>238,722,828</u>	<u>209,527,366</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Pinnacle Series	229,410,480	198,725,944
Series F	1,077,672	793,118
Series I	<u>8,234,676</u>	<u>10,008,304</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Pinnacle Series	17.66	16.62
Series F	17.93	16.75
Series I	<u>18.08</u>	<u>16.86</u>

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except average units)	2017	2016
INCOME		
Net gain (loss) on investments		
Dividends	5,016,030	3,879,976
Interest for distribution purposes	23,154	37,389
Net realized gain (loss) on non-derivative financial assets	9,663,576	1,401,102
Change in unrealized gain (loss) on non-derivative financial assets	<u>4,122,649</u>	<u>24,066,633</u>
Net gain (loss) on investments	<u>18,825,409</u>	<u>29,385,100</u>
Securities lending (note 11)	4,341	17,979
Net realized and unrealized foreign currency translation gain (loss)	193	(580)
Other income	<u>1,139</u>	<u>759</u>
Total income (loss), net	<u>18,831,082</u>	<u>29,403,258</u>
EXPENSES		
Management fees (note 5)	8,520	7,004
Fixed administration fees (note 6)	318,514	269,566
Independent Review Committee fees	1,135	1,184
Interest expense and bank overdraft charges	265	307
Other fund costs	—	32
Harmonized Sales Tax/Goods and Services Tax	32,447	28,353
Transaction costs	<u>110,794</u>	<u>114,988</u>
Total expenses	<u>471,675</u>	<u>421,434</u>
Increase (decrease) in net assets attributable to holders of redeemable units from operations	<u>18,359,407</u>	<u>28,981,824</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Pinnacle Series	17,502,880	27,217,383
Series F	76,605	88,377
Series I	<u>779,922</u>	<u>1,676,064</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT†		
Pinnacle Series	1.41	2.38
Series F	1.52	1.95
Series I	<u>1.43</u>	<u>2.39</u>
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Pinnacle Series	12,449,066	11,426,413
Series F	50,498	45,284
Series I	<u>543,862</u>	<u>700,383</u>

† 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)	2017	2016
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Pinnacle Series	198,725,944	147,021,366
Series F	793,118	736,020
Series I	10,008,304	10,736,190
	209,527,366	158,493,576
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Pinnacle Series	17,502,880	27,217,383
Series F	76,605	88,377
Series I	779,922	1,676,064
	18,359,407	28,981,824
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net investment income		
Pinnacle Series	(4,160,863)	(3,281,410)
Series F	(10,140)	(5,709)
Series I	(164,742)	(180,665)
	(4,335,745)	(3,467,784)
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Pinnacle Series	45,959,657	62,768,139
Series F	285,794	247,694
Series I	137,600	1,820,900
Reinvested distributions		
Pinnacle Series	4,142,725	3,268,874
Series F	6,559	3,620
Series I	164,742	180,665
Payments on redemption		
Pinnacle Series	(32,759,863)	(38,268,408)
Series F	(74,264)	(276,884)
Series I	(2,691,150)	(4,224,850)
	15,171,800	25,519,750
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Pinnacle Series	30,684,536	51,704,578
Series F	284,554	57,098
Series I	(1,773,628)	(727,886)
	29,195,462	51,033,790
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Pinnacle Series	229,410,480	198,725,944
Series F	1,077,672	793,118
Series I	8,234,676	10,008,304
	238,722,828	209,527,366

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	18,359,407	28,981,824
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(9,663,576)	(1,401,102)
Unrealized foreign currency translation (gain) loss	—	(93)
Change in unrealized (gain) loss on non-derivative financial assets	(4,122,649)	(24,066,633)
Non-cash transactions	(21,864)	(93,186)
Purchases of portfolio investments	(705,134,113)	(866,341,520)
Proceeds from sale of portfolio investments	691,628,441	841,190,148
Accrued investment income and other	(150,325)	(94,380)
Accrued expenses and other payables	(936)	741
Net cash provided by (used in) operating activities	(9,105,615)	(21,824,201)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	44,530,904	64,577,706
Amounts paid on redemption of redeemable units	(35,419,666)	(42,722,534)
Distributions to unitholders of redeemable units	(21,719)	(14,625)
Net cash provided by (used in) financing activities	9,089,519	21,840,547
Unrealized foreign currency translation gain (loss)	—	93
Net increase (decrease) in cash	(16,096)	16,346
Cash (bank overdraft), beginning of period	36,865	20,426
CASH (BANK OVERDRAFT), END OF PERIOD	20,769	36,865
Interest paid ⁽¹⁾	265	307
Interest received ⁽¹⁾	23,157	37,491
Dividends received, net of withholding taxes ⁽¹⁾	4,843,840	3,692,307

(1) Classified as operating items.

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2017

Issuer	Number of Shares	Average Cost (\$)	Carrying Value (\$)	Issuer	Face Value (\$)	Average Cost (\$)	Carrying Value (\$)
EQUITIES – 97.3%				MONEY MARKET INSTRUMENTS – 1.7%			
Consumer Discretionary – 8.7%				Commercial Paper – 1.1%			
Aritzia Inc., Subordinated Voting	109,370	1,782,847	1,387,905	Zeus Receivables Trust 1.15% Jan 02, 2018	2,550,000	2,549,679	2,549,759
Dollarama Inc.	33,300	1,638,637	5,229,765				
Gildan Activewear Inc.	76,830	2,344,447	3,120,066	Treasury Bills – 0.6%			
Magna International Inc.	37,980	1,620,139	2,705,695	Government of Canada 0.00% Feb 08, 2018	1,500,000	1,497,015	1,498,579
Restaurant Brands International Inc.	66,420	3,242,143	5,132,273	TOTAL MONEY MARKET INSTRUMENTS		4,046,694	4,048,338
Spin Master Corporation	57,760	2,393,164	3,120,195	Transaction Costs		(117,948)	
		13,021,377	20,695,899	TOTAL INVESTMENT PORTFOLIO		185,663,197	236,264,714
Consumer Staples – 5.1%				OTHER ASSETS, LESS LIABILITIES – 1.0%			2,458,114
Alimentation Couche-Tard Inc., Class B	115,210	4,435,055	7,556,624	NET ASSETS – 100.0%			238,722,828
Saputo Inc.	102,810	3,430,915	4,644,956				
		7,865,970	12,201,580				
Energy – 20.6%							
Canadian Natural Resources Ltd.	278,170	10,040,939	12,495,393				
Cenovus Energy Inc.	227,340	3,772,115	2,609,863				
Enbridge Inc.	197,350	11,205,909	9,701,726				
EnCana Corporation	228,500	3,618,146	3,831,945				
Peyto Exploration & Development Corporation	79,470	2,599,574	1,194,434				
Seven Generations Energy Ltd.	244,510	4,550,263	4,347,388				
Suncor Energy, Inc.	259,180	9,876,990	11,961,157				
Whitecap Resources Inc.	336,910	3,577,431	3,015,345				
		49,241,367	49,157,251				
Financials – 33.6%							
Bank of Nova Scotia, The	179,980	11,176,623	14,599,978				
Brookfield Asset Management Inc., Class A	156,100	5,665,660	8,541,792				
Canadian Imperial Bank of Commerce	79,710	8,483,313	9,767,663				
Chartwell Seniors Housing Real Estate Investment Trust	112,010	1,707,056	1,821,283				
Intact Financial Corporation	46,550	3,600,181	4,887,285				
Royal Bank of Canada	161,790	12,149,826	16,607,744				
Sun Life Financial Inc.	123,230	5,084,417	6,393,172				
Toronto-Dominion Bank, The	239,590	11,981,868	17,645,804				
		59,848,944	80,264,721				
Industrials – 10.5%							
Air Canada	105,470	2,475,524	2,729,564				
Canadian National Railway Company	108,410	6,990,562	11,236,697				
Canadian Pacific Railway Limited	33,850	6,702,423	7,773,991				
Waste Connections Inc.	38,590	3,416,758	3,440,684				
		19,585,267	25,180,936				
Information Technology – 7.8%							
CGI Group Inc., Class A	66,970	2,565,185	4,574,051				
Constellation Software Inc.	4,710	1,352,677	3,589,114				
Descartes Systems Group Inc., The	77,100	1,476,495	2,755,554				
Open Text Corporation	48,350	2,194,132	2,161,729				
Shopify Inc., Class A	42,950	1,966,299	5,459,375				
		9,554,788	18,539,823				
Materials – 11.0%							
Agnico-Eagle Mines Limited	41,910	2,315,114	2,432,456				
CCL Industries Inc., Class B	77,770	2,960,214	4,516,882				
First Quantum Minerals Ltd.	102,630	1,698,479	1,807,314				
Franco-Nevada Corporation	23,260	1,339,064	2,336,700				
Goldcorp, Inc.	153,950	2,963,134	2,467,819				
Lundin Mining Corporation	267,230	2,116,661	2,234,043				
Potash Corporation of Saskatchewan Inc.	195,280	4,546,490	5,034,318				
Teck Resources Ltd., Class B	162,660	4,677,582	5,346,634				
		22,616,738	26,176,166				
TOTAL EQUITIES		181,734,451	232,216,376				

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

FUND SPECIFIC NOTES

For the periods indicated in Note 1

The Fund (note 1)

The Fund's investment objective is to achieve superior long term returns through capital growth by investing primarily in stocks of large and medium capitalization Canadian corporations.

Risks associated with financial instruments (note 4)

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 underlying funds, preferred shares, cash and overdrafts, as applicable.

Interest rate exposure	December 31, 2017 (\$)	December 31, 2016 (\$)
Less than 1 year	4,048,338	4,169,851
1-3 years	—	—
3-5 years	—	—
5-10 years	—	—
> 10 years	—	—
	4,048,338	4,169,851

As at December 31, 2017, 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 \$420 or approximately 0.0% (December 31, 2016 – nil or approximately 0.0%).

Currency risk

The Fund did not have significant currency risk exposure as at December 31, 2017 or December 31, 2016.

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, underlying funds, derivatives and commodities, as applicable. As at December 31, 2017, approximately 97.3% (December 31, 2016 – 98.0%) of the Fund's net assets were exposed to price risk. If prices of these instruments 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 \$23,221,638 (December 31, 2016 – \$20,532,726). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Credit risk

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

Credit ratings	December 31, 2017		December 31, 2016	
	Percentage of total credit rated instruments (%)	Percentage of net assets (%)	Percentage of total credit rated instruments (%)	Percentage of net assets (%)
Short Term Rating				
A-1+	100.0	1.7	100.0	2.0
	100.0	1.7	100.0	2.0

Concentration risk

Concentration risk arises as a result of the concentration of financial instruments 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 by carrying value as a percentage of net assets:

	Percentage of net assets (%)	
	December 31, 2017	December 31, 2016
Commercial Paper	1.1	2.0
Consumer Discretionary	8.7	9.9
Consumer Staples	5.1	7.1
Energy	20.6	23.4
Financials	33.6	33.0
Industrials	10.5	9.3
Information Technology	7.8	8.2
Materials	11.0	7.1
Treasury Bills	0.6	—

Fair Value Classification (note 2)

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

	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
December 31, 2017				
Equities	232,216,376	—	—	232,216,376
Money market instruments	—	4,048,338	—	4,048,338
	232,216,376	4,048,338	—	236,264,714

	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
December 31, 2016				
Equities	205,327,259	—	—	205,327,259
Money market instruments	—	4,169,851	—	4,169,851
	205,327,259	4,169,851	—	209,497,110

Transfers between levels

During the periods ended December 31, 2017 and December 31, 2016, there were no significant transfers between Level 1 and Level 2.

Offsetting of financial assets and liabilities (note 2)

As at December 31, 2017 and December 31, 2016, the Fund did not enter into any agreement whereby the financial instruments were eligible for offset.

FUND SPECIFIC NOTES

For the periods indicated in Note 1

Interest in Underlying Funds (note 2)

The Fund did not hold any interest in Underlying Funds as at December 31, 2017 or December 31, 2016.

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

As at December 31, 2017 or December 31, 2016, there were no differences between the net asset value per unit and the net assets per unit for any series of the Fund.

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	December 31, 2017	December 31, 2016
ASSETS		
Current assets		
Investments		
Non-derivative financial assets	773,634,770	658,631,895
Cash	31,766,328	15,391,727
Receivable for securities sold	—	951,526
Subscriptions receivable	941,353	155,018
Accrued investment income and other	1,482,194	1,292,859
	<u>807,824,645</u>	<u>676,423,025</u>
LIABILITIES		
Current liabilities		
Payable for securities purchased	3,563	69,478
Redemptions payable	1,058,492	66,997
Accrued expenses	2	1,303
Distributions payable	—	440
	<u>1,062,057</u>	<u>138,218</u>
Net assets attributable to holders of redeemable units	<u>806,762,588</u>	<u>676,284,807</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Pinnacle Series	117,226,380	104,339,865
Series F	4,810,030	2,950,683
Series I	619,304,393	568,993,209
Series M	<u>65,421,785</u>	<u>1,050</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Pinnacle Series	40.04	36.70
Series F	40.98	37.46
Series I	41.69	37.97
Series M	<u>11.25</u>	<u>10.24</u>

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except average units)	2017	2016
INCOME		
Net gain (loss) on investments		
Dividends	11,532,798	10,078,859
Interest for distribution purposes	121,070	116,345
Net realized gain (loss) on non-derivative financial assets	21,165,623	19,984,394
Change in unrealized gain (loss) on non-derivative financial assets	54,198,634	52,813,636
Net gain (loss) on investments	87,018,125	82,993,234
Securities lending (note 11)	484,209	89,261
Net realized and unrealized foreign currency translation gain (loss)	(25)	(341)
Other income	489	129
Total income (loss), net	<u>87,502,798</u>	<u>83,082,283</u>
EXPENSES		
Management fees (note 5)	396,733	18,314
Fixed administration fees (note 6)	493,788	357,739
Independent Review Committee fees	1,135	1,184
Interest expense and bank overdraft charges	603	—
Other fund costs	—	105
Harmonized Sales Tax/Goods and Services Tax	79,468	38,160
Transaction costs	376,756	488,082
Total expenses	1,348,483	903,584
Expenses absorbed by the Manager	(104,116)	—
Net expenses	<u>1,244,367</u>	<u>903,584</u>
Increase (decrease) in net assets attributable to holders of redeemable units from operations	<u>86,258,431</u>	<u>82,178,699</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Pinnacle Series	11,736,288	12,215,802
Series F	387,025	262,219
Series I	68,030,480	69,700,628
Series M	<u>6,104,638</u>	<u>50</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT†		
Pinnacle Series	4.12	4.53
Series F	4.25	4.98
Series I	4.59	4.66
Series M	<u>1.26</u>	<u>0.50</u>
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Pinnacle Series	2,849,952	2,698,070
Series F	91,059	52,693
Series I	14,809,876	14,965,268
Series M	<u>4,855,534</u>	<u>100</u>

† 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)	2017	2016
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Pinnacle Series	104,339,865	79,048,916
Series F	2,950,683	1,164,350
Series I	568,993,209	482,116,591
Series M	1,050	—
	676,284,807	562,329,857
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Pinnacle Series	11,736,288	12,215,802
Series F	387,025	262,219
Series I	68,030,480	69,700,628
Series M	6,104,638	50
	86,258,431	82,178,699
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net investment income		
Pinnacle Series	(1,438,468)	(1,337,135)
Series F	(26,485)	(20,930)
Series I	(8,835,307)	(8,339,678)
Series M	(604,000)	(15)
From net realized gains on investments		
Pinnacle Series	(706,240)	(1,065,186)
Series F	(28,656)	(29,070)
Series I	(3,751,435)	(5,834,059)
Series M	(396,859)	(11)
	(15,787,450)	(16,626,084)
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Pinnacle Series	19,883,498	31,941,740
Series F	1,886,684	2,184,890
Series I	16,467,354	62,925,990
Series M	70,554,568	1,000
Reinvested distributions		
Pinnacle Series	2,138,376	2,395,145
Series F	50,495	43,337
Series I	12,586,742	14,173,737
Series M	990,797	26
Payments on redemption		
Pinnacle Series	(18,726,939)	(18,859,417)
Series F	(409,716)	(654,113)
Series I	(34,186,650)	(45,750,000)
Series M	(11,228,409)	—
	60,006,800	48,402,335
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Pinnacle Series	12,886,515	25,290,949
Series F	1,859,347	1,786,333
Series I	50,311,184	86,876,618
Series M	65,420,735	1,050
	130,477,781	113,954,950
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Pinnacle Series	117,226,380	104,339,865
Series F	4,810,030	2,950,683
Series I	619,304,393	568,993,209
Series M	65,421,785	1,050
	806,762,588	676,284,807

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	86,258,431	82,178,699
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(21,165,623)	(19,984,394)
Unrealized foreign currency translation (gain) loss	—	(37)
Change in unrealized (gain) loss on non-derivative financial assets	(54,198,634)	(52,813,636)
Purchases of portfolio investments	(150,536,074)	(146,118,521)
Proceeds from sale of portfolio investments	111,783,068	99,086,137
Accrued investment income and other	(189,335)	(123,595)
Accrued expenses and other payables	(1,301)	1,131
Net cash provided by (used in) operating activities	(28,049,468)	(37,774,216)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	108,005,768	96,959,621
Amounts paid on redemption of redeemable units	(63,560,219)	(65,201,612)
Distributions to unitholders of redeemable units	(21,480)	(13,399)
Net cash provided by (used in) financing activities	44,424,069	31,744,610
Unrealized foreign currency translation gain (loss)	—	37
Net increase (decrease) in cash	16,374,601	(6,029,606)
Cash (bank overdraft), beginning of period	15,391,727	21,421,296
CASH (BANK OVERDRAFT), END OF PERIOD	31,766,328	15,391,727
Interest paid ⁽¹⁾	603	—
Interest received ⁽¹⁾	127,278	118,889
Dividends received, net of withholding taxes ⁽¹⁾	11,337,255	9,952,721

⁽¹⁾ Classified as operating items.

Scotia Private Canadian Small Cap Pool (Continued)

54

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2017

Issuer	Number of Shares	Average Cost (\$)	Carrying Value (\$)
EQUITIES – 95.9%			
Consumer Discretionary – 6.3%			
AutoCanada Inc.	407,275	9,197,414	9,220,706
Cara Operations Ltd.	635,369	18,107,828	16,494,179
IMAX Corporation,	260,736	7,531,449	7,561,344
Leon's Furniture Ltd.	949,693	14,549,242	17,521,836
		<u>49,385,933</u>	<u>50,798,065</u>
Consumer Staples – 3.8%			
Alimentation Couche-Tard Inc., Class B	285,585	9,305,549	18,731,520
Lassonde Industries Inc.	45,891	11,130,109	11,749,014
		<u>20,435,658</u>	<u>30,480,534</u>
Energy – 19.2%			
CES Energy Solutions Corporation	2,761,150	12,407,000	18,030,310
Enerflex Ltd.	1,542,847	21,206,157	23,667,273
Kelt Exploration Ltd.	2,554,756	17,190,916	18,368,696
Mullen Group Limited	1,282,807	26,039,958	20,191,382
NuVista Energy Ltd.	2,375,423	14,311,308	19,050,892
Peyto Exploration & Development Corporation	521,257	12,060,437	7,834,493
Secure Energy Services Inc.	1,966,310	16,265,254	17,224,876
Trican Well Service Ltd.	4,331,457	16,787,010	17,672,345
ZCL Composites Inc.	1,112,918	7,868,663	12,475,811
		<u>144,136,703</u>	<u>154,516,078</u>
Financials – 11.3%			
Canadian Western Bank	1,096,594	27,946,138	43,041,315
Equitable Group Inc.	253,838	10,616,856	18,149,417
FirstService Corporation	338,805	7,101,832	29,791,124
		<u>45,664,826</u>	<u>90,981,856</u>
Health Care – 2.4%			
Knight Therapeutics Inc.	1,043,287	7,000,917	8,669,715
New Look Eyewear Inc.	301,013	7,893,724	10,452,676
		<u>14,894,641</u>	<u>19,122,391</u>
Industrials – 27.7%			
ATS Automation Tooling Systems Inc.	1,636,523	19,710,799	25,447,933
Cervus Equipment Corporation	629,852	11,135,759	9,472,974
Exco Technologies Ltd.	1,333,761	13,730,979	13,524,337
GDI Integrated Facility Services Inc.	689,018	10,427,439	11,437,699
Horizon North Logistics Inc.	5,448,081	19,598,581	8,390,045
IBI Group Inc.	1,009,969	6,280,840	8,231,247
Logistec Corporation, Class B	81,267	3,010,083	3,636,698
Maxar Technologies Ltd.	377,819	28,542,725	30,573,113
Richelieu Hardware Ltd.	874,812	12,119,025	29,997,303
Russel Metals Inc.	448,192	10,275,446	13,073,761
Stantec Inc.	428,162	8,962,296	15,054,176
Toromont Industries Ltd.	626,932	17,368,045	34,543,953
WSP Global Inc.	350,837	11,070,666	21,018,645
		<u>172,232,683</u>	<u>224,401,884</u>
Information Technology – 8.1%			
Absolute Software Corporation	1,673,364	12,201,264	11,512,744
Enghouse Systems Limited	554,388	18,877,284	34,089,318
Tucows Inc., Class A	219,369	15,176,129	19,433,900
		<u>46,254,677</u>	<u>65,035,962</u>
Materials – 13.2%			
CCL Industries Inc., Class B	599,101	12,881,988	34,795,784
Major Drilling Group International Inc.	2,177,085	15,081,889	15,370,220
Stella-Jones Inc.	636,897	14,880,895	32,163,299
Winnpak Ltd.	516,015	11,968,389	24,149,502
		<u>54,813,161</u>	<u>106,478,805</u>

Issuer	Number of Shares	Average Cost (\$)	Carrying Value (\$)
EQUITIES (cont'd)			
Real Estate – 3.9%			
Colliers International Group Inc.	419,391	12,796,373	31,819,195
Transaction Costs		<u>(1,096,420)</u>	
TOTAL INVESTMENT PORTFOLIO		<u>559,518,235</u>	<u>773,634,770</u>
OTHER ASSETS, LESS LIABILITIES – 4.1%			<u>33,127,818</u>
NET ASSETS – 100.0%			<u>806,762,588</u>

FUND SPECIFIC NOTES

For the periods indicated in Note 1

The Fund (note 1)

The Fund's investment objective is to achieve superior long term returns through capital growth by investing primarily in stocks of small and medium capitalization Canadian corporations.

Risks associated with financial instruments (note 4)

Interest rate risk

The majority of the Fund's financial instruments were non-interest bearing as at December 31, 2017 and December 31, 2016. Accordingly, the Fund is not directly subject to significant risk due to fluctuations in the prevailing levels of market interest rates.

Currency risk

The Fund's exposure to currency risk is summarized in the tables below. Amounts shown are based on the carrying value of monetary and non-monetary assets and liabilities of the Fund, net of currency contracts, as applicable.

December 31, 2017				
Currency	Gross currency exposure (\$)	Currency contracts (\$)	Net exposure (\$)	Percentage of net assets (%)
US Dollar	1	–	1	0.0
	1	–	1	0.0

If the Canadian dollar strengthened or weakened by 10% in relation to all other currencies, with all other variables held constant, net assets of the Fund would have decreased or increased, respectively, by nil or 0.0% of net assets (December 31, 2016 – nil or 0.0%). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

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, underlying funds, derivatives and commodities, as applicable. As at December 31, 2017, approximately 95.9% (December 31, 2016 – 97.4%) of the Fund's net assets were exposed to price risk. If prices of these instruments 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 \$77,363,477 (December 31, 2016 – \$65,863,190). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Credit risk

The Fund had no significant exposure to bonds and debentures, money market instruments or preferred shares as at December 31, 2017 or December 31, 2016.

Concentration risk

Concentration risk arises as a result of the concentration of financial instruments 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 by carrying value as a percentage of net assets:

	Percentage of net assets (%)	
	December 31, 2017	December 31, 2016
Consumer Discretionary	6.3	6.3
Consumer Staples	3.8	4.3
Energy	19.2	23.1
Financials	11.3	10.9
Health Care	2.4	2.3
Industrials	27.7	24.6
Information Technology	8.1	7.4
Materials	13.2	15.5
Real Estate	3.9	3.0

Fair Value Classification (note 2)

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

December 31, 2017	Level 1	Level 2	Level 3	Total
	(\$)	(\$)	(\$)	(\$)
Equities	773,634,770	–	–	773,634,770
	773,634,770	–	–	773,634,770

December 31, 2016	Level 1	Level 2	Level 3	Total
	(\$)	(\$)	(\$)	(\$)
Equities	658,631,895	–	–	658,631,895
	658,631,895	–	–	658,631,895

Transfers between levels

During the periods ended December 31, 2017 and December 31, 2016, there were no significant transfers between Level 1 and Level 2.

Offsetting of financial assets and liabilities (note 2)

As at December 31, 2017 and December 31, 2016, the Fund did not enter into any agreement whereby the financial instruments were eligible for offset.

Interest in Underlying Funds (note 2)

The Fund did not hold any interest in Underlying Funds as at December 31, 2017 or December 31, 2016.

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

As at December 31, 2017 or December 31, 2016, there were no differences between the net asset value per unit and the net assets per unit for any series of the Fund.

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	December 31, 2017	December 31, 2016
ASSETS		
Current assets		
Investments		
Non-derivative financial assets	115,308,569	99,900,419
Cash	4,493,299	3,618,833
Subscriptions receivable	986,057	160,448
Accrued investment income and other	183,854	205,697
	<u>120,971,779</u>	<u>103,885,397</u>
LIABILITIES		
Current liabilities		
Redemptions payable	56,393	35,193
Accrued expenses	—	641
	<u>56,393</u>	<u>35,834</u>
Net assets attributable to holders of redeemable units	<u>120,915,386</u>	<u>103,849,563</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Pinnacle Series	116,184,957	98,668,107
Series F	598,803	406,066
Series I	<u>4,131,626</u>	<u>4,775,390</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Pinnacle Series	15.76	14.45
Series F	15.90	14.49
Series I	<u>16.38</u>	<u>14.91</u>

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except average units)	2017	2016
INCOME		
Net gain (loss) on investments		
Dividends	2,594,950	2,295,178
Interest for distribution purposes	44,424	17,872
Net realized gain (loss) on non-derivative financial assets	1,791,915	3,123,817
Change in unrealized gain (loss) on non-derivative financial assets	8,242,025	(7,616,731)
Net gain (loss) on investments	<u>12,673,314</u>	<u>(2,179,864)</u>
Securities lending (note 11)	3,795	13,439
Net realized and unrealized foreign currency translation gain (loss)	(353,766)	20,656
Other income	480	125
Total income (loss), net	<u>12,323,823</u>	<u>(2,145,644)</u>
EXPENSES		
Management fees (note 5)	4,426	4,130
Fixed administration fees (note 6)	222,278	188,461
Independent Review Committee fees	1,135	1,184
Interest expense and bank overdraft charges	6	1
Foreign withholding taxes/tax reclaims	358,802	311,889
Other fund costs	—	16
Harmonized Sales Tax/Goods and Services Tax	21,930	19,876
Transaction costs	19,761	114,691
Total expenses	<u>628,338</u>	<u>640,248</u>
Increase (decrease) in net assets attributable to holders of redeemable units from operations	<u>11,695,485</u>	<u>(2,785,892)</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Pinnacle Series	11,143,194	(2,545,801)
Series F	49,860	(23,596)
Series I	<u>502,431</u>	<u>(216,495)</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT†		
Pinnacle Series	1.58	(0.40)
Series F	1.68	(0.81)
Series I	<u>1.78</u>	<u>(0.63)</u>
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Pinnacle Series	7,036,045	6,288,423
Series F	29,700	29,288
Series I	<u>282,927</u>	<u>342,749</u>

† 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)	2017	2016
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Pinnacle Series	98,668,107	93,362,207
Series F	406,066	486,451
Series I	4,775,390	6,166,229
	103,849,563	100,014,887
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Pinnacle Series	11,143,194	(2,545,801)
Series F	49,860	(23,596)
Series I	502,431	(216,495)
	11,695,485	(2,785,892)
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net investment income		
Pinnacle Series	(1,980,572)	(1,616,008)
Series F	(5,364)	(2,819)
Series I	(79,317)	(88,332)
	(2,065,253)	(1,707,159)
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Pinnacle Series	23,471,002	29,576,259
Series F	215,867	126,201
Series I	114,075	694,706
Reinvested distributions		
Pinnacle Series	1,971,294	1,609,771
Series F	3,585	1,936
Series I	79,317	88,332
Payments on redemption		
Pinnacle Series	(17,088,068)	(21,718,321)
Series F	(71,211)	(182,107)
Series I	(1,260,270)	(1,869,050)
	7,435,591	8,327,727
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Pinnacle Series	17,516,850	5,305,900
Series F	192,737	(80,385)
Series I	(643,764)	(1,390,839)
	17,065,823	3,834,676
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Pinnacle Series	116,184,957	98,668,107
Series F	598,803	406,066
Series I	4,131,626	4,775,390
	120,915,386	103,849,563

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	11,695,485	(2,785,892)
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(1,791,915)	(3,123,817)
Unrealized foreign currency translation (gain) loss	(69,251)	(93,419)
Change in unrealized (gain) loss on non-derivative financial assets	(8,242,025)	7,616,731
Purchases of portfolio investments	(20,756,610)	(123,871,105)
Proceeds from sale of portfolio investments	15,382,400	114,547,917
Accrued investment income and other	21,843	(110,708)
Accrued expenses and other payables	(641)	425
Net cash provided by (used in) operating activities	(3,760,714)	(7,819,868)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	22,975,335	30,282,863
Amounts paid on redemption of redeemable units	(18,398,349)	(23,742,146)
Distributions to unitholders of redeemable units	(11,057)	(7,120)
Net cash provided by (used in) financing activities	4,565,929	6,533,597
Unrealized foreign currency translation gain (loss)	69,251	93,419
Net increase (decrease) in cash	805,215	(1,286,271)
Cash (bank overdraft), beginning of period	3,618,833	4,811,685
CASH (BANK OVERDRAFT), END OF PERIOD	4,493,299	3,618,833
Interest paid ⁽¹⁾	6	1
Interest received ⁽¹⁾	45,758	16,935
Dividends received, net of withholding taxes ⁽¹⁾	2,256,657	1,873,518

⁽¹⁾ Classified as operating items.

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2017

Issuer	Number of Shares	Average Cost (\$)	Carrying Value (\$)
EQUITIES – 95.4%			
Consumer Discretionary – 15.5%			
Dollar General Corporation	49,734	5,737,698	5,809,504
Lowe's Companies, Inc.	52,377	5,105,113	6,113,632
Omnicom Group Inc.	43,263	4,566,542	3,957,154
Ross Stores, Inc.	28,925	2,130,596	2,915,241
		17,539,949	18,795,531
Consumer Staples – 17.1%			
CVS Health Corporation	47,463	5,637,367	4,321,646
J.M. Smucker Company, The	33,089	5,745,431	5,162,988
Kroger Company, The	132,900	5,034,636	4,581,665
Philip Morris International Inc.	30,320	3,264,167	4,023,043
Procter & Gamble Company, The	21,920	2,451,562	2,529,400
		22,133,163	20,618,742
Energy – 8.9%			
Chevron Corporation	22,057	3,070,124	3,467,944
Occidental Petroleum Corporation	43,396	4,093,352	4,014,555
Royal Dutch Shell PLC, Class A – ADR	39,297	2,792,829	3,292,353
		9,956,305	10,774,852
Financials – 12.8%			
Aflac, Inc.	45,040	4,309,871	4,965,351
Marsh & McLennan Companies, Inc.	45,426	4,018,263	4,643,351
State Street Corporation	47,654	3,629,591	5,841,840
		11,957,725	15,450,542
Health Care – 24.1%			
Abbott Laboratories	76,795	4,130,466	5,504,233
AmerisourceBergen Corporation	26,859	2,828,182	3,097,299
Amgen Inc.	21,091	4,269,384	4,606,306
Becton, Dickinson and Company	15,503	3,473,860	4,167,804
Johnson & Johnson	13,520	2,160,441	2,372,419
Merck & Co., Inc.	48,663	3,874,206	3,438,997
UnitedHealth Group Incorporated	21,631	4,018,738	5,989,112
		24,755,277	29,176,170
Industrials – 10.7%			
3M Company	10,062	2,307,493	2,974,346
Illinois Tool Works Inc.	26,859	3,707,030	5,628,233
W.W. Grainger, Inc.	14,421	4,198,654	4,278,812
		10,213,177	12,881,391
Information Technology – 6.3%			
Automatic Data Processing, Inc.	25,536	3,114,331	3,758,369
Microchip Technology Incorporated	34,910	2,343,000	3,852,972
		5,457,331	7,611,341
Transaction Costs		(35,656)	
TOTAL INVESTMENT PORTFOLIO		101,977,271	115,308,569
OTHER ASSETS, LESS LIABILITIES – 4.6%			5,606,817
NET ASSETS – 100.0%			120,915,386

FUND SPECIFIC NOTES

For the periods indicated in Note 1

The Fund (note 1)

The Fund's investment objective is to achieve superior long term returns through capital growth by investing primarily in stocks of large capitalization U.S. corporations.

Risks associated with financial instruments (note 4)

Interest rate risk

The majority of the Fund's financial instruments were non-interest bearing as at December 31, 2017 and December 31, 2016. Accordingly, the Fund is not directly subject to significant risk due to fluctuations in the prevailing levels of market interest rates.

Currency risk

The Fund's exposure to currency risk is summarized in the tables below. Amounts shown are based on the carrying value of monetary and non-monetary assets and liabilities of the Fund, net of currency contracts, as applicable.

December 31, 2017				
Currency	Gross currency exposure (\$)	Currency contracts (\$)	Net exposure (\$)	Percentage of net assets (%)
US Dollar	119,664,713	–	119,664,713	99.0
	119,664,713	–	119,664,713	99.0

December 31, 2016				
Currency	Gross currency exposure (\$)	Currency contracts (\$)	Net exposure (\$)	Percentage of net assets (%)
US Dollar	103,286,414	–	103,286,414	99.5
	103,286,414	–	103,286,414	99.5

If the Canadian dollar strengthened or weakened by 10% in relation to all other currencies, with all other variables held constant, net assets of the Fund would have decreased or increased, respectively, by \$11,966,471 or 9.9% of net assets (December 31, 2016 – \$10,328,641 or 10.0%). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

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, underlying funds, derivatives and commodities, as applicable. As at December 31, 2017, approximately 95.4% (December 31, 2016 – 96.2%) of the Fund's net assets were exposed to price risk. If prices of these instruments 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 \$11,530,857 (December 31, 2016 – \$9,990,042). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Credit risk

The Fund had no significant exposure to bonds and debentures, money market instruments or preferred shares as at December 31, 2017 or December 31, 2016.

Concentration risk

Concentration risk arises as a result of the concentration of financial instruments 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 by carrying value as a percentage of net assets:

	Percentage of net assets (%)	
	December 31, 2017	December 31, 2016
Consumer Discretionary	15.5	12.8
Consumer Staples	17.1	19.2
Energy	8.9	7.8
Financials	12.8	12.9
Health Care	24.1	23.6
Industrials	10.7	11.5
Information Technology	6.3	8.4

Fair Value Classification (note 2)

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

December 31, 2017	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Equities	115,308,569	–	–	115,308,569
	115,308,569	–	–	115,308,569

December 31, 2016	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Equities	99,900,419	–	–	99,900,419
	99,900,419	–	–	99,900,419

Transfers between levels

During the periods ended December 31, 2017 and December 31, 2016, there were no significant transfers between Level 1 and Level 2.

Offsetting of financial assets and liabilities (note 2)

As at December 31, 2017 and December 31, 2016, the Fund did not enter into any agreement whereby the financial instruments were eligible for offset.

Interest in Underlying Funds (note 2)

The Fund did not hold any interest in Underlying Funds as at December 31, 2017 or December 31, 2016.

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

As at December 31, 2017 or December 31, 2016, there were no differences between the net asset value per unit and the net assets per unit for any series of the Fund.

Scotia Private U.S. Mid Cap Value Pool

60

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	December 31, 2017	December 31, 2016
ASSETS		
Current assets		
Investments		
Non-derivative financial assets	91,293,548	120,241,722
Cash	4,507,273	7,251,740
Subscriptions receivable	1,052,101	377,558
Accrued investment income and other	72,272	105,733
	<u>96,925,194</u>	<u>127,976,753</u>
LIABILITIES		
Current liabilities		
Redemptions payable	35,037	82,462
Accrued expenses	—	2,050
Distributions payable	—	3
	<u>35,037</u>	<u>84,515</u>
Net assets attributable to holders of redeemable units	<u>96,890,157</u>	<u>127,892,238</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Pinnacle Series	88,292,080	70,044,228
Series F	456,013	382,305
Series I	8,142,064	5,190,728
Series M	—	52,274,977
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Pinnacle Series	18.27	16.66
Series F	18.28	16.48
Series I	19.11	17.29
Series M	—	16.58

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except average units)	2017	2016
INCOME		
Net gain (loss) on investments		
Dividends	1,797,415	1,313,896
Interest for distribution purposes	38,970	23,108
Net realized gain (loss) on non-derivative financial assets	5,219,963	577,073
Change in unrealized gain (loss) on non-derivative financial assets	3,908,693	9,888,363
Net gain (loss) on investments	<u>10,965,041</u>	<u>11,802,440</u>
Securities lending (note 11)	2,776	1,831
Net realized and unrealized foreign currency translation gain (loss)	(409,490)	(899,128)
Other income	1,170	160
Total income (loss), net	<u>10,559,497</u>	<u>10,905,303</u>
EXPENSES		
Management fees (note 5)	89,348	292,178
Fixed administration fees (note 6)	396,085	310,570
Independent Review Committee fees	1,135	1,184
Interest expense and bank overdraft charges	5	12
Foreign withholding taxes/tax reclaims	169,069	184,328
Other fund costs	—	19
Harmonized Sales Tax/Goods and Services Tax	47,348	62,439
Transaction costs	60,357	80,119
Total expenses	<u>763,347</u>	<u>930,849</u>
Increase (decrease) in net assets attributable to holders of redeemable units from operations	<u>9,796,150</u>	<u>9,974,454</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Pinnacle Series	8,236,821	6,338,764
Series F	38,205	23,117
Series I	867,834	528,738
Series M	653,290	3,083,835
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT†		
Pinnacle Series	1.84	1.81
Series F	1.62	1.15
Series I	2.32	1.75
Series M	0.66	0.89
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Pinnacle Series	4,471,200	3,497,642
Series F	23,544	20,138
Series I	374,598	302,820
Series M	989,783	3,464,057

† 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)	2017	2016
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Pinnacle Series	70,044,228	13,663,796
Series F	382,305	287,289
Series I	5,190,728	1,516,440
Series M	52,274,977	57,606,342
	127,892,238	73,073,867
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Pinnacle Series	8,236,821	6,338,764
Series F	38,205	23,117
Series I	867,834	528,738
Series M	653,290	3,083,835
	9,796,150	9,974,454
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net investment income		
Pinnacle Series	(1,049,936)	(311,952)
Series F	(2,824)	(168)
Series I	(126,590)	(38,172)
Series M	—	(71,066)
	(1,179,350)	(421,358)
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Pinnacle Series	23,686,671	56,703,888
Series F	186,440	146,737
Series I	2,958,653	4,202,000
Series M	2,084,378	6,099,313
Reinvested distributions		
Pinnacle Series	1,047,507	311,448
Series F	1,887	142
Series I	126,590	38,172
Series M	—	67,718
Payments on redemption		
Pinnacle Series	(13,673,211)	(6,661,716)
Series F	(150,000)	(74,812)
Series I	(875,151)	(1,056,450)
Series M	(55,012,645)	(14,511,165)
	(39,618,881)	45,265,275
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Pinnacle Series	18,247,852	56,380,432
Series F	73,708	95,016
Series I	2,951,336	3,674,288
Series M	(52,274,977)	(5,331,365)
	(31,002,081)	54,818,371
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Pinnacle Series	88,292,080	70,044,228
Series F	456,013	382,305
Series I	8,142,064	5,190,728
Series M	—	52,274,977
	96,890,157	127,892,238

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	9,796,150	9,974,454
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(5,219,963)	(577,073)
Unrealized foreign currency translation (gain) loss	(73,681)	1,135,687
Change in unrealized (gain) loss on non-derivative financial assets	(3,908,693)	(9,888,363)
Non-cash transactions	(674,721)	—
Purchases of portfolio investments	(12,430,882)	(62,874,134)
Proceeds from sale of portfolio investments	51,182,433	22,065,876
Accrued investment income and other	33,461	(42,839)
Accrued expenses and other payables	(2,050)	2,025
Net cash provided by (used in) operating activities	38,702,054	(40,204,367)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	28,241,599	66,845,536
Amounts paid on redemption of redeemable units	(69,758,432)	(22,245,568)
Distributions to unitholders of redeemable units	(3,369)	(3,876)
Net cash provided by (used in) financing activities	(41,520,202)	44,596,092
Unrealized foreign currency translation gain (loss)	73,681	(1,135,687)
Net increase (decrease) in cash	(2,818,148)	4,391,725
Cash (bank overdraft), beginning of period	7,251,740	3,995,702
CASH (BANK OVERDRAFT), END OF PERIOD	4,507,273	7,251,740
Interest paid ⁽¹⁾	5	12
Interest received ⁽¹⁾	40,890	22,184
Dividends received, net of withholding taxes ⁽¹⁾	985,167	1,087,653

⁽¹⁾ Classified as operating items.

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2017

Issuer	Number of Shares	Average Cost (\$)	Carrying Value (\$)
EQUITIES – 94.2%			
Consumer Discretionary – 15.9%			
Carter's Inc.	20,474	2,354,071	3,021,062
Hanesbrands Inc.	44,471	1,767,204	1,167,850
Mohawk Industries, Inc.	11,427	2,562,268	3,959,496
PVH Corporation	19,455	2,406,561	3,352,533
Ross Stores, Inc.	38,831	2,375,472	3,913,629
		11,465,576	15,414,570
Energy – 2.8%			
Pioneer Natural Resources Company	12,392	2,366,804	2,690,090
Financials – 16.2%			
BankUnited	50,773	2,317,861	2,596,549
CIT Group, Inc.	27,393	1,332,989	1,693,657
East West Bancorp, Inc.	39,430	2,801,047	3,012,317
First Republic Bank	24,209	1,908,832	2,634,216
FNF Group	40,937	1,983,626	2,017,442
SEI Investments Company	41,159	2,296,895	3,714,566
		12,641,250	15,668,747
Health Care – 10.2%			
Agilent Technologies, Inc.	40,097	2,128,909	3,372,471
Becton, Dickinson and Company	14,557	2,876,434	3,913,483
Laboratory Corporation of America Holdings	13,123	2,231,631	2,628,918
		7,236,974	9,914,872
Industrials – 22.6%			
Carlisle Companies Inc.	12,885	1,553,716	1,839,119
Convanta Holding Corporation	77,049	1,667,526	1,635,346
EMCOR Group, Inc.	28,163	1,983,765	2,891,497
Hexcel Corporation	47,247	2,616,254	3,670,033
IDEX Corporation	16,912	1,605,300	2,803,016
Jacobs Engineering Group, Inc.	44,918	2,562,253	3,720,978
Roper Technologies Inc.	5,499	1,144,180	1,788,708
Snap-on Incorporated	12,969	2,825,252	2,838,964
Wabtec Corporation	7,383	739,568	755,046
		16,697,814	21,942,707
Information Technology – 10.8%			
Black Knight Inc.	12,552	674,721	695,985
Euronet Worldwide, Inc.	32,097	2,889,477	3,396,984
Genpact Limited	70,886	2,384,874	2,825,683
Keysight Technologies Inc.	68,466	2,592,232	3,577,044
		8,541,304	10,495,696
Materials – 5.3%			
Albemarle Corporation	17,212	1,457,913	2,764,547
Reliance Steel & Aluminum Company	21,943	1,710,839	2,364,224
		3,168,752	5,128,771
Real Estate – 10.4%			
Alexandria Real Estate Equities, Inc.	5,675	828,170	930,747
CB Richard Ellis Group, Inc.	78,426	3,210,776	4,265,837
Host Hotels & Resorts Inc.	78,003	1,688,323	1,944,589
Mid-America Apartment Communities Inc.	22,938	2,867,372	2,896,922
		8,594,641	10,038,095
Transaction Costs		(63,885)	
TOTAL INVESTMENT PORTFOLIO		70,649,230	91,293,548
OTHER ASSETS, LESS LIABILITIES – 5.8%			5,596,609
NET ASSETS – 100.0%			96,890,157

FUND SPECIFIC NOTES

For the periods indicated in Note 1

The Fund (note 1)

The Fund's investment objective is to achieve superior long term returns through capital growth by investing primarily in stocks of small and medium capitalization companies located in the U.S.

Risks associated with financial instruments (note 4)

Interest rate risk

The majority of the Fund's financial instruments were non-interest bearing as at December 31, 2017 and December 31, 2016. Accordingly, the Fund is not directly subject to significant risk due to fluctuations in the prevailing levels of market interest rates.

Currency risk

The Fund's exposure to currency risk is summarized in the tables below. Amounts shown are based on the carrying value of monetary and non-monetary assets and liabilities of the Fund, net of currency contracts, as applicable.

December 31, 2017				
Currency	Gross currency exposure (\$)	Currency contracts (\$)	Net exposure (\$)	Percentage of net assets (%)
US Dollar	95,805,017	–	95,805,017	98.9
	95,805,017	–	95,805,017	98.9

December 31, 2016				
Currency	Gross currency exposure (\$)	Currency contracts (\$)	Net exposure (\$)	Percentage of net assets (%)
US Dollar	127,277,175	–	127,277,175	99.5
	127,277,175	–	127,277,175	99.5

If the Canadian dollar strengthened or weakened by 10% in relation to all other currencies, with all other variables held constant, net assets of the Fund would have decreased or increased, respectively, by \$9,580,502 or 9.9% of net assets (December 31, 2016 – \$12,727,718 or 10.0%). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

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, underlying funds, derivatives and commodities, as applicable. As at December 31, 2017, approximately 94.2% (December 31, 2016 – 94.0%) of the Fund's net assets were exposed to price risk. If prices of these instruments 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 \$9,129,355 (December 31, 2016 – \$12,024,172). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Credit risk

The Fund had no significant exposure to bonds and debentures, money market instruments or preferred shares as at December 31, 2017 or December 31, 2016.

Concentration risk

Concentration risk arises as a result of the concentration of financial instruments 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 by carrying value as a percentage of net assets:

	Percentage of net assets (%)	
	December 31, 2017	December 31, 2016
Consumer Discretionary	15.9	15.2
Consumer Staples	–	3.7
Energy	2.8	2.8
Financials	16.2	15.3
Health Care	10.2	13.1
Industrials	22.6	23.4
Information Technology	10.8	7.2
Materials	5.3	5.0
Real Estate	10.4	8.3

Fair Value Classification (note 2)

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

December 31, 2017	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Equities	91,293,548	–	–	91,293,548
	91,293,548	–	–	91,293,548

December 31, 2016	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Equities	120,241,722	–	–	120,241,722
	120,241,722	–	–	120,241,722

Transfers between levels

During the periods ended December 31, 2017 and December 31, 2016, there were no significant transfers between Level 1 and Level 2.

Offsetting of financial assets and liabilities (note 2)

As at December 31, 2017 and December 31, 2016, the Fund did not enter into any agreement whereby the financial instruments were eligible for offset.

Interest in Underlying Funds (note 2)

The Fund did not hold any interest in Underlying Funds as at December 31, 2017 or December 31, 2016.

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. A difference could arise when the last traded

FUND SPECIFIC NOTES

For the periods indicated in Note 1

market price for a financial instrument is not within the bid-ask spread.

	December 31, 2017		December 31, 2016	
	Net asset value per unit (\$)	Net assets per unit (\$)	Net asset value per unit (\$)	Net assets per unit (\$)
Pinnacle Series	18.27	18.27	16.65	16.66
Series F	18.28	18.28	16.48	16.48
Series I	19.11	19.11	17.29	17.29
Series M	—	—	16.57	16.58

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	December 31, 2017	December 31, 2016
ASSETS		
Current assets		
Investments		
Non-derivative financial assets	271,690,832	112,629,734
Cash	7,627,268	4,344,816
Subscriptions receivable	1,495,302	194,620
Accrued investment income and other	114,646	62,571
	<u>280,928,048</u>	<u>117,231,741</u>
LIABILITIES		
Current liabilities		
Redemptions payable	506,268	54,281
Accrued expenses	—	966
	<u>506,268</u>	<u>55,247</u>
Net assets attributable to holders of redeemable units	<u>280,421,780</u>	<u>117,176,494</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Pinnacle Series	132,849,795	109,331,325
Series F	1,139,489	1,901,836
Series I	4,967,623	5,943,333
Series M	<u>141,464,873</u>	<u>—</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Pinnacle Series	22.62	19.21
Series F	22.11	18.89
Series I	22.72	19.32
Series M	<u>10.39</u>	<u>—</u>

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except average units)	2017	2016
INCOME		
Net gain (loss) on investments		
Dividends	1,163,603	971,819
Interest for distribution purposes	71,739	17,109
Net realized gain (loss) on non-derivative financial assets	7,290,932	3,328,296
Change in unrealized gain (loss) on non-derivative financial assets	18,919,421	(4,219,556)
Net gain (loss) on investments	<u>27,445,695</u>	<u>97,668</u>
Securities lending (note 11)	348	6,562
Net realized and unrealized foreign currency translation gain (loss)	(453,580)	38,319
Other income	498	71
Total income (loss), net	<u>26,992,961</u>	<u>142,620</u>
EXPENSES		
Management fees (note 5)	136,302	15,634
Fixed administration fees and operating expense (note 6)	343,283	270,038
Independent Review Committee fees	1,135	1,184
Interest expense and bank overdraft charges	1,149	—
Foreign withholding taxes/tax reclaims	191,001	176,097
Other fund costs	—	17
Harmonized Sales Tax/Goods and Services Tax	49,708	29,789
Transaction costs	21,936	15,379
Total expenses	<u>744,514</u>	<u>508,138</u>
Net expenses	<u>744,514</u>	<u>508,138</u>
Increase (decrease) in net assets attributable to holders of redeemable units from operations	<u>26,248,447</u>	<u>(365,518)</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Pinnacle Series	20,052,954	(350,637)
Series F	275,280	53,608
Series I	968,885	(68,489)
Series M	<u>4,951,328</u>	<u>—</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT†		
Pinnacle Series	3.47	(0.07)
Series F	3.44	0.63
Series I	3.77	(0.21)
Series M	<u>0.37</u>	<u>—</u>
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Pinnacle Series	5,771,432	5,247,923
Series F	80,103	85,137
Series I	256,701	330,010
Series M	<u>13,423,418</u>	<u>—</u>

† 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.

Scotia Private U.S. Large Cap Growth Pool (Continued)

66

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

For the periods ended December 31 (note 1),

(in dollars)	2017	2016
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Pinnacle Series	109,331,325	81,160,313
Series F	1,901,836	889,561
Series I	5,943,333	5,812,533
Series M	—	—
	<u>117,176,494</u>	<u>87,862,407</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Pinnacle Series	20,052,954	(350,637)
Series F	275,280	53,608
Series I	968,885	(68,489)
Series M	4,951,328	—
	<u>26,248,447</u>	<u>(365,518)</u>
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net investment income		
Pinnacle Series	(449,823)	(444,516)
Series I	(33,130)	(35,590)
	<u>(482,953)</u>	<u>(480,106)</u>
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Pinnacle Series	27,087,153	47,248,223
Series F	646,273	1,651,646
Series I	55,875	1,644,889
Series M	141,299,520	—
Reinvested distributions		
Pinnacle Series	447,769	442,878
Series I	33,130	35,590
Payments on redemption		
Pinnacle Series	(23,619,583)	(18,724,936)
Series F	(1,683,900)	(692,979)
Series I	(2,000,470)	(1,445,600)
Series M	(4,785,975)	—
	<u>137,479,792</u>	<u>30,159,711</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Pinnacle Series	23,518,470	28,171,012
Series F	(762,347)	1,012,275
Series I	(975,710)	130,800
Series M	141,464,873	—
	<u>163,245,286</u>	<u>29,314,087</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Pinnacle Series	132,849,795	109,331,325
Series F	1,139,489	1,901,836
Series I	4,967,623	5,943,333
Series M	141,464,873	—
	<u>280,421,780</u>	<u>117,176,494</u>

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	26,248,447	(365,518)
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(7,290,932)	(3,328,296)
Unrealized foreign currency translation (gain) loss	(115,760)	277,742
Change in unrealized (gain) loss on non-derivative financial assets	(18,919,421)	4,219,556
Purchases of portfolio investments	(157,761,259)	(42,673,644)
Proceeds from sale of portfolio investments	24,910,516	13,942,775
Accrued investment income and other	(52,075)	(27,784)
Accrued expenses and other payables	(966)	712
Net cash provided by (used in) operating activities	<u>(132,981,450)</u>	<u>(27,954,457)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	167,788,138	50,385,137
Amounts paid on redemption of redeemable units	(31,637,941)	(20,821,289)
Distributions to unitholders of redeemable units	(2,055)	(1,638)
Net cash provided by (used in) financing activities	<u>136,148,142</u>	<u>29,562,210</u>
Unrealized foreign currency translation gain (loss)	115,760	(277,742)
Net increase (decrease) in cash	3,166,692	1,607,753
Cash (bank overdraft), beginning of period	4,344,816	3,014,805
CASH (BANK OVERDRAFT), END OF PERIOD	<u>7,627,268</u>	<u>4,344,816</u>
Interest paid ⁽¹⁾	1,149	—
Interest received ⁽¹⁾	74,009	15,126
Dividends received, net of withholding taxes ⁽¹⁾	918,256	769,921

(1) Classified as operating items.

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2017

Issuer	Number of Shares	Average Cost (\$)	Carrying Value (\$)
EQUITIES – 96.9%			
Consumer Discretionary – 26.2%			
Dollar General Corporation	94,442	9,821,412	11,031,913
NIKE, Inc., Class B	225,690	13,466,256	17,729,465
O'Reilly Automotive, Inc.	49,190	12,452,723	14,860,045
Priceline Group Inc., The	6,864	13,971,184	14,980,217
Starbucks Corporation	205,354	12,590,681	14,811,464
		62,302,256	73,413,104
Consumer Staples – 4.5%			
Nestle S.A. – ADR	116,227	11,792,143	12,549,024
Health Care – 14.9%			
Align Technology Inc.	46,878	8,583,209	13,081,260
Celgene Corporation	86,524	13,554,769	11,340,355
Regeneron Pharmaceuticals, Inc.	24,687	12,526,521	11,656,441
Zoetis Inc.	62,751	5,514,303	5,677,411
		40,178,802	41,755,467
Information Technology – 51.3%			
Accenture PLC, Class A	67,702	9,473,639	13,016,803
Adobe Systems Incorporated	92,503	14,780,721	20,358,467
Alphabet Inc., Class A	3,369	3,721,590	4,457,079
Alphabet Inc., Class C	13,999	11,772,202	18,397,159
Automatic Data Processing, Inc.	98,821	12,221,133	14,544,400
Facebook Inc.	84,827	14,548,192	18,799,071
Gartner Inc., Class A	54,796	6,740,273	8,474,992
MasterCard, Inc., Class A	26,911	3,510,615	5,115,605
Microsoft Corporation	99,607	9,417,055	10,700,772
Oracle Corporation	225,755	11,997,166	13,405,125
Visa Inc.	116,648	12,062,386	16,703,764
		110,244,972	143,973,237
Transaction Costs		(31,822)	
TOTAL INVESTMENT PORTFOLIO		224,486,351	271,690,832
OTHER ASSETS, LESS LIABILITIES – 3.1%			8,730,948
NET ASSETS – 100.0%			280,421,780

FUND SPECIFIC NOTES

For the periods indicated in Note 1

The Fund (note 1)

The Fund's investment objective is to achieve superior long term returns through capital growth by investing primarily in large capitalization stocks of U.S. corporations.

Risks associated with financial instruments (note 4)

Interest rate risk

The majority of the Fund's financial instruments were non-interest bearing as at December 31, 2017 and December 31, 2016. Accordingly, the Fund is not directly subject to significant risk due to fluctuations in the prevailing levels of market interest rates.

Currency risk

The Fund's exposure to currency risk is summarized in the tables below. Amounts shown are based on the carrying value of monetary and non-monetary assets and liabilities of the Fund, net of currency contracts, as applicable.

December 31, 2017				
Currency	Gross currency exposure (\$)	Currency contracts (\$)	Net exposure (\$)	Percentage of net assets (%)
US Dollar	278,779,950	—	278,779,950	99.4
	278,779,950	—	278,779,950	99.4

December 31, 2016				
Currency	Gross currency exposure (\$)	Currency contracts (\$)	Net exposure (\$)	Percentage of net assets (%)
US Dollar	116,823,420	—	116,823,420	99.7
	116,823,420	—	116,823,420	99.7

If the Canadian dollar strengthened or weakened by 10% in relation to all other currencies, with all other variables held constant, net assets of the Fund would have decreased or increased, respectively, by \$27,877,995 or 9.9% of net assets (December 31, 2016 – \$11,682,342 or 10.0%). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

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, underlying funds, derivatives and commodities, as applicable. As at December 31, 2017, approximately 96.9% (December 31, 2016 – 96.1%) of the Fund's net assets were exposed to price risk. If prices of these instruments 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 \$27,169,083 (December 31, 2016 – \$11,262,973). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Credit risk

The Fund had no significant exposure to bonds and debentures, money market instruments or preferred shares as at December 31, 2017 or December 31, 2016.

Concentration risk

Concentration risk arises as a result of the concentration of financial instruments 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 by carrying value as a percentage of net assets:

	Percentage of net assets (%)	
	December 31, 2017	December 31, 2016
Consumer Discretionary	26.2	28.3
Consumer Staples	4.5	4.0
Health Care	14.9	13.9
Information Technology	51.3	49.9

Fair Value Classification (note 2)

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

December 31, 2017	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Equities	271,690,832	—	—	271,690,832
	271,690,832	—	—	271,690,832

December 31, 2016	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Equities	112,629,734	—	—	112,629,734
	112,629,734	—	—	112,629,734

Transfers between levels

During the periods ended December 31, 2017 and December 31, 2016, there were no significant transfers between Level 1 and Level 2.

Offsetting of financial assets and liabilities (note 2)

As at December 31, 2017 and December 31, 2016, the Fund did not enter into any agreement whereby the financial instruments were eligible for offset.

Interest in Underlying Funds (note 2)

The Fund did not hold any interest in Underlying Funds as at December 31, 2017 or December 31, 2016.

FUND SPECIFIC NOTES

For the periods indicated in Note 1

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. A difference could arise when the last traded market price for a financial instrument is not within the bid-ask spread.

	December 31, 2017		December 31, 2016	
	Net asset value per unit (\$)	Net assets per unit (\$)	Net asset value per unit (\$)	Net assets per unit (\$)
Pinnacle Series	22.49	22.49	19.20	19.21
Series F	22.19	22.19	18.88	18.89
Series I	22.80	22.80	19.31	19.32
Series M	10.44	10.44	—	—

Scotia Private International Equity Pool

70

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	December 31, 2017	December 31, 2016
ASSETS		
Current assets		
Investments		
Non-derivative financial assets	1,267,693,403	1,112,343,479
Cash	4,537,777	3,811,201
Subscriptions receivable	2,558,845	313,347
Accrued investment income and other	1,039,104	947,705
	<u>1,275,829,129</u>	<u>1,117,415,732</u>
LIABILITIES		
Current liabilities		
Redemptions payable	593,311	110,072
Accrued expenses	—	2,335
	<u>593,311</u>	<u>112,407</u>
Net assets attributable to holders of redeemable units	<u>1,275,235,818</u>	<u>1,117,303,325</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Pinnacle Series	189,340,069	157,844,724
Series F	1,411,869	1,195,624
Series I	<u>1,084,483,880</u>	<u>958,262,977</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Pinnacle Series	13.41	11.86
Series F	13.62	12.04
Series I	<u>13.80</u>	<u>12.21</u>

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except average units)	2017	2016
INCOME		
Net gain (loss) on investments		
Dividends	36,318,289	31,042,579
Interest for distribution purposes	300,032	156,407
Net realized gain (loss) on non-derivative financial assets	62,753,264	(34,128,360)
Change in unrealized gain (loss) on non-derivative financial assets	94,621,488	(1,696,119)
Change in unrealized gain (loss) on currency spots contracts	—	456
Net gain (loss) on investments	<u>193,993,073</u>	<u>(4,625,037)</u>
Securities lending (note 11)	116,250	124,419
Net realized and unrealized foreign currency translation gain (loss)	(202,342)	(552,005)
Other income	1,016	135
Total income (loss), net	<u>193,907,997</u>	<u>(5,052,488)</u>
EXPENSES		
Management fees (note 5)	12,562	13,072
Fixed administration fees (note 6)	828,007	679,242
Independent Review Committee fees	1,135	1,184
Interest expense and bank overdraft charges	8,311	2,608
Foreign withholding taxes/tax reclaims	5,064,427	4,454,231
Other fund costs	—	167
Harmonized Sales Tax/Goods and Services Tax	84,328	70,353
Transaction costs	596,532	595,430
Total expenses	<u>6,595,302</u>	<u>5,816,287</u>
Increase (decrease) in net assets attributable to holders of redeemable units from operations	<u>187,312,695</u>	<u>(10,868,775)</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Pinnacle Series	26,151,417	67,300
Series F	185,664	(33,385)
Series I	<u>160,975,614</u>	<u>(10,902,690)</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT[†]		
Pinnacle Series	1.95	0.01
Series F	1.94	(0.30)
Series I	<u>2.10</u>	<u>(0.15)</u>
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Pinnacle Series	13,402,882	11,721,341
Series F	95,914	111,645
Series I	<u>76,635,398</u>	<u>73,468,764</u>

[†] 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)	2017	2016
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Pinnacle Series	157,844,724	95,632,049
Series F	1,195,624	1,309,159
Series I	958,262,977	864,620,305
	<u>1,117,303,325</u>	<u>961,561,513</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Pinnacle Series	26,151,417	67,300
Series F	185,664	(33,385)
Series I	160,975,614	(10,902,690)
	<u>187,312,695</u>	<u>(10,868,775)</u>
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net investment income		
Pinnacle Series	(4,217,703)	(3,419,845)
Series F	(18,706)	(12,741)
Series I	(26,631,447)	(22,612,088)
From net realized gains on investments		
Pinnacle Series	(1,414,451)	—
Series F	(10,222)	—
Series I	(8,195,470)	—
	<u>(40,487,999)</u>	<u>(26,044,674)</u>
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Pinnacle Series	39,087,462	82,318,726
Series F	348,737	423,329
Series I	64,693,140	132,291,139
Reinvested distributions		
Pinnacle Series	5,611,551	3,408,974
Series F	20,466	10,208
Series I	34,826,917	22,612,088
Payments on redemption		
Pinnacle Series	(33,722,931)	(20,162,480)
Series F	(309,694)	(500,946)
Series I	(99,447,851)	(27,745,777)
	<u>11,107,797</u>	<u>192,655,261</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Pinnacle Series	31,495,345	62,212,675
Series F	216,245	(113,535)
Series I	126,220,903	93,642,672
	<u>157,932,493</u>	<u>155,741,812</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Pinnacle Series	189,340,069	157,844,724
Series F	1,411,869	1,195,624
Series I	1,084,483,880	958,262,977
	<u>1,275,235,818</u>	<u>1,117,303,325</u>

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	187,312,695	(10,868,775)
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(62,753,264)	34,128,360
Unrealized foreign currency translation (gain) loss	(2,311)	25,095
Change in unrealized (gain) loss on non-derivative financial assets	(94,621,488)	1,696,119
Change in unrealized (gain) loss on currency spot contracts	—	(456)
Non-cash transactions	(1,058,049)	—
Purchases of portfolio investments	(676,630,947)	(760,832,876)
Proceeds from sale of portfolio investments	679,713,824	566,832,975
Accrued investment income and other	(91,399)	(174,560)
Accrued expenses and other payables	(2,335)	2,153
Net cash provided by (used in) operating activities	<u>31,866,726</u>	<u>(169,191,965)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	101,883,841	214,820,862
Amounts paid on redemption of redeemable units	(132,997,237)	(48,326,303)
Distributions to unitholders of redeemable units	(29,065)	(13,404)
Net cash provided by (used in) financing activities	<u>(31,142,461)</u>	<u>166,481,155</u>
Unrealized foreign currency translation gain (loss)	2,311	(25,095)
Net increase (decrease) in cash	724,265	(2,710,810)
Cash (bank overdraft), beginning of period	3,811,201	6,547,106
CASH (BANK OVERDRAFT), END OF PERIOD	<u>4,537,777</u>	<u>3,811,201</u>
Interest paid ⁽¹⁾	8,311	2,608
Interest received ⁽¹⁾	301,250	158,373
Dividends received, net of withholding taxes ⁽¹⁾	30,103,196	26,411,824

⁽¹⁾ Classified as operating items.

Scotia Private International Equity Pool (Continued)

72

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2017

Issuer	Number of Shares	Average Cost (\$)	Carrying Value (\$)
EQUITIES – 99.4%			
Australia – 5.9%			
Aristocrat Leisure Ltd.	359,791	6,388,558	8,329,403
Caltex Australia Limited	203,434	6,386,285	6,778,492
Dexus Property Group	288,357	2,831,110	2,751,143
Fortescue Metals Group Ltd.	1,723,753	10,324,976	8,229,003
Harvey Norman Holdings Limited	994,465	4,131,136	4,056,970
Lend Lease Group	295,668	4,414,577	4,730,340
Macquarie Group Ltd.	183,359	13,152,857	17,859,220
Origin Energy Ltd.	588,457	4,320,728	5,436,988
Ramsay Health Care Limited	59,576	4,090,584	4,088,168
Rio Tinto Limited	169,685	10,725,226	12,580,775
		66,766,037	74,840,502
Austria – 0.5%			
OMV AG	85,688	4,670,222	6,818,877
Belgium – 1.7%			
KBC Groep SA NV	137,595	11,792,483	14,724,553
UCB SA	65,419	6,007,048	6,511,474
		17,799,531	21,236,027
Brazil – 0.5%			
Cia de Saneamento Basico do Estado de Sao Paulo	193,400	2,161,728	2,533,440
Qualicorp S.A.	339,300	5,041,134	3,982,159
		7,202,862	6,515,599
Denmark – 2.8%			
Danske Bank A/S	432,757	17,755,459	21,135,353
Pandora A/S	70,528	7,083,350	9,642,493
Novo Nordisk A/S, Class B	40,837	2,292,179	2,757,238
Vestas Wind Systems A/S	20,859	2,057,786	1,796,217
		29,188,774	35,331,301
Finland – 1.4%			
Nokia Oyj	1,110,636	8,544,782	6,515,870
UPM-Kymmene Oyj	277,509	6,313,384	10,815,382
		14,858,166	17,331,252
France – 9.4%			
Atos SE	56,036	5,440,884	10,245,136
AXA SA	361,902	11,279,548	13,472,636
BNP Paribas	154,051	13,833,711	14,429,704
Klepierre	265,363	15,845,829	14,657,235
LVMH Moet Hennessy Louis Vuitton SA	15,890	3,787,713	5,862,837
Renault SA	35,110	4,037,306	4,432,378
Safran SA	145,061	11,416,622	18,735,877
Sanofi	177,661	21,678,353	19,214,068
Thales SA	64,465	5,929,014	8,713,377
TOTAL SA	39,364	2,657,820	2,728,036
Valeo SA	73,450	4,528,014	6,875,148
		100,434,814	119,366,432
Germany – 8.7%			
Allianz SE	55,301	11,906,928	15,907,445
Bayer AG	39,060	5,321,483	6,101,992
Bayerische Motoren Werke AG	144,982	19,694,732	18,915,637
Continental AG	34,312	9,727,870	11,635,254
Covestro AG	131,711	11,315,318	17,010,440
Deutsche Lufthansa AG	155,628	5,204,669	7,185,741
Deutsche Telekom AG	157,592	3,664,642	3,510,446
Hochtief AG	37,010	6,144,112	8,193,067
RWE AG	185,378	4,638,650	4,748,098
SAP SE	65,310	7,025,382	9,198,290
Siemens AG	47,691	8,555,525	8,311,369
		93,199,311	110,717,779

Issuer	Number of Shares	Average Cost (\$)	Carrying Value (\$)
EQUITIES (cont'd)			
Hong Kong – 3.4%			
BOC Hong Kong Holdings Ltd.	828,000	5,013,408	5,259,822
China Shenhua Energy Co Ltd.	1,183,000	3,885,300	3,843,521
CK Hutchison Holdings Ltd.	150,500	2,391,801	2,373,129
Galaxy Entertainment Group Ltd.	619,000	4,479,110	6,216,645
HKT Trust and HKT Ltd.	2,655,000	4,763,045	4,252,291
Hongkong Electric Holdings Limited	402,000	5,165,550	4,260,881
Kingboard Chemical Holdings Ltd.	507,500	3,702,444	3,439,392
Nine Dragons Paper Holdings Ltd.	1,934,000	2,914,087	3,891,330
WH Group Ltd.	7,297,500	7,761,481	10,330,998
		40,076,226	43,868,009
Italy – 2.3%			
Ferrari NV	108,986	6,585,682	14,359,280
Snam SpA	1,011,472	6,183,223	6,220,460
Telecom Italia SpA	8,647,393	10,888,180	9,376,376
		23,657,085	29,956,116
Japan – 24.5%			
Asahi Breweries, Ltd.	151,500	5,986,815	9,437,103
Asahi Glass Co., Ltd.	94,200	5,195,586	5,119,101
Astellas Pharma Inc.	150,100	3,064,253	2,395,249
Bandai Namco Holdings Inc.	156,500	6,011,117	6,432,201
Brother Industries, Ltd.	133,900	4,255,555	4,152,491
Central Japan Railway Company	64,000	13,825,305	14,390,455
Daiwa House Industry Co., Ltd.	150,900	6,607,194	7,283,519
Fuji Electric Holdings Co., Ltd.	1,158,000	6,311,092	10,944,044
FUJIFILM Holdings Corporation	151,800	6,939,977	7,786,358
Fujitsu Ltd.	805,000	7,745,865	7,168,924
Hitachi Chemical Co., Ltd.	109,300	2,465,271	3,528,396
Honda Motor Co., Ltd.	166,400	6,038,162	7,167,909
Hoya Corporation	242,200	15,142,223	15,205,257
JTEKT Corporation	302,700	6,650,748	6,537,216
Kajima Corporation	459,000	4,169,115	5,542,451
Kao Corporation	189,600	10,832,504	16,112,252
KDDI Corporation	366,800	10,714,988	11,473,893
Kirin Holdings Co., Ltd.	477,900	11,875,226	15,106,860
Lion Corporation	167,500	3,948,070	3,972,865
MEIJI Holdings Co., Ltd.	37,900	5,066,770	4,046,560
Miraca Holdings Inc.	63,700	3,722,861	3,427,916
Mitsubishi Corporation	441,200	13,178,562	15,319,713
Mitsubishi Electric Corporation	501,700	7,481,824	10,473,527
Mitsubishi Gas Chemical Co., Inc.	232,000	8,063,059	8,385,630
Mixi Inc.	62,800	5,143,674	3,544,130
MS & AD Insurance Group Holdings, Inc.	287,600	12,264,127	12,235,021
Nippon Telegraph and Telephone Corporation	55,600	2,904,969	3,287,111
Obayashi Corporation	452,500	6,586,958	6,874,886
ORIX Corporation	456,200	7,329,661	9,691,334
Shionogi & Co., Ltd.	235,700	11,567,127	16,011,058
Sompo Japan Nipponkoa Holdings Inc.	83,300	4,186,227	4,034,980
Sumitomo Chemical Co., Ltd.	1,791,000	12,378,928	16,182,778
Sumitomo Corporation	208,200	3,503,013	4,433,891
Sumitomo Dainippon Pharma Co., Ltd.	200,500	3,420,923	3,743,659
Teijin Ltd.	163,300	3,759,484	4,572,125
Toho Co Ltd.	90,800	3,506,644	3,951,472
Tohoku Electric Power Company Inc.	186,100	3,164,712	2,990,824
Tokyo Electron Ltd.	34,400	4,118,816	7,741,953
Yamaha Corporation	240,800	8,833,393	11,096,775
		267,960,798	311,801,887
Netherlands – 2.4%			
ABN AMRO Group NV	330,627	10,443,602	13,363,036
ING Groep NV	152,811	3,448,029	3,531,812
Koninklijke Ahold Delhaize NV	269,821	6,774,233	7,438,288

FOREIGN EQUITY FUNDS

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2017

Issuer	Number of Shares	Average Cost (\$)	Carrying Value (\$)
EQUITIES (cont'd)			
Netherlands (cont'd)			
Randstand Holding NV	78,683	6,087,504	6,063,786
		26,753,368	30,396,922
Norway – 0.3%			
Marine Harvest ASA	205,758	4,227,790	4,376,817
Singapore – 0.3%			
Genting Singapore PLC	2,616,900	2,738,286	3,212,860
South Korea – 2.0%			
KB Financial Group Inc.	158,015	7,903,606	11,779,890
Samsung Electronics Co., Ltd.	3,157	6,369,123	9,457,130
SK Telecom Co., Ltd.	15,170	4,403,794	4,772,182
		18,676,523	26,009,202
Spain – 3.2%			
Aena S.A.	50,178	8,425,638	12,759,153
Distribuidora Internacional de Alimentacion S.A.	421,347	3,242,231	2,728,524
Red Electrica Corporation S.A.	296,207	7,952,709	8,342,533
Repsol S.A.	756,896	15,667,069	16,802,274
Repsol S.A., Rights Jan 05, 2018	756,896	443,297	360,273
		35,730,944	40,992,757
Sweden – 1.6%			
Atlas Copco AB, Class A	172,403	5,851,158	9,344,067
Skandinaviska Enskilda Banken AB	711,802	10,678,691	10,493,398
		16,529,849	19,837,465
Switzerland – 6.2%			
Adecco SA	37,028	3,508,896	3,555,149
Baloise Holding AG	26,710	5,343,735	5,222,071
LafargeHolcim Ltd.	100,612	7,579,239	7,121,098
Nestle SA	133,546	12,976,602	14,416,247
Novartis AG	120,442	12,671,526	12,791,308
Partners Group Holding AG	10,054	5,598,166	8,654,555
Roche Holdings AG	14,394	4,745,041	4,573,728
Straumann Holding AG	4,046	2,962,106	3,587,529
Swiss Life Holding AG	28,906	8,326,019	12,852,119
Swisscom AG	10,235	6,309,477	6,834,415
		70,020,807	79,608,219
United Kingdom – 17.3%			
3i Group PLC	1,367,946	13,058,674	21,185,499
Auto Trader Group PLC	947,733	6,059,787	5,652,411
Barclays PLC	2,718,384	10,254,756	9,312,543
Carnival PLC	100,884	6,728,323	8,334,076
Diageo PLC	143,511	5,406,748	6,599,036
GlaxoSmithKline PLC	883,428	24,153,634	19,632,700
Glencore PLC	873,698	3,875,551	5,775,474
HSBC Holdings PLC	1,147,157	13,544,946	14,864,288
Intertek Group PLC	54,576	3,428,175	4,803,252
ITV PLC	1,808,000	4,588,238	5,057,484
Legal & General Group PLC	889,000	3,979,177	4,111,514
Lloyds Banking Group PLC	21,144,642	24,360,475	24,326,848
Persimmon PLC	276,096	9,286,924	12,810,244
Petrofac Limited	799,629	12,607,025	6,914,846
Reckitt Benkiser Group PLC	93,348	9,309,886	10,955,395
RELX PLC	345,271	7,610,965	10,163,052
Taylor Wimpey PLC	1,189,967	3,604,999	4,164,874
Tesco PLC	2,320,000	7,291,361	8,231,427
TUI AG	158,206	3,068,550	4,115,676
Unilever PLC	304,095	17,252,095	21,166,529
WPP Group PLC	570,891	16,778,949	12,998,928
		206,249,238	221,176,096

Issuer	Number of Shares	Average Cost (\$)	Carrying Value (\$)
EQUITIES (cont'd)			
United States – 5.0%			
Check Point Software Technologies Ltd.	97,730	12,762,583	12,718,254
ICON PLC	30,642	3,676,628	4,315,910
iShares MSCI EAFE ETF	294,650	25,775,388	26,018,338
NetEase, Inc.	27,686	5,729,820	11,998,403
Taro Pharmaceutical Industries Ltd.	27,244	5,537,855	3,582,738
Ternium S.A. – ADR	142,805	4,129,771	5,665,641
		57,612,045	64,299,284
Transaction Costs		(512,686)	
TOTAL INVESTMENT PORTFOLIO		1,103,839,990	1,267,693,403
OTHER ASSETS, LESS LIABILITIES – 0.6%			7,542,415
NET ASSETS – 100.0%			1,275,235,818

Scotia Private International Equity Pool (Continued)

74

FUND SPECIFIC NOTES

For the periods indicated in Note 1

The Fund (note 1)

The Fund's investment objective is to achieve long term returns through capital growth by investing primarily in large capitalization stocks of companies in Europe, Australia and the Far East.

Risks associated with financial instruments (note 4)

Interest rate risk

The majority of the Fund's financial instruments were non-interest bearing as at December 31, 2017 and December 31, 2016. Accordingly, the Fund is not directly subject to significant risk due to fluctuations in the prevailing levels of market interest rates.

Currency risk

The Fund's exposure to currency risk is summarized in the tables below. Amounts shown are based on the carrying value of monetary and non-monetary assets and liabilities of the Fund, net, of currency contracts, as applicable.

December 31, 2017				
Currency	Gross currency exposure (\$)	Currency contracts (\$)	Net exposure (\$)	Percentage of net assets (%)
European Euro	376,489,438	—	376,489,438	29.5
Japanese Yen	312,303,638	—	312,303,638	24.5
British Pound	221,646,460	—	221,646,460	17.4
Swiss Franc	79,608,220	—	79,608,220	6.2
Australian Dollar	74,887,399	—	74,887,399	5.9
US Dollar	64,659,558	—	64,659,558	5.1
Hong Kong Dollar	43,960,034	—	43,960,034	3.4
Danish Krone	35,331,306	—	35,331,306	2.8
South Korean Won	26,009,202	—	26,009,202	2.0
Swedish Krona	19,837,465	—	19,837,465	1.6
Brazilian Real	6,573,053	—	6,573,053	0.5
Norwegian Krone	4,376,817	—	4,376,817	0.3
Singapore Dollar	3,212,860	—	3,212,860	0.3
	1,268,895,450	—	1,268,895,450	99.5

December 31, 2016				
Currency	Gross currency exposure (\$)	Currency contracts (\$)	Net exposure (\$)	Percentage of net assets (%)
European Euro	313,023,383	—	313,023,383	28.0
Japanese Yen	258,814,020	—	258,814,020	23.2
British Pound	180,839,015	—	180,839,015	16.2
Swiss Franc	89,538,047	—	89,538,047	8.0
Australian Dollar	62,606,917	—	62,606,917	5.6
US Dollar	48,440,951	—	48,440,951	4.3
Danish Krone	38,252,733	—	38,252,733	3.4
Swedish Krona	28,716,041	—	28,716,041	2.6
Hong Kong Dollar	23,346,841	—	23,346,841	2.1
South African Rand	13,367,351	—	13,367,351	1.2
Singapore Dollar	12,045,240	—	12,045,240	1.1
Israel Shekel	9,519,785	—	9,519,785	0.9
Mexican Peso	8,558,624	—	8,558,624	0.8
South Korean Won	6,386,802	—	6,386,802	0.6
Thai Baht	5,128,249	—	5,128,249	0.5
Taiwan Dollar	4,896,401	—	4,896,401	0.4
Norwegian Krone	4,320,976	—	4,320,976	0.4
Brazilian Real	2,367,048	—	2,367,048	0.2
Hungary Forint	2,334,257	—	2,334,257	0.2
	1,112,502,681	—	1,112,502,681	99.7

If the Canadian dollar strengthened or weakened by 10% in relation to all other currencies, with all other variables held constant, net assets of the Fund would have decreased or increased, respectively, by \$126,889,545 or 9.9% of net assets (December 31, 2016 – \$111,250,268

or 10.0%). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

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, underlying funds, derivatives and commodities, as applicable. As at December 31, 2017, approximately 99.4% (December 31, 2016 – 99.6%) of the Fund's net assets were exposed to price risk. If prices of these instruments 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 \$126,769,340 (December 31, 2016 – \$111,234,348). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Credit risk

The Fund had no significant exposure to bonds and debentures, money market instruments or preferred shares as at December 31, 2017 or December 31, 2016.

Concentration risk

Concentration risk arises as a result of the concentration of financial instruments 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 by carrying value as a percentage of net assets:

Percentage of net assets (%)		
	December 31, 2017	December 31, 2016
Australia	5.9	5.6
Austria	0.5	2.0
Belgium	1.7	0.4
Brazil	0.5	0.2
Denmark	2.8	3.4
Finland	1.4	2.3
France	9.4	9.6
Germany	8.7	7.6
Hong Kong	3.4	2.1
Hungary	—	0.2
Ireland	—	0.4
Israel	—	0.9
Italy	2.3	1.3
Japan	24.5	22.8
Mexico	—	0.8
Netherlands	2.4	2.0
Norway	0.3	0.4
Portugal	—	0.4
Singapore	0.3	1.4
South Africa	—	1.2
South Korea	2.0	0.6
Spain	3.2	1.9
Sweden	1.6	2.6
Switzerland	6.2	8.0
Taiwan	—	0.4
Thailand	—	0.5
United Kingdom	17.3	16.3
United States	5.0	4.3

FUND SPECIFIC NOTES

For the periods indicated in Note 1

Fair Value Classification (note 2)

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

December 31, 2017	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Equities	64,299,284	1,203,033,846	–	1,267,333,130
Warrants, rights and options	–	360,273	–	360,273
	64,299,284	1,203,394,119	–	1,267,693,403

December 31, 2016	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Equities	56,999,575	1,055,343,904	–	1,112,343,479
	56,999,575	1,055,343,904	–	1,112,343,479

Transfers between levels

During the periods ended December 31, 2017 and December 31, 2016, there were no significant transfers between Level 1 and Level 2.

Offsetting of financial assets and liabilities (note 2)

As at December 31, 2017 and December 31, 2016, the Fund did not enter into any agreement whereby the financial instruments were eligible for offset.

Interest in Underlying Funds (note 2)

The following tables present the percentage of the Underlying Funds owned by the Fund.

Underlying Fund	December 31, 2017	
	Carrying value of the Underlying Fund (\$)	Ownership percentage in Underlying Fund (%)
iShares MSCI EAFE ETF	26,018,338	0.0
	26,018,338	

Underlying Fund	December 31, 2016	
	Carrying value of the Underlying Fund (\$)	Ownership percentage in Underlying Fund (%)
iShares MSCI EAFE ETF	22,113,728	0.0
	22,113,728	

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

As at December 31, 2017 or December 31, 2016, there were no differences between the net asset value per unit and the net assets per unit for any series of the Fund.

Scotia Private International Small to Mid Cap Value Pool

76

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	December 31, 2017	December 31, 2016
ASSETS		
Current assets		
Investments		
Non-derivative financial assets	74,656,701	58,561,359
Unrealized gain on currency spot contracts	78	—
Cash	882,864	466,477
Receivable for securities sold	15,756	7,272
Subscriptions receivable	620,442	104,454
Accrued investment income and other	76,584	52,270
	<u>76,252,425</u>	<u>59,191,832</u>
LIABILITIES		
Current liabilities		
Payable for securities purchased	81,092	—
Redemptions payable	40,170	21,118
Accrued expenses	—	878
Distributions payable	—	73
	<u>121,262</u>	<u>22,069</u>
Net assets attributable to holders of redeemable units	<u>76,131,163</u>	<u>59,169,763</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Pinnacle Series	74,114,867	56,746,676
Series F	586,403	658,376
Series I	<u>1,429,893</u>	<u>1,764,711</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Pinnacle Series	34.80	27.42
Series F	35.40	27.61
Series I	<u>35.54</u>	<u>27.81</u>

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except average units)	2017	2016
INCOME		
Net gain (loss) on investments		
Dividends	1,575,961	1,298,143
Interest for distribution purposes	5,668	2,858
Net realized gain (loss) on non-derivative financial assets	5,146,530	2,597,832
Change in unrealized gain (loss) on non-derivative financial assets	10,750,427	(4,233,198)
Change in unrealized gain (loss) on currency spots contracts	78	707
Net gain (loss) on investments	<u>17,478,664</u>	<u>(333,658)</u>
Securities lending (note 11)	979	3,202
Net realized and unrealized foreign currency translation gain (loss)	(17,458)	(27,352)
Other income	257	13
Total income (loss), net	<u>17,462,442</u>	<u>(357,795)</u>
EXPENSES		
Management fees (note 5)	6,777	6,739
Fixed administration fees (note 6)	325,613	256,441
Independent Review Committee fees	1,135	1,184
Interest expense and bank overdraft charges	1,247	58
Foreign withholding taxes/tax reclaims	200,889	168,994
Other fund costs	—	9
Harmonized Sales Tax/Goods and Services Tax	31,064	25,853
Transaction costs	70,261	81,499
Total expenses	<u>636,986</u>	<u>540,777</u>
Increase (decrease) in net assets attributable to holders of redeemable units from operations	<u>16,825,456</u>	<u>(898,572)</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Pinnacle Series	16,225,461	(819,036)
Series F	166,934	(21,006)
Series I	<u>433,061</u>	<u>(58,530)</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT[†]		
Pinnacle Series	7.84	(0.44)
Series F	7.69	(0.84)
Series I	<u>8.42</u>	<u>(0.85)</u>
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Pinnacle Series	2,070,120	1,882,459
Series F	21,701	24,920
Series I	<u>51,410</u>	<u>68,542</u>

[†] 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)	2017	2016
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Pinnacle Series	56,746,676	46,951,423
Series F	658,376	667,641
Series I	1,764,711	2,242,981
	59,169,763	49,862,045
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Pinnacle Series	16,225,461	(819,036)
Series F	166,934	(21,006)
Series I	433,061	(58,530)
	16,825,456	(898,572)
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net investment income		
Pinnacle Series	(965,120)	(806,373)
Series F	(1,608)	(4,651)
Series I	(24,790)	(31,765)
	(991,518)	(842,789)
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Pinnacle Series	15,791,806	20,877,795
Series F	133,763	180,877
Series I	13,860	30,260
Reinvested distributions		
Pinnacle Series	960,633	802,754
Series F	1,220	4,092
Series I	24,790	31,765
Payments on redemption		
Pinnacle Series	(14,644,589)	(10,259,887)
Series F	(372,282)	(168,577)
Series I	(781,739)	(450,000)
	1,127,462	11,049,079
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Pinnacle Series	17,368,191	9,795,253
Series F	(71,973)	(9,265)
Series I	(334,818)	(478,270)
	16,961,400	9,307,718
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Pinnacle Series	74,114,867	56,746,676
Series F	586,403	658,376
Series I	1,429,893	1,764,711
	76,131,163	59,169,763

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	16,825,456	(898,572)
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(5,146,530)	(2,597,832)
Unrealized foreign currency translation (gain) loss	(335)	8,531
Change in unrealized (gain) loss on non-derivative financial assets	(10,750,427)	4,233,198
Change in unrealized (gain) loss on currency spot contracts	(78)	(707)
Non-cash transactions	(65,068)	(4,228)
Purchases of portfolio investments	(36,399,497)	(49,733,152)
Proceeds from sale of portfolio investments	36,338,787	39,274,427
Accrued investment income and other	(24,314)	(22,579)
Accrued expenses and other payables	(878)	695
Net cash provided by (used in) operating activities	777,116	(9,740,219)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	15,423,441	21,004,496
Amounts paid on redemption of redeemable units	(15,779,558)	(10,860,943)
Distributions to unitholders of redeemable units	(4,947)	(4,105)
Net cash provided by (used in) financing activities	(361,064)	10,139,448
Unrealized foreign currency translation gain (loss)	335	(8,531)
Net increase (decrease) in cash	416,052	399,229
Cash (bank overdraft), beginning of period	466,477	75,779
CASH (BANK OVERDRAFT), END OF PERIOD	882,864	466,477
Interest paid ⁽¹⁾	1,247	58
Interest received ⁽¹⁾	5,892	2,812
Dividends received, net of withholding taxes ⁽¹⁾	1,285,096	1,104,070

⁽¹⁾ Classified as operating items.

Scotia Private International Small to Mid Cap Value Pool (Continued)

78

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2017

Issuer	Number of Shares	Average Cost (\$)	Carrying Value (\$)
EQUITIES – 98.2%			
Australia – 4.9%			
Amaysim Australia Ltd.	138,293	281,607	269,482
Beach Energy Limited	558,071	314,901	681,569
BT Investment Management Ltd.	30,137	348,648	332,342
Charter Hall Group	80,116	370,916	471,696
CSR Ltd.	92,453	340,859	430,445
Metcash Ltd	97,674	261,369	297,999
Mineral Resources Ltd.	19,442	107,485	402,017
OZ Minerals Ltd.	26,653	131,746	238,851
Seven Group Holdings Ltd.	18,674	194,646	279,095
Star Entertainment Group Ltd., The	52,195	294,378	310,027
		2,646,555	3,713,523
Belgium – 0.5%			
Warehouses De Pauw SCA	2,631	285,653	370,242
Canada – 7.5%			
Air Canada	15,626	166,095	404,401
Algonquin Power & Utilities Corporation	21,547	232,643	302,951
Avigilon Corporation	12,691	258,726	267,653
BRP Inc.	6,718	210,958	312,454
Canadian Apartment Properties Real Estate Investment Trust	7,667	170,258	286,132
Enerflex Ltd.	10,550	176,956	161,837
Gran Tierra Energy, Inc.	85,643	312,741	292,043
HudBay Minerals, Inc.	27,386	282,571	304,806
IAMGOLD Corporation	63,552	403,752	465,836
Interfor Corporation	13,571	209,180	286,620
Laurentian Bank of Canada	5,730	296,121	323,917
Maxar Technologies Ltd.	3,249	253,503	262,909
Parex Resources Inc.	27,912	299,611	506,882
Premium Brands Holdings Corporation	3,930	254,127	405,419
Tamarack Valley Energy Ltd.	105,890	295,884	302,845
Trican Well Service Ltd.	45,695	213,017	186,436
Tricon Capital Group Inc.	24,782	237,686	286,232
WSP Global Inc.	5,226	266,947	313,090
		4,540,776	5,672,463
Denmark – 1.3%			
GN Store Nord A/S	8,586	251,968	348,480
Jyske Bank A/S	2,787	173,998	198,699
Royal Unibrew A/S	5,855	363,159	439,911
		789,125	987,090
Finland – 0.9%			
Cramo Oyj Class B	12,670	336,921	376,826
Valmet Oyj	12,728	212,188	315,030
		549,109	691,856
France – 7.8%			
Alten SA	2,929	208,160	306,999
Arkema SA	3,862	424,505	589,474
Eiffage SA	4,747	490,339	653,308
Elis SA	6,387	217,939	221,471
Eurofins Scientific SE	312	256,310	238,611
Euronext NV	6,785	303,547	528,807
Faurecia	4,475	318,838	438,320
Ipsen SA	4,608	374,726	691,331
Nexity SA	5,419	270,912	405,132
SCOR SE	4,634	225,814	234,189
SEB SA	1,072	178,716	249,475
Teleperformance	4,320	270,646	776,671
Television Francaise 1	12,714	196,152	234,791
Worldline SA	6,401	346,318	390,103
		4,082,922	5,958,682

Issuer	Number of Shares	Average Cost (\$)	Carrying Value (\$)
EQUITIES (cont'd)			
Germany – 8.3%			
Aareal Bank AG	4,236	197,438	240,795
Alstria Office Real Estate Investment Trust AG	18,358	340,333	356,110
Bechtle AG	3,251	225,679	338,910
Carl Zeiss Meditec AG	5,079	304,903	395,451
Dialog Semiconductor PLC	4,366	240,139	169,862
Duerr AG	4,410	288,583	705,558
Freenet AG	5,679	117,948	263,105
Gerresheimer AG	2,443	252,823	253,649
Kloeckner & Co SE	15,091	221,612	233,021
LANXESS AG	3,420	274,126	341,559
MTU Aero Engines AG	1,678	275,520	376,966
Rheinmetall AG	2,064	280,698	329,195
SAF-Holland SA	13,401	191,888	361,175
Stabilus SA	5,303	255,456	599,164
TAG Immobilien AG	20,662	360,113	492,178
VTG AG	3,222	85,576	231,203
Wirecard AG	4,449	627,376	623,886
		4,240,211	6,311,787
Hong Kong – 1.8%			
Fortune Real Estate Investment Trust	151,000	211,454	234,510
Luk Fook Holdings International Ltd.	45,000	252,833	242,252
Nexteer Automotive Group Ltd.	141,000	253,104	421,171
Tongda Group Holdings Ltd.	810,000	177,625	260,091
Towngas China Co., Ltd.	215,000	226,478	217,035
		1,121,494	1,375,059
Ireland – 0.3%			
Dalata Hotel Group PLC	27,008	234,362	256,214
Italy – 3.4%			
A2A SpA	173,971	247,818	403,969
Amplifon SpA	31,488	259,739	608,519
Banca Generali SpA	5,044	223,969	210,481
Brembo SpA	39,785	223,146	759,664
Cerved Information Solutions SpA	14,501	228,491	231,311
Infrastrutture Wireless Italiane SpA	42,140	286,909	393,604
		1,470,072	2,607,548
Japan – 24.0%			
Asahi Intecc Co., Ltd.	8,200	221,968	353,485
CKD Corporation	17,000	207,807	480,045
Daifuku Co., Ltd.	6,600	153,771	451,123
DAIHEN Corporation	32,000	184,256	381,225
Daikyonishikawa Corporation	13,900	248,688	282,788
DCM Holdings Co., Ltd.	16,000	152,660	187,365
Denka Co., Ltd.	11,400	377,475	573,115
Doutor Nichires Holdings Co., Ltd.	14,800	295,290	458,969
Dowa Holdings Co., Ltd.	3,900	207,121	200,118
Foster Electric Co., Ltd.	7,200	243,398	224,120
Fuji Oil Holdings Inc.	6,400	213,007	234,698
Fujikura Ltd.	17,900	211,108	198,480
Horiba Ltd.	3,200	221,131	241,692
IT Holdings Corporation	9,700	331,836	425,803
Jafco Co., Ltd.	3,600	235,180	260,750
Japan Hotel REIT Investment Corporation	296	306,357	249,532
JCR Pharmaceuticals Co., Ltd.	4,200	245,622	248,800
Kanamoto Co., Ltd.	7,300	266,939	284,526
Macromill Inc.	6,600	162,082	197,926
Maeda Corporation	25,400	259,615	438,850
Makino Milling Machine Co., Ltd.	20,000	255,522	254,587
Mandom Corporation	10,200	309,898	418,850
Matsumotokiyoshi Holdings Co., Ltd.	9,800	301,435	505,269
Musashi Seimitsu Industry Co., Ltd.	5,300	201,111	212,451

FOREIGN EQUITY FUNDS

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

Portfolio Adviser: Victory Capital Management

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2017

Issuer	Number of Shares	Average Cost (\$)	Carrying Value (\$)	Issuer	Number of Shares	Average Cost (\$)	Carrying Value (\$)
EQUITIES (cont'd)				EQUITIES (cont'd)			
Japan (cont'd)				Spain – 1.5%			
NET One Systems Co., Ltd.	23,000	309,047	441,464	Bankinter S.A.	29,846	248,784	354,834
Nippon Accommodations Fund Inc.	59	288,021	305,509	Enagas S.A.	9,191	350,237	330,234
Nippon Shinyaku Co., Ltd.	2,800	184,592	261,393	Melia Hotels International S.A.	12,526	223,623	216,809
Nippon Suisan Kaisha Ltd.	57,100	418,797	375,088	Merlin Properties Socimi S.A.	14,047	200,878	238,869
Nissha Printing Co., Ltd.	5,100	183,338	185,544			1,023,522	1,140,746
North Pacific Bank Ltd.	68,200	265,824	286,318				
Open House Co., Ltd.	8,200	299,706	553,254	Sweden – 3.4%			
Outsourcing Inc.	20,300	188,249	464,472	Com Hem Holding AB	16,965	228,509	326,297
PALTAC CORPORATION	8,400	342,365	481,026	Dometic Group AB	30,511	339,252	390,546
Penta-Ocean Construction Co Ltd.	38,300	283,123	358,831	Intrum Justitia AB	5,024	211,776	233,556
Prima Meat Packers Ltd.	24,000	205,094	220,916	Oriflame Holding AG	4,916	253,863	254,864
Round One Corporation	18,600	183,048	391,734	Scandic Hotels Group AB	18,172	242,296	327,783
Ryobi Limited	7,300	188,437	260,635	SSAB Svenskt Staal AB, Series B	72,019	373,452	404,335
Saizeriya Co., Ltd.	5,700	220,857	239,666	Swedish Orphan Biovitrum AB	10,180	223,149	175,363
Sanwa Shutter Corporation	36,700	255,415	634,917	Wihlborgs Fastigheter AB	14,878	334,355	447,233
Seino Transportation Co., Ltd.	20,100	232,125	399,934			2,206,652	2,559,977
Shiga Bank, Ltd., The	53,000	359,418	339,702				
Ship Healthcare Holdings Inc.	6,300	223,316	262,464	Switzerland – 4.8%			
Showa Denko KK	6,900	288,320	369,842	Barry Callebaut AG	99	225,437	259,098
Starts Corporation Inc.	8,200	238,624	269,436	GAM Holding AG	10,784	218,382	218,313
Sumitomo Bakelite Co Ltd.	36,000	261,122	380,703	Georg Fischer AG	473	416,582	783,712
Sumitomo Forestry Co., Ltd.	17,000	187,041	382,291	Helvetia Holding AG	263	121,446	185,722
Sun Frontier Fudousan Co., Ltd.	16,600	215,421	236,875	Julius Baer Group Ltd.	5,213	326,794	400,367
Takasago Thermal Engineering Co., Ltd.	9,600	207,152	221,120	Logitech International SA	14,201	231,825	601,617
Toda Corporation	27,000	203,627	271,903	Straumann Holding AG	659	265,167	584,326
Tokyo Seimitsu Co., Ltd.	7,100	156,924	350,705	Swiss Life Holding AG	1,387	193,770	616,685
Tokyo Steel Manufacturing Co., Ltd.	30,800	293,339	347,309			1,999,403	3,649,840
Ulvac Inc.	4,700	306,639	369,306				
UT Group Co., Ltd.	10,300	213,225	374,933	Thailand – 0.5%			
Zenkoku Hosho Co., Ltd.	8,000	407,312	432,961	TES Co., Ltd.	8,856	205,568	396,133
		13,422,795	18,234,818				
Netherlands – 3.0%				United Kingdom – 16.6%			
AMG Advanced Metallurgical Group NV	5,525	208,249	348,621	Hays PLC	119,881	329,237	368,775
ASM International NV	2,848	238,076	241,726	Auto Trader Group PLC	37,919	266,505	226,154
ASR Nederland NV	6,690	212,807	345,585	B&M European Value Retail SA	43,501	295,509	311,671
BE Semiconductor Industries NV	5,029	211,454	527,768	Beazley PLC	29,496	131,404	265,699
Philips Lighting NV	7,383	253,798	340,380	Bellway PLC	5,711	285,643	345,057
PostNL NV	30,448	158,776	186,666	Cairn Energy PLC	57,626	226,913	207,275
TKH Group NV	3,761	154,001	299,782	Cineworld Group PLC	18,871	143,670	192,286
		1,437,161	2,290,528	Clinigen Group PLC	25,590	321,437	445,865
				Coca-Cola HBC AG	7,951	344,557	324,939
New Zealand – 0.5%				Computacenter PLC	15,329	259,705	298,550
Summerset Group Holdings Ltd.	76,874	295,336	376,498	Costain Group PLC	29,293	180,181	232,397
				DS Smith PLC	26,389	120,650	230,595
Norway – 0.3%				Electrocomponents PLC	34,227	182,233	363,232
Sbanken ASA	15,646	214,053	193,952	Entertainment One Ltd.	63,523	319,767	349,507
				Grafton Group PLC	19,337	234,232	262,859
Singapore – 1.0%				Greggs PLC	13,811	185,114	326,213
Mapletree Industrial Trust	174,978	250,096	333,873	Hill & Smith Holdings PLC	5,611	110,410	127,043
Venture Corporation Ltd.	21,000	322,353	403,184	lbstock PLC	49,711	212,700	224,810
		572,449	737,057	Inchcape PLC	15,431	204,423	204,405
				Intermediate Capital Group PLC	21,984	318,056	425,903
South Korea – 4.1%				JD Sports Fashion PLC	54,948	261,064	313,010
Chong Kun Dang Pharmaceutical Corporation	1,670	270,974	272,133	Jupiter Fund Management PLC	51,288	418,197	546,488
DuzonBizon Co., Ltd.	8,357	243,632	327,247	Just Group PLC	90,929	235,514	260,437
GS Home Shopping Inc.	1,188	284,987	303,510	Keller Group PLC	16,563	241,065	271,880
KIWOOM Securities Co., Ltd.	4,071	270,504	419,733	Ladbroke Coral Group PLC	70,029	176,700	215,205
Korea United Pharm Inc.	6,654	229,482	238,362	LondonMetric Property PLC	47,827	151,261	150,810
LS Industrial Systems Co., Ltd.	4,273	281,084	326,919	Moneysupermarket.com	34,001	234,958	205,207
Poongsan Corporation	5,394	188,962	301,622	National Express Group PLC	51,887	294,835	334,448
SFA Engineering Corporation	6,769	229,677	307,923	Northgate PLC	28,962	280,217	186,840
SKC Co., Ltd.	6,358	253,792	351,450	Redrow PLC	31,231	275,900	347,598
SL Corporation	9,890	216,828	285,268	Rentokil Initial PLC	54,791	189,302	294,520
		2,469,922	3,134,167				

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2017

Issuer	Number of Shares/ Number of Units	Average Cost (\$)	Carrying Value (\$)
EQUITIES (cont'd)			
United Kingdom (cont'd)			
RPC Group PLC	14,953	222,690	222,240
Safestore Holdings PLC	48,047	322,152	407,035
Synthomer PLC	52,928	382,508	438,505
Tate & Lyle PLC	29,427	364,527	350,731
TP ICAP PLC	35,961	291,023	323,609
Unite Group PLC	25,039	205,240	341,742
United Drug PLC	35,492	247,791	507,453
Vesuvius PLC	33,707	316,288	332,341
Virgin Money Holdings UK PLC	60,591	292,672	291,097
Wizz Air Holdings PLC	9,497	356,720	590,251
		<u>10,432,970</u>	<u>12,664,682</u>
United States – 1.8%			
Canada Goose Holdings Inc.	10,424	255,724	413,169
Ferroglobe PLC	6,149	130,931	125,105
SodaStream International Ltd.	2,623	223,973	231,716
Vanguard FTSE Developed Markets ETF	10,008	566,191	563,849
		<u>1,176,819</u>	<u>1,333,839</u>
Transaction Costs		<u>(54,332)</u>	
TOTAL INVESTMENT PORTFOLIO		<u>55,362,597</u>	<u>74,656,701</u>
OTHER ASSETS, LESS LIABILITIES – 1.8%			<u>1,474,462</u>
NET ASSETS – 100.0%			<u>76,131,163</u>

FUND SPECIFIC NOTES

For the periods indicated in Note 1

The Fund (note 1)

The Fund's investment objective is to achieve superior long term returns through capital growth by investing in stocks of small and medium capitalization corporations in Europe, Australia and the Far East.

Risks associated with financial instruments (note 4)

Interest rate risk

The majority of the Fund's financial instruments were non-interest bearing as at December 31, 2017 and December 31, 2016. Accordingly, the Fund is not directly subject to significant risk due to fluctuations in the prevailing levels of market interest rates.

Currency risk

The Fund's exposure to currency risk is summarized in the tables below. Amounts shown are based on the carrying value of monetary and non-monetary assets and liabilities of the Fund, net of currency contracts, as applicable.

December 31, 2017				
Currency	Gross currency exposure (\$)	Currency contracts (\$)	Net exposure (\$)	Percentage of net assets (%)
European Euro	19,629,854	—	19,629,854	25.8
Japanese Yen	18,274,394	—	18,274,394	24.0
British Pound	12,689,236	—	12,689,236	16.7
Australian Dollar	3,729,209	—	3,729,209	4.9
Swiss Franc	3,649,839	—	3,649,839	4.8
South Korean Won	3,533,554	—	3,533,554	4.6
Swedish Krona	2,559,975	—	2,559,975	3.4
Hong Kong Dollar	1,375,059	—	1,375,059	1.8
US Dollar	1,335,190	—	1,335,190	1.8
Danish Krone	987,090	—	987,090	1.3
Singapore Dollar	737,057	—	737,057	1.0
New Zealand Dollar	376,498	—	376,498	0.5
Norwegian Krone	193,952	—	193,952	0.3
	69,070,907	—	69,070,907	90.9

December 31, 2016				
Currency	Gross currency exposure (\$)	Currency contracts (\$)	Net exposure (\$)	Percentage of net assets (%)
European Euro	16,448,344	—	16,448,344	27.8
Japanese Yen	12,856,252	—	12,856,252	21.7
British Pound	8,847,655	—	8,847,655	15.0
Swiss Franc	4,284,213	—	4,284,213	7.2
Australian Dollar	3,840,740	—	3,840,740	6.5
South Korean Won	2,800,705	—	2,800,705	4.7
Hong Kong Dollar	1,714,114	—	1,714,114	2.9
Swedish Krona	1,430,449	—	1,430,449	2.4
US Dollar	845,620	—	845,620	1.4
Danish Krone	735,947	—	735,947	1.2
New Zealand Dollar	339,039	—	339,039	0.6
Norwegian Krone	217,910	—	217,910	0.4
Singapore Dollar	201,375	—	201,375	0.3
	54,562,363	—	54,562,363	92.1

If the Canadian dollar strengthened or weakened by 10% in relation to all other currencies, with all other variables held constant, net assets of the Fund would have decreased or increased, respectively, by \$6,907,091 or 9.1% of net assets (December 31, 2016 – \$5,456,236 or 9.2%). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

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, underlying funds, derivatives and commodities, as applicable. As at December 31, 2017, approximately 98.2% (December 31, 2016 – 99.0%) of the Fund's net assets were exposed to price risk. If prices of these instruments 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 \$7,465,671 (December 31, 2016 – \$5,856,136). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Credit risk

The Fund had no significant exposure to bonds and debentures, money market instruments or preferred shares as at December 31, 2017 or December 31, 2016.

Concentration risk

Concentration risk arises as a result of the concentration of financial instruments 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 by carrying value as a percentage of net assets:

	Percentage of net assets (%)	
	December 31, 2017	December 31, 2016
Australia	4.9	6.2
Austria	—	0.5
Belgium	0.5	0.8
Canada	7.5	6.9
Denmark	1.3	1.2
Finland	0.9	1.8
France	7.8	9.5
Germany	8.3	7.3
Hong Kong	1.8	2.9
Ireland	0.3	—
Italy	3.4	3.3
Japan	24.0	21.6
Netherlands	3.0	2.8
New Zealand	0.5	0.6
Norway	0.3	0.4
Singapore	1.0	0.3
South Korea	4.1	4.3
Spain	1.5	1.9
Sweden	3.4	2.4
Switzerland	4.8	7.2
Thailand	0.5	0.4
United Kingdom	16.6	14.9
United States	1.8	1.8

FUND SPECIFIC NOTES

For the periods indicated in Note 1

Fair Value Classification (note 2)

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

December 31, 2017	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Equities	7,006,302	67,650,399	–	74,656,701
Unrealized gain on currency spot contracts	–	78	–	78
	7,006,302	67,650,477	–	74,656,779

December 31, 2016	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Equities	4,946,721	53,614,638	–	58,561,359
	4,946,721	53,614,638	–	58,561,359

Transfers between levels

During the periods ended December 31, 2017 and December 31, 2016, there were no significant transfers between Level 1 and Level 2.

Offsetting of financial assets and liabilities (note 2)

As at December 31, 2017 and December 31, 2016, the Fund did not enter into any agreement whereby the financial instruments were eligible for offset.

Interest in Underlying Funds (note 2)

The following tables present the percentage of the Underlying Funds owned by the Fund.

Underlying Fund	December 31, 2017	
	Carrying value of the Underlying Fund (\$)	Ownership percentage in Underlying Fund (%)
Vanguard FTSE Developed Markets ETF	563,849	0.0
	563,849	

Underlying Fund	December 31, 2016	
	Carrying value of the Underlying Fund (\$)	Ownership percentage in Underlying Fund (%)
Vanguard FTSE Developed Markets ETF	642,952	0.0
	642,952	

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

As at December 31, 2017 or December 31, 2016, there were no differences between the net asset value per unit and the net assets per unit for any series of the Fund.

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	December 31, 2017	December 31, 2016
ASSETS		
Current assets		
Investments		
Non-derivative financial assets	304,702,867	239,746,771
Cash	7,707,569	10,862,919
Subscriptions receivable	627,512	128,200
Accrued investment income and other	221,606	321,543
	<u>313,259,554</u>	<u>251,059,433</u>
LIABILITIES		
Current liabilities		
Payable for securities purchased	—	3,809,108
Redemptions payable	48,034	64,278
Accrued expenses	—	1,074
Distributions payable	—	132
Unrealized loss on currency spot contracts	—	6,805
	<u>48,034</u>	<u>3,881,397</u>
Net assets attributable to holders of redeemable units	<u>313,211,520</u>	<u>247,178,036</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Pinnacle Series	75,320,432	58,757,538
Series I	221,056,564	175,801,605
Series M	16,834,524	12,618,893
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Pinnacle Series	11.61	9.28
Series I	11.77	9.40
Series M	11.62	9.29

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except average units)	2017	2016
INCOME		
Net gain (loss) on investments		
Dividends	10,703,460	7,822,165
Interest for distribution purposes	74,810	41,864
Net realized gain (loss) on non-derivative financial assets	18,290,211	(5,312,795)
Change in unrealized gain (loss) on non-derivative financial assets	44,979,240	11,390,789
Change in unrealized gain (loss) on currency spots contracts	6,805	(9,195)
Net gain (loss) on investments	<u>74,054,526</u>	<u>13,932,828</u>
Securities lending (note 11)	7,609	22,617
Net realized and unrealized foreign currency translation gain (loss)	(360,973)	(629,970)
Other income	293	—
Total income (loss), net	<u>73,701,455</u>	<u>13,325,475</u>
EXPENSES		
Management fees (note 5)	104,679	99,432
Fixed administration fees (note 6)	312,598	247,180
Independent Review Committee fees	1,135	1,184
Interest expense and bank overdraft charges	9,768	4,322
Foreign withholding taxes/tax reclaims	1,250,945	1,066,534
Other fund costs	—	37
Harmonized Sales Tax/Goods and Services Tax	40,686	34,184
Transaction costs	502,094	516,471
Total expenses	<u>2,221,905</u>	<u>1,969,344</u>
Increase (decrease) in net assets attributable to holders of redeemable units from operations	<u>71,479,550</u>	<u>11,356,131</u>
Increase (decrease) in net assets attributable to holders of redeemable units from operations per series		
Pinnacle Series	17,051,310	2,654,958
Series I	50,796,075	8,281,973
Series M	3,632,165	419,200
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT†		
Pinnacle Series	2.68	0.46
Series I	2.76	0.48
Series M	2.62	0.27
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Pinnacle Series	6,359,727	5,724,629
Series I	18,435,486	17,363,652
Series M	1,385,667	1,557,819

† 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.

Scotia Private Emerging Markets Pool (Continued)

84

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

For the periods ended December 31 (note 1),

(in dollars)	2017	2016
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Pinnacle Series	58,757,538	42,594,674
Series I	175,801,605	151,801,985
Series M	12,618,893	15,686,821
	<u>247,178,036</u>	<u>210,083,480</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Pinnacle Series	17,051,310	2,654,958
Series I	50,796,075	8,281,973
Series M	3,632,165	419,200
	<u>71,479,550</u>	<u>11,356,131</u>
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net investment income		
Pinnacle Series	(2,113,088)	(1,527,798)
Series I	(6,616,894)	(4,773,872)
Series M	(385,619)	(234,863)
	<u>(9,115,601)</u>	<u>(6,536,533)</u>
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Pinnacle Series	14,350,213	21,535,721
Series I	10,835,139	36,455,157
Series M	5,699,276	1,666,561
Reinvested distributions		
Pinnacle Series	2,103,877	1,521,418
Series I	6,616,894	4,773,872
Series M	360,296	221,207
Payments on redemption		
Pinnacle Series	(14,829,418)	(8,021,435)
Series I	(16,376,255)	(20,737,510)
Series M	(5,090,487)	(5,140,033)
	<u>3,669,535</u>	<u>32,274,958</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Pinnacle Series	16,562,894	16,162,864
Series I	45,254,959	23,999,620
Series M	4,215,631	(3,067,928)
	<u>66,033,484</u>	<u>37,094,556</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Pinnacle Series	75,320,432	58,757,538
Series I	221,056,564	175,801,605
Series M	16,834,524	12,618,893
	<u>313,211,520</u>	<u>247,178,036</u>

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	71,479,550	11,356,131
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(18,290,211)	5,312,795
Unrealized foreign currency translation (gain) loss	(3,737)	115,249
Change in unrealized (gain) loss on non-derivative financial assets	(44,979,240)	(11,390,789)
Change in unrealized (gain) loss on currency spot contracts	(6,805)	9,195
Non-cash transactions	(1,359,699)	(1,006,699)
Purchases of portfolio investments	(237,253,215)	(217,574,050)
Proceeds from sale of portfolio investments	233,117,162	193,677,600
Accrued investment income and other	99,937	(226,601)
Accrued expenses and other payables	(1,074)	892
Net cash provided by (used in) operating activities	<u>2,802,668</u>	<u>(19,726,277)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	30,385,315	59,593,834
Amounts paid on redemption of redeemable units	(36,312,404)	(33,846,319)
Distributions to unitholders of redeemable units	(34,666)	(19,904)
Net cash provided by (used in) financing activities	<u>(5,961,755)</u>	<u>25,727,611</u>
Unrealized foreign currency translation gain (loss)	3,737	(115,249)
Net increase (decrease) in cash	(3,159,087)	6,001,334
Cash (bank overdraft), beginning of period	10,862,919	4,976,834
CASH (BANK OVERDRAFT), END OF PERIOD	<u>7,707,569</u>	<u>10,862,919</u>
Interest paid ⁽¹⁾	9,768	4,322
Interest received ⁽¹⁾	76,948	41,657
Dividends received, net of withholding taxes ⁽¹⁾	8,190,614	5,526,148

⁽¹⁾ Classified as operating items.

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2017

Issuer	Number of Shares	Average Cost (\$)	Carrying Value (\$)
EQUITIES – 97.4%			
Brazil – 6.7%			
Ambev S.A.	511,100	4,416,583	4,166,621
Banco Santander Brasil S.A.	165,200	2,019,929	2,019,735
Hypermarcas S.A.	162,000	1,530,033	2,209,549
Itau Unibanco Holding S.A., Preference	267,709	3,221,983	4,360,885
Itausa – Investimentos Itau S.A., Preference	787,900	3,235,497	3,223,824
Magazine Luiza S.A.	58,700	1,674,085	1,779,557
Vale S.A. – ADR, Preference	206,670	2,894,935	3,168,393
		<u>18,993,045</u>	<u>20,928,564</u>
China – 0.7%			
China Telecom Corporation Ltd., Class H	3,440,000	2,165,868	2,055,663
Greece – 0.5%			
OPAP SA	106,511	1,604,348	1,683,430
Hong Kong – 24.1%			
Agile Property Holdings Ltd.	1,658,000	2,290,230	3,159,958
Agricultural Bank of China Ltd.	4,255,000	2,605,353	2,486,916
Anhui Conch Cement Co., Ltd.	415,000	2,097,300	2,451,203
China Construction Bank Corporation, Class H	5,379,494	4,981,986	6,214,629
China Huarong Asset Management Co., Ltd.	3,405,000	1,990,621	2,014,101
China Merchants Port Holdings Co., Ltd.	448,000	1,706,498	1,472,602
China Mobile Limited	189,000	2,806,781	2,402,744
China National Building Material Co., Ltd.	1,960,000	2,289,973	2,191,405
China Pacific Insurance Group Co., Ltd.	259,400	1,425,953	1,558,188
China Shenhua Energy Co Ltd.	770,000	2,370,895	2,501,700
China Vanke Co., Ltd.	384,900	1,112,925	1,924,971
CITIC Ltd.	1,029,000	2,147,766	1,863,901
CNOOC Ltd.	1,873,000	2,815,381	3,381,861
CSPC Pharmaceutical Group Ltd.	898,000	1,319,378	2,277,090
Dongfeng Motor Group Company Ltd.	966,000	1,341,672	1,468,592
ENN Energy Holdings Ltd.	257,000	1,863,216	2,290,072
GCL-Poly Energy Holdings Ltd.	11,300,000	2,243,396	2,528,286
Geely Automobile Holdings Limited	634,000	380,609	2,732,164
Guangzhou Automobile Group Co., Ltd.	650,000	810,704	1,928,286
Guangzhou R&F Properties Co., Ltd.	526,800	902,015	1,491,663
Hengan International Group Co., Ltd.	195,500	1,917,287	2,725,304
Industrial and Commercial Bank of China Ltd., Class H	3,188,392	2,783,405	3,211,221
People's Insurance Company of China Ltd., The	3,642,000	2,399,152	2,244,903
Sinopec Shanghai Petrochemical Co., Ltd.	1,870,000	1,256,551	1,337,888
Sinopharm Group Co., Class H	245,600	1,369,609	1,328,584
Tencent Holdings Limited	248,900	5,612,213	16,160,029
		<u>54,840,869</u>	<u>75,348,261</u>
Hungary – 1.5%			
OTP Bank PLC	61,834	1,978,957	3,210,259
Richter Gedeon Nyrt	46,037	1,192,379	1,514,918
		<u>3,171,336</u>	<u>4,725,177</u>
India – 5.5%			
Eicher Motors Ltd.	2,729	1,672,632	1,626,713
Hindalco Industries Ltd.	498,622	2,278,647	2,682,868
Hindustan Petroleum Corporation Ltd.	262,521	1,514,174	2,161,103
Hindustan Unilever Ltd.	87,766	1,996,916	2,357,443
Mahindra & Mahindra Ltd.	144,954	1,952,846	2,137,718
Maruti Suzuki India Ltd.	19,340	2,369,603	3,696,473
Tata Steel Ltd.	186,674	1,523,672	2,689,186
		<u>13,308,490</u>	<u>17,351,504</u>
Indonesia – 0.7%			
Bank Mandiri Persero Tbk PT	2,998,100	1,949,481	2,218,025
Malaysia – 2.2%			
Dialog Group BHD	2,029,800	1,568,341	1,583,403
Public Bank Bhd	336,700	2,193,966	2,171,731
Tenaga Nasional Berhad	666,800	3,029,983	3,155,012
		<u>6,792,290</u>	<u>6,910,146</u>

Issuer	Number of Shares	Average Cost (\$)	Carrying Value (\$)
EQUITIES (cont'd)			
Mexico – 2.0%			
Grupo Aeroportuario del Pacifico S.A.B. de C.V.	117,289	925,297	1,514,436
Grupo Financiero Banorte S.A.B. de C.V., Series O	424,881	3,178,795	2,927,222
Wal-Mart de Mexico S.A.B. de C.V.	638,433	1,969,280	1,965,717
		<u>6,073,372</u>	<u>6,407,375</u>
Poland – 1.0%			
PGE Polska Grupa Energetyczna SA	282,598	1,177,917	1,228,700
Polski Koncern Naftowy Orlen SA	53,053	970,208	2,024,072
		<u>2,148,125</u>	<u>3,252,772</u>
Russia – 0.4%			
Mining and Metallurgical Company Norilsk Nickel – ADR	49,807	977,905	1,167,267
South Africa – 5.1%			
AVI Ltd.	137,843	1,261,200	1,542,538
Mondi Ltd.	50,061	1,344,798	1,618,573
MTN Group Limited	215,391	2,600,615	2,987,811
Naspers Limited N Shares	15,537	4,447,494	5,432,698
Rand Merchant Investment Holdings Ltd.	586,181	2,242,773	2,728,357
Sappi Ltd.	176,093	1,731,928	1,598,331
		<u>13,628,808</u>	<u>15,908,308</u>
South Korea – 17.6%			
Dongbu Insurance Co., Ltd.	18,429	1,234,910	1,544,879
Doosan Infracore Co., Ltd.	154,142	1,447,139	1,574,878
Hanwha Life Insurance Co., Ltd.	186,180	1,570,054	1,513,525
Hyundai Marine & Fire Insurance Co., Ltd.	31,656	1,374,672	1,750,335
Industrial Bank of Korea	112,279	1,818,186	2,170,926
KB Financial Group Inc.	37,723	2,039,065	2,812,219
LG Electronics Inc.	30,916	2,334,018	3,857,005
LG Uplus Corporation	99,823	1,255,223	1,645,793
POSCO	8,228	2,780,748	3,221,275
Samsung Electronics Co., Ltd.	5,467	8,407,340	16,376,981
Samsung Fine Chemicals Co., Ltd.	22,673	1,670,879	1,732,079
Samsung Fire & Marine Insurance Co., Ltd.	5,670	1,867,482	1,781,899
Seoul Semiconductor Co., Ltd.	54,703	1,445,774	1,788,448
Shinhan Financial Group Co., Ltd.	42,008	1,981,966	2,444,593
Shinsegae Co., Ltd.	6,976	2,382,303	2,460,765
SK Hynix Inc.	44,511	4,193,916	3,962,746
SK Innovation Co., Ltd.	9,704	1,364,549	2,329,907
SK Telecom Co., Ltd.	6,867	2,094,196	2,160,223
		<u>41,262,420</u>	<u>55,128,476</u>
Taiwan – 12.4%			
Catcher Technology Co., Ltd.	227,000	3,018,971	3,138,889
Compal Electronics, Inc.	1,645,000	1,586,323	1,480,834
CTBC Financial Holding Co., Ltd.	2,403,000	2,103,045	2,082,663
E Ink Holdings Inc.	1,068,000	2,283,511	2,165,041
Far EasTone Telecommunications Co., Ltd.	495,000	1,483,129	1,540,251
Gigabyte Technology Co., Ltd.	716,000	1,553,755	1,635,883
Hon Hai Precision Industry Co., Ltd.	421,095	1,125,227	1,690,122
Innolux Corporation	4,466,000	2,740,809	2,339,860
Nan Ya Plastics Corporation	576,000	1,806,587	1,898,881
Nanya Technology Corporation	795,000	1,907,563	2,549,917
Shin Kong Financial Holding Co., Ltd.	4,725,000	2,159,634	2,098,089
Taiwan Semiconductor Manufacturing Company Ltd.	1,106,818	5,577,174	10,716,005
Uni-President Enterprises Corporation	831,000	2,178,485	2,320,804
Wistron Corporation	1,582,051	1,302,519	1,601,989
Zhen Ding Technology Holding Ltd.	573,000	1,693,615	1,587,267
		<u>32,520,347</u>	<u>38,846,495</u>

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2017

Issuer	Number of Shares	Average Cost (\$)	Carrying Value (\$)
EQUITIES (cont'd)			
Thailand – 4.1%			
Advanced Info Service PCL	310,900	2,337,102	2,290,139
Beauty Community PCL	3,580,900	1,310,141	2,884,151
Bumrungrad Hospital PCL	237,400	1,873,937	1,730,268
PTT PCL	136,300	1,775,631	2,312,066
Thai Oil PCL – NVDR	502,000	1,397,965	2,004,139
Thanachart Capital PCL	688,900	1,509,270	1,495,663
		10,204,046	12,716,426
Turkey – 2.9%			
BIM Birlesik Magazalar AS	64,260	1,600,064	1,663,597
Emlak Konut Gayrimenkul Yatirim Ortakligi AS	1,263,241	1,658,740	1,176,665
Eregli Demir ve Celik Fabrikalari TAS (Erdemir)	851,672	1,746,760	2,826,304
Koc Holding AS	267,543	1,466,660	1,639,299
Turkiye Garanti Bankasi AS	461,165	1,552,317	1,641,424
		8,024,541	8,947,289
United Kingdom – 0.5%			
Severstal PAO	73,431	1,367,672	1,413,814
United States – 9.5%			
Alibaba Group Holding Ltd.	49,182	7,000,936	10,650,623
Gazprom – ADR	448,742	3,222,277	2,485,372
Infosys Ltd. – Sponsored ADR	82,733	1,931,567	1,685,333
iShares MSCI Emerging Markets ETF	25,868	1,235,262	1,530,820
iShares MSCI India ETF	105,363	4,756,463	4,772,987
Lukoil Oil Company – ADR	38,616	2,598,256	2,795,906
Mobile TeleSystems – ADR	185,389	2,229,968	2,372,543
YY Inc. – ADR	23,947	2,245,298	3,400,291
		25,220,027	29,693,875
Transaction Costs		(268,338)	
TOTAL INVESTMENT PORTFOLIO		243,984,652	304,702,867
OTHER ASSETS, LESS LIABILITIES – 2.6%			8,508,653
NET ASSETS – 100.0%			313,211,520

FUND SPECIFIC NOTES

For the periods indicated in Note 1

The Fund (note 1)

The Fund's objective is to achieve long term returns through capital growth by investing primarily in equity and equity-related securities of companies located in emerging markets and emerging industries of any market.

Risks associated with financial instruments (note 4)

Interest rate risk

The majority of the Fund's financial instruments were non-interest bearing as at December 31, 2017 and December 31, 2016. Accordingly, the Fund is not directly subject to significant risk due to fluctuations in the prevailing levels of market interest rates.

Currency risk

The Fund's exposure to currency risk is summarized in the tables below. Amounts shown are based on the carrying value of monetary and non-monetary assets and liabilities of the Fund, net of currency contracts, as applicable.

Currency	December 31, 2017			
	Gross currency exposure (\$)	Currency contracts (\$)	Net exposure (\$)	Percentage of net assets (%)
Hong Kong Dollar	77,516,987	—	77,516,987	24.7
South Korean Won	55,128,476	—	55,128,476	17.6
Taiwan Dollar	38,846,497	—	38,846,497	12.4
US Dollar	32,402,010	—	32,402,010	10.3
Brazilian Real	21,075,585	—	21,075,585	6.7
Indian Rupee	17,351,503	—	17,351,503	5.5
South African Rand	15,908,309	—	15,908,309	5.1
Thai Baht	12,716,425	—	12,716,425	4.1
Turkish Lira	8,947,289	—	8,947,289	2.9
Malaysian Ringgit	7,001,261	—	7,001,261	2.2
Mexican Peso	6,407,375	—	6,407,375	2.0
Hungary Forint	4,725,177	—	4,725,177	1.5
Polish Zloty	3,252,772	—	3,252,772	1.0
Indonesian Rupiah	2,218,025	—	2,218,025	0.7
European Euro	1,683,430	—	1,683,430	0.5
	305,181,121	—	305,181,121	97.2

Currency	December 31, 2016			
	Gross currency exposure (\$)	Currency contracts (\$)	Net exposure (\$)	Percentage of net assets (%)
Hong Kong Dollar	59,788,675	—	59,788,675	24.2
South Korean Won	39,165,606	—	39,165,606	15.8
Taiwan Dollar	37,642,462	—	37,642,462	15.2
US Dollar	28,378,112	3,815,913	32,194,025	13.0
Brazilian Real	17,560,835	—	17,560,835	7.1
South African Rand	16,537,899	—	16,537,899	6.7
Thai Baht	9,447,501	—	9,447,501	3.8
Malaysian Ringgit	7,111,718	—	7,111,718	2.9
Indian Rupee	6,261,273	—	6,261,273	2.5
Turkish Lira	5,763,244	—	5,763,244	2.3
Indonesian Rupiah	4,821,334	—	4,821,334	2.0
Mexican Peso	3,692,394	—	3,692,394	1.5
Hungary Forint	3,259,885	—	3,259,885	1.3
Polish Zloty	2,192,340	—	2,192,340	0.9
	241,623,278	3,815,913	245,439,191	99.2

If the Canadian dollar strengthened or weakened by 10% in relation to all other currencies, with all other variables held constant, net assets of the Fund would have decreased or increased, respectively, by \$30,518,112 or 9.7% of net assets (December 31, 2016 – \$24,543,919 or 10.0%). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

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, underlying funds, derivatives and commodities, as applicable. As at December 31, 2017, approximately 97.4% (December 31, 2016 – 97.0%) of the Fund's net assets were exposed to price risk. If prices of these instruments 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 \$30,470,287 (December 31, 2016 – \$23,974,677). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Credit risk

The Fund had no significant exposure to bonds and debentures, money market instruments or preferred shares as at December 31, 2017 or December 31, 2016.

Concentration risk

Concentration risk arises as a result of the concentration of financial instruments 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 by carrying value as a percentage of net assets:

	Percentage of net assets (%)	
	December 31, 2017	December 31, 2016
Brazil	6.7	7.1
China	0.7	
Greece	0.5	
Hong Kong	24.1	24.3
India	5.5	2.5
Indonesia	0.7	2.0
Malaysia	2.2	2.8
Mexico	2.0	1.5
Poland	1.0	0.9
Russia	0.4	0.4
South Africa	5.1	6.7
South Korea	17.6	15.8
Taiwan	12.4	14.6
Thailand	4.1	3.8
Turkey	2.9	2.3
United Kingdom	0.5	1.1
United States	9.5	9.9

FUND SPECIFIC NOTES

For the periods indicated in Note 1

Fair Value Classification (note 2)

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

December 31, 2017	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Equities	36,101,250	268,601,617	–	304,702,867
	36,101,250	268,601,617	–	304,702,867

December 31, 2016	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Equities	28,262,473	211,484,298	–	239,746,771
	28,262,473	211,484,298	–	239,746,771
Unrealized loss on currency spot contracts	–	(6,805)	–	(6,805)
	28,262,473	211,477,493	–	239,739,966

Transfers between levels

During the periods ended December 31, 2017 and December 31, 2016, there were no significant transfers between Level 1 and Level 2.

Offsetting of financial assets and liabilities (note 2)

As at December 31, 2017 and December 31, 2016, the Fund did not enter into any agreement whereby the financial instruments were eligible for offset.

Interest in Underlying Funds (note 2)

The following tables present the percentage of the Underlying Funds owned by the Fund.

Underlying Fund	December 31, 2017	
	Carrying value of the Underlying Fund (\$)	Ownership percentage in Underlying Fund (%)
iShares MSCI India ETF	4,772,987	0.1
iShares MSCI Emerging Markets ETF	1,530,820	0.0
	6,303,807	

Underlying Fund	December 31, 2016	
	Carrying value of the Underlying Fund (\$)	Ownership percentage in Underlying Fund (%)
iShares MSCI Emerging Markets ETF	10,978,310	0.0
	10,978,310	

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

As at December 31, 2017 or December 31, 2016, there were no differences between the net asset value per unit and the net assets per unit for any series of the Fund.

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	December 31, 2017	December 31, 2016
ASSETS		
Current assets		
Investments		
Non-derivative financial assets	383,445,133	375,941,621
Cash	15,934,196	5,184,048
Subscriptions receivable	10	75,010
Accrued investment income and other	213,809	195,573
	<u>399,593,148</u>	<u>381,396,252</u>
LIABILITIES		
Current liabilities		
Management fee payable	—	270
Payable for securities purchased	—	2,070,730
Redemptions payable	421,638	623,037
Accrued expenses	—	716
Unrealized loss on currency spot contracts	—	4,753
	<u>421,638</u>	<u>2,699,506</u>
Net assets attributable to holders of redeemable units	<u>399,171,510</u>	<u>378,696,746</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Pinnacle Series	30,781,514	29,903,016
Series F	8,885,382	9,424,124
Series I	<u>359,504,614</u>	<u>339,369,606</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Pinnacle Series	27.59	24.38
Series F	27.29	24.17
Series I	<u>27.99</u>	<u>24.75</u>

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except average units)	2017	2016
INCOME		
Net gain (loss) on investments		
Dividends	5,412,927	4,975,239
Interest for distribution purposes	45,668	38,195
Net realized gain (loss) on non-derivative financial assets	53,128,941	24,841,171
Change in unrealized gain (loss) on non-derivative financial assets	24,237,004	(14,407,199)
Change in unrealized gain (loss) on currency spots contracts	4,753	(4,753)
Net gain (loss) on investments	<u>82,829,293</u>	<u>15,442,653</u>
Securities lending (note 11)	15,000	15,213
Net realized and unrealized foreign currency translation gain (loss)	(226,823)	(90,289)
Other income	—	330
Total income (loss), net	<u>82,617,470</u>	<u>15,367,907</u>
EXPENSES		
Management fees (note 5)	100,833	54,150
Fixed administration fees (note 6)	246,533	235,941
Independent Review Committee fees	1,135	1,184
Interest expense and bank overdraft charges	1,189	5,201
Foreign withholding taxes/tax reclaims	517,780	573,171
Other fund costs	—	60
Harmonized Sales Tax/Goods and Services Tax	29,909	27,584
Transaction costs	109,941	118,271
Total expenses	<u>1,007,320</u>	<u>1,015,562</u>
Increase (decrease) in net assets attributable to holders of redeemable units from operations	<u>81,610,150</u>	<u>14,352,345</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Pinnacle Series	6,231,323	(678,199)
Series F	1,965,007	586,318
Series I	<u>73,413,820</u>	<u>14,444,226</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT†		
Pinnacle Series	5.59	(0.49)
Series F	5.25	2.55
Series I	<u>5.72</u>	<u>1.07</u>
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Pinnacle Series	1,114,423	1,396,808
Series F	374,221	229,490
Series I	<u>12,832,434</u>	<u>13,503,687</u>

† 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.

Scotia Private Global Equity Pool (Continued)

90

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

For the periods ended December 31 (note 1),

(in dollars)	2017	2016
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Pinnacle Series	29,903,016	67,455,122
Series F	9,424,124	1,248,646
Series I	339,369,606	320,985,509
	<u>378,696,746</u>	<u>389,689,277</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Pinnacle Series	6,231,323	(678,199)
Series F	1,965,007	586,318
Series I	73,413,820	14,444,226
	<u>81,610,150</u>	<u>14,352,345</u>
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net investment income		
Pinnacle Series	(275,230)	(231,927)
Series F	—	(48,870)
Series I	(4,281,737)	(3,807,871)
From net realized gains on investments		
Pinnacle Series	(2,142,299)	(468,593)
Series F	(647,613)	(145,043)
Series I	(25,055,152)	(5,292,240)
	<u>(32,402,031)</u>	<u>(9,994,544)</u>
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Pinnacle Series	1,747,067	4,256,984
Series F	3,286,938	8,521,856
Series I	1,372,800	28,901,400
Reinvested distributions		
Pinnacle Series	2,386,879	696,634
Series F	622,508	187,572
Series I	29,336,888	9,033,249
Payments on redemption		
Pinnacle Series	(7,069,242)	(41,127,005)
Series F	(5,765,582)	(926,355)
Series I	(54,651,611)	(24,894,667)
	<u>(28,733,355)</u>	<u>(15,350,332)</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Pinnacle Series	878,498	(37,552,106)
Series F	(538,742)	8,175,478
Series I	20,135,008	18,384,097
	<u>20,474,764</u>	<u>(10,992,531)</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Pinnacle Series	30,781,514	29,903,016
Series F	8,885,382	9,424,124
Series I	359,504,614	339,369,606
	<u>399,171,510</u>	<u>378,696,746</u>

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	81,610,150	14,352,345
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(53,128,941)	(24,841,171)
Unrealized foreign currency translation (gain) loss	(1,247)	32,369
Change in unrealized (gain) loss on non-derivative financial assets	(24,237,004)	14,407,199
Change in unrealized (gain) loss on currency spot contracts	(4,753)	4,753
Non-cash transactions	(510,431)	(108,922)
Purchases of portfolio investments	(80,978,353)	(115,468,760)
Proceeds from sale of portfolio investments	149,280,487	126,862,515
Accrued investment income and other	(18,236)	(58,666)
Accrued expenses and other payables	(986)	798
Net cash provided by (used in) operating activities	<u>72,010,686</u>	<u>15,182,460</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	6,481,805	41,641,070
Amounts paid on redemption of redeemable units	(67,687,834)	(66,331,667)
Distributions to unitholders of redeemable units	(55,756)	(77,088)
Net cash provided by (used in) financing activities	<u>(61,261,785)</u>	<u>(24,767,685)</u>
Unrealized foreign currency translation gain (loss)	1,247	(32,369)
Net increase (decrease) in cash	10,748,901	(9,585,225)
Cash (bank overdraft), beginning of period	5,184,048	14,801,642
CASH (BANK OVERDRAFT), END OF PERIOD	<u>15,934,196</u>	<u>5,184,048</u>
Interest paid ⁽¹⁾	1,189	5,201
Interest received ⁽¹⁾	47,866	42,083
Dividends received, net of withholding taxes ⁽¹⁾	4,364,281	4,230,592

⁽¹⁾ Classified as operating items.

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2017

Issuer	Number of Shares	Average Cost (\$)	Carrying Value (\$)
EQUITIES – 96.1%			
Denmark – 2.8%			
Chr Hansen Holding A/S	49,800	3,657,890	5,867,421
Novozymes A/S, Class B	72,600	3,517,889	5,210,371
		<u>7,175,779</u>	<u>11,077,792</u>
Finland – 1.0%			
Kone Oyj	61,000	3,600,988	4,111,466
France – 3.6%			
Air Liquide SA	27,520	2,815,595	4,347,461
Essilor International SA	34,250	4,303,201	5,932,202
L'Oreal SA	14,400	2,100,241	4,006,829
		<u>9,219,037</u>	<u>14,286,492</u>
Germany – 5.4%			
Bayerische Motoren Werke AG	34,300	4,474,519	4,475,083
Linde AG	21,300	4,461,670	6,258,701
Symrise AG	99,500	8,623,867	10,715,081
		<u>17,560,056</u>	<u>21,448,865</u>
Hong Kong – 5.0%			
AIA Group Ltd.	1,069,900	5,952,958	11,459,757
Sino Biopharmaceutical Ltd.	1,747,288	1,918,843	3,883,447
Tencent Holdings Limited	70,000	1,803,761	4,544,805
		<u>9,675,562</u>	<u>19,888,009</u>
Italy – 1.3%			
Luxottica Group SpA	66,900	4,632,705	5,149,457
Japan – 11.4%			
FANUC Corporation	13,900	2,188,314	4,195,874
Keyence Corporation	10,686	1,798,053	7,496,566
Kubota Corporation	341,100	6,729,975	8,391,911
M3, Inc.	140,211	2,685,989	6,167,141
Makita Corporation	74,500	2,442,744	3,918,933
Monotaro Co., Ltd.	102,700	1,764,830	4,116,879
Sysmex Corporation	111,474	8,753,035	11,028,408
		<u>26,362,940</u>	<u>45,315,712</u>
Spain – 2.0%			
Banco Bilbao Vizcaya Argentaria S.A.	740,950	6,674,420	7,922,236
Sweden – 2.4%			
Atlas Copco AB, Class A	95,300	3,263,833	5,165,163
Intrum Justitia AB	97,080	4,187,179	4,513,062
		<u>7,451,012</u>	<u>9,678,225</u>
Switzerland – 2.6%			
Lonza Group AG	19,600	1,704,070	6,651,223
Sonova Holdings AG	19,200	2,275,258	3,765,794
		<u>3,979,328</u>	<u>10,417,017</u>
United Kingdom – 4.1%			
Abcam PLC	189,364	2,031,255	3,385,649
Reckitt Benkiser Group PLC	50,370	5,869,442	5,911,463
Shire PLC	51,500	4,520,279	3,356,168
WPP Group PLC	163,300	2,619,402	3,718,266
		<u>15,040,378</u>	<u>16,371,546</u>
United States – 54.5%			
3M Company	14,990	1,745,715	4,431,071
Abbott Laboratories	58,000	2,102,554	4,157,113
Alibaba Group Holding Ltd.	11,950	2,702,578	2,587,836
Amazon.com, Inc.	3,326	1,399,005	4,885,031
AmerisourceBergen Corporation	40,800	4,608,616	4,704,933
Apple Inc.	36,628	7,483,285	7,784,784
Check Point Software Technologies Ltd.	30,870	3,551,097	4,017,318

Issuer	Number of Shares	Average Cost (\$)	Carrying Value (\$)
EQUITIES (cont'd)			
United States (cont'd)			
Cognizant Technology Solutions Corporation	58,900	5,340,756	5,253,539
Colgate-Palmolive Company	60,550	3,343,558	5,737,589
eBay Inc.	109,300	4,966,717	5,180,576
Exxon Mobil Corporation	38,370	3,532,964	4,030,527
Facebook Inc.	31,600	3,240,477	7,003,085
First Republic Bank	52,800	2,435,899	5,745,243
Grifols S.A. – ADR	222,200	4,667,478	6,396,092
ICICI Bank Limited – ADR	418,090	4,251,991	5,109,032
IPG Photonics Corporation	23,700	1,785,002	6,373,557
Itau Unibanco Holding S.A. – ADR	126,100	2,219,109	2,058,801
MasterCard, Inc., Class A	31,100	2,502,215	5,911,906
Microsoft Corporation	35,850	1,343,654	3,851,363
Monsanto Company	24,200	2,453,017	3,549,277
Nestle S.A. – ADR	52,100	3,488,969	5,625,235
NIKE, Inc., Class B	134,600	5,998,616	10,573,734
PayPal Holdings Inc.	149,800	5,059,234	13,850,442
Priceline Group Inc., The	4,796	7,641,837	10,466,946
Regeneron Pharmaceuticals, Inc.	16,364	8,033,053	7,726,577
Roper Technologies Inc.	36,800	5,480,890	11,970,260
Schlumberger Limited	110,900	9,862,777	9,386,053
Signature Bank	18,500	3,395,557	3,189,126
Starbucks Corporation	59,900	4,168,845	4,320,377
SVB Financial Group	37,300	3,826,181	10,950,996
Tenaris S.A. – ADR	111,500	3,458,631	4,461,456
Verisk Analytics, Inc.	73,200	5,845,218	8,825,480
WABCO Holdings Inc.	23,710	3,503,142	4,273,065
Walgreens Boots Alliance Inc.	38,065	4,335,622	3,471,667
Walt Disney Company, The	33,600	4,396,893	4,536,743
Waters Corporation	22,180	2,657,827	5,381,486
		<u>146,828,979</u>	<u>217,778,316</u>
Transaction Costs		(143,162)	
TOTAL INVESTMENT PORTFOLIO		<u>258,058,022</u>	<u>383,445,133</u>
OTHER ASSETS, LESS LIABILITIES – 3.9%			<u>15,726,377</u>
NET ASSETS – 100.0%			<u>399,171,510</u>

FUND SPECIFIC NOTES

For the periods indicated in Note 1

The Fund (note 1)

The Fund's investment objective is to achieve long term returns through capital growth by investing primarily in stocks of large capitalization companies in North America, Europe, Australia and the Far East.

Risks associated with financial instruments (note 4)

Interest rate risk

The majority of the Fund's financial instruments were non-interest bearing as at December 31, 2017 and December 31, 2016. Accordingly, the Fund is not directly subject to significant risk due to fluctuations in the prevailing levels of market interest rates.

Currency risk

The Fund's exposure to currency risk is summarized in the tables below. Amounts shown are based on the carrying value of monetary and non-monetary assets and liabilities of the Fund, net of currency contracts, as applicable.

December 31, 2017				
Currency	Gross currency exposure (\$)	Currency contracts (\$)	Net exposure (\$)	Percentage of net assets (%)
US Dollar	217,927,316	–	217,927,316	54.6
European Euro	52,918,516	–	52,918,516	13.3
Japanese Yen	45,467,302	–	45,467,302	11.4
Hong Kong Dollar	19,888,009	–	19,888,009	5.0
British Pound	16,371,546	–	16,371,546	4.1
Danish Krone	11,077,792	–	11,077,792	2.8
Swiss Franc	10,417,017	–	10,417,017	2.6
Swedish Krona	9,678,225	–	9,678,225	2.4
	383,745,723	–	383,745,723	96.2

December 31, 2016				
Currency	Gross currency exposure (\$)	Currency contracts (\$)	Net exposure (\$)	Percentage of net assets (%)
US Dollar	241,415,097	2,026,890	243,441,987	64.3
Japanese Yen	42,564,123	–	42,564,123	11.2
European Euro	39,133,041	–	39,133,041	10.3
British Pound	16,642,507	–	16,642,507	4.4
Hong Kong Dollar	14,436,251	–	14,436,251	3.8
Swiss Franc	9,330,896	–	9,330,896	2.5
Danish Krone	7,940,542	48,593	7,989,135	2.1
Swedish Krona	4,479,164	–	4,479,164	1.2
	375,941,621	2,075,483	378,017,104	99.8

If the Canadian dollar strengthened or weakened by 10% in relation to all other currencies, with all other variables held constant, net assets of the Fund would have decreased or increased, respectively, by \$38,374,574 or 9.6% of net assets (December 31, 2016 – \$37,801,711 or 10.0%). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

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,

underlying funds, derivatives and commodities, as applicable. As at December 31, 2017, approximately 96.1% (December 31, 2016 – 99.3%) of the Fund's net assets were exposed to price risk. If prices of these instruments 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 \$38,344,514 (December 31, 2016 – \$37,594,162). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Credit risk

The Fund had no significant exposure to bonds and debentures, money market instruments or preferred shares as at December 31, 2017 or December 31, 2016.

Concentration risk

Concentration risk arises as a result of the concentration of financial instruments 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 by carrying value as a percentage of net assets:

Percentage of net assets (%)		
	December 31, 2017	December 31, 2016
Denmark	2.8	2.1
Finland	1.0	1.1
France	3.6	4.9
Germany	5.4	0.8
Hong Kong	5.0	3.8
Italy	1.3	1.5
Japan	11.4	11.2
Spain	2.0	2.1
Sweden	2.4	1.2
Switzerland	2.6	2.5
United Kingdom	4.1	4.4
United States	54.5	63.7

Fair Value Classification (note 2)

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

December 31, 2017	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Equities	217,778,316	165,666,817	–	383,445,133
	217,778,316	165,666,817	–	383,445,133

December 31, 2016	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Equities	241,415,097	134,526,524	–	375,941,621
	241,415,097	134,526,524	–	375,941,621
Unrealized loss on currency spot contracts	–	(4,753)	–	(4,753)
	241,415,097	134,521,771	–	375,936,868

Transfers between levels

During the periods ended December 31, 2017 and December 31, 2016, there were no significant transfers between Level 1 and Level 2.

FUND SPECIFIC NOTES

For the periods indicated in Note 1

Offsetting of financial assets and liabilities (note 2)

As at December 31, 2017 and December 31, 2016, the Fund did not enter into any agreement whereby the financial instruments were eligible for offset.

Interest in Underlying Funds (note 2)

The Fund did not hold any interest in Underlying Funds as at December 31, 2017 or December 31, 2016.

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. A difference could arise when the last traded market price for a financial instrument is not within the bid-ask spread.

	December 31, 2017		December 31, 2016	
	Net asset value per unit (\$)	Net assets per unit (\$)	Net asset value per unit (\$)	Net assets per unit (\$)
Pinnacle Series	27.59	27.59	24.37	24.38
Series F	27.29	27.29	24.17	24.17
Series I	27.99	27.99	24.75	24.75

STATEMENT OF FINANCIAL POSITION

As at

(in dollars)	December 31, 2017*
ASSETS	
Current assets	
Cash	150,000
Net assets attributable to holders of redeemable units	150,000
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES	
Pinnacle Series	75,000
Series M	75,000
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT	
Pinnacle Series	10.00
Series M	10.00

STATEMENT OF COMPREHENSIVE INCOME

For the period ended December 31 (note 1),

(in dollars except average units)	2017*
INCOME	
Net gain (loss) on investments	—
Total income (loss), net	—
EXPENSES	
Total expenses	—
Increase (decrease) in net assets attributable to holders of redeemable units from operations	—
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES	
Pinnacle Series	—
Series M	—
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT†	
Pinnacle Series	—
Series M	—
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES	
Pinnacle Series	7,500
Series M	7,500

† 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)	2017*
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD	
Pinnacle Series	—
Series M	—
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS	
Pinnacle Series	—
Series M	—
REDEEMABLE UNIT TRANSACTIONS	
Proceeds from issue	
Pinnacle Series	75,000
Series M	75,000
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS	
Pinnacle Series	75,000
Series M	75,000
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD	
Pinnacle Series	75,000
Series M	75,000

STATEMENT OF CASH FLOWS

For the period ended December 31 (note 1),

(in dollars)	2017*
CASH FLOWS FROM OPERATING ACTIVITIES	
Increase (decrease) in net assets attributable to holders of redeemable units	—
Net cash provided by (used in) operating activities	—
CASH FLOWS FROM FINANCING ACTIVITIES	
Proceeds from issue of redeemable units	150,000
Net cash provided by (used in) financing activities	150,000
Net increase (decrease) in cash	150,000
Cash (bank overdraft), beginning of period	—
CASH (BANK OVERDRAFT), END OF PERIOD	150,000

* No comparative figures are shown as the Fund was seeded on November 14, 2017.

FUND SPECIFIC NOTES

For the periods indicated in Note 1

The Fund (note 1)

The Fund's objective is to generate inflation protected income and long term capital growth by investing in equity securities issued by companies around the world that own or operate infrastructure assets.

The Fund was seeded on November 14, 2017 and commenced operation on January 16, 2018. Expenses incurred during the period were absorbed by the Manager.

Risks associated with financial instruments (note 4)

Credit risk

The Fund is exposed to credit risk, which is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. As at December 31, 2017, the credit risk is considered limited as the cash balance for the Fund represents a deposit with an A+ rated financial institution

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	December 31, 2017	December 31, 2016
ASSETS		
Current assets		
Investments		
Non-derivative financial assets	337,671,520	302,231,338
Cash	11,781,062	14,850,739
Receivable for securities sold	—	793,688
Subscriptions receivable	1,640,419	340,421
Accrued investment income and other	1,103,292	1,203,533
	<u>352,196,293</u>	<u>319,419,719</u>
LIABILITIES		
Current liabilities		
Payable for securities purchased	—	384,348
Redemptions payable	117,491	73,390
Accrued expenses	—	681
	<u>117,491</u>	<u>458,419</u>
Net assets attributable to holders of redeemable units	<u>352,078,802</u>	<u>318,961,300</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Pinnacle Series	163,163,252	151,089,747
Series F	763,944	940,882
Series I	188,151,606	166,930,671
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Pinnacle Series	17.60	17.72
Series F	17.32	17.39
Series I	18.25	18.38

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except average units)	2017	2016
INCOME		
Net gain (loss) on investments		
Dividends	11,094,879	10,001,868
Interest for distribution purposes	331,848	198,169
Net realized gain (loss) on non-derivative financial assets	4,136,191	37,696,311
Change in unrealized gain (loss) on non-derivative financial assets	(3,187,945)	(41,654,511)
Net gain (loss) on investments	12,374,973	6,241,837
Securities lending (note 11)	4,623	1,197
Net realized and unrealized foreign currency translation gain (loss)	(1,522,512)	(268,582)
Other income	1,007	59
Total income (loss), net	<u>10,858,091</u>	<u>5,974,511</u>
EXPENSES		
Management fees (note 5)	8,012	17,995
Fixed administration fees (note 6)	225,664	205,048
Independent Review Committee fees	1,135	1,184
Interest expense and bank overdraft charges	1,164	1,407
Foreign withholding taxes/tax reclaims	1,514,845	1,354,394
Other fund costs	—	49
Harmonized Sales Tax/Goods and Services Tax	22,913	22,546
Transaction costs	1,157,713	957,675
Total expenses	<u>2,931,446</u>	<u>2,560,298</u>
Increase (decrease) in net assets attributable to holders of redeemable units from operations	<u>7,926,645</u>	<u>3,414,213</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Pinnacle Series	3,564,077	1,275,365
Series F	5,393	(44,203)
Series I	4,357,175	2,183,051
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT†		
Pinnacle Series	0.41	0.17
Series F	0.12	(0.46)
Series I	0.45	0.28
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Pinnacle Series	8,753,565	7,461,464
Series F	46,113	96,994
Series I	9,667,714	7,760,517

† 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.

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

For the periods ended December 31 (note 1),

(in dollars)	2017	2016
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Pinnacle Series	151,089,747	190,167,234
Series F	940,882	1,828,143
Series I	166,930,671	152,836,745
	<u>318,961,300</u>	<u>344,832,122</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Pinnacle Series	3,564,077	1,275,365
Series F	5,393	(44,203)
Series I	4,357,175	2,183,051
	<u>7,926,645</u>	<u>3,414,213</u>
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net investment income		
Pinnacle Series	(4,658,636)	(3,872,329)
Series F	(11,958)	(4,444)
Series I	(5,577,822)	(4,421,269)
From net realized gains on investments		
Pinnacle Series	—	(9,579,958)
Series F	—	(63,913)
Series I	—	(10,585,135)
	<u>(10,248,416)</u>	<u>(28,527,048)</u>
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Pinnacle Series	35,201,665	41,275,515
Series F	225,113	448,775
Series I	18,969,045	26,559,875
Reinvested distributions		
Pinnacle Series	4,632,249	13,387,672
Series F	7,004	50,665
Series I	5,577,822	15,006,404
Payments on redemption		
Pinnacle Series	(26,665,850)	(81,563,752)
Series F	(402,490)	(1,274,141)
Series I	(2,105,285)	(14,649,000)
	<u>35,439,273</u>	<u>(757,987)</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Pinnacle Series	12,073,505	(39,077,487)
Series F	(176,938)	(887,261)
Series I	21,220,935	14,093,926
	<u>33,117,502</u>	<u>(25,870,822)</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Pinnacle Series	163,163,252	151,089,747
Series F	763,944	940,882
Series I	188,151,606	166,930,671
	<u>352,078,802</u>	<u>318,961,300</u>

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	7,926,645	3,414,213
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(4,136,191)	(37,696,311)
Unrealized foreign currency translation (gain) loss	(144,957)	(401,620)
Change in unrealized (gain) loss on non-derivative financial assets	3,187,945	41,654,511
Non-cash transactions	(1,322,319)	—
Purchases of portfolio investments	(669,131,977)	(539,363,196)
Proceeds from sale of portfolio investments	636,371,700	558,506,454
Accrued investment income and other	100,241	(280,504)
Accrued expenses and other payables	(681)	495
Net cash provided by (used in) operating activities	<u>(27,149,594)</u>	<u>25,834,042</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	53,095,825	68,069,173
Amounts paid on redemption of redeemable units	(29,129,524)	(97,514,508)
Distributions to unitholders of redeemable units	(31,341)	(82,308)
Net cash provided by (used in) financing activities	<u>23,934,960</u>	<u>(29,527,643)</u>
Unrealized foreign currency translation gain (loss)	144,957	401,620
Net increase (decrease) in cash	(3,214,634)	(3,693,601)
Cash (bank overdraft), beginning of period	14,850,739	18,142,720
CASH (BANK OVERDRAFT), END OF PERIOD	<u>11,781,062</u>	<u>14,850,739</u>
Interest paid ⁽¹⁾	1,164	1,407
Interest received ⁽¹⁾	337,817	194,091
Dividends received, net of withholding taxes ⁽¹⁾	8,351,987	8,396,799

(1) Classified as operating items.

Scotia Private Global Real Estate Pool (Continued)

98

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2017

Issuer	Number of Shares	Average Cost (\$)	Carrying Value (\$)
EQUITIES – 95.9%			
Australia – 2.6%			
Dexus Property Group	312,603	2,959,784	2,982,468
Goodman Group	755,153	5,653,853	6,218,845
		<u>8,613,637</u>	<u>9,201,313</u>
Canada – 2.8%			
Canadian Real Estate Investment Trust	39,300	1,856,046	1,819,590
Pure Industrial Real Estate Trust	492,600	3,293,315	3,334,902
RioCan Real Estate Investment Trust	200,000	4,935,258	4,872,000
		<u>10,084,619</u>	<u>10,026,492</u>
France – 1.8%			
Gecina SA	26,614	5,234,462	6,167,607
Germany – 5.2%			
Alstria Office Real Estate Investment Trust AG	206,968	3,754,714	4,014,782
Aroundtown SA	286,798	2,660,979	2,774,509
Deutsche Wohnen AG-Br	209,329	10,081,785	11,463,869
		<u>16,497,478</u>	<u>18,253,160</u>
Hong Kong – 7.3%			
Cheung Kong Property Holdings Ltd	728,000	6,846,798	7,992,023
Hongkong Land Holdings Limited	398,329	3,566,189	3,517,780
Link Real Estate Investment Trust, The	516,700	4,832,631	6,013,488
Sun Hung Kai Properties Limited	395,341	7,915,667	8,271,025
		<u>23,161,285</u>	<u>25,794,316</u>
Japan – 6.0%			
Daiwa Office Investment Corporation	349	2,297,936	2,311,661
Japan Rental Housing Investments Inc.	4,078	3,869,571	3,737,135
Mitsubishi Estate Company Ltd.	104,200	2,413,650	2,274,734
Mitsui Fudosan Co., Ltd.	143,800	4,340,591	4,050,263
Sumitomo Realty & Development Co., Ltd.	172,000	6,623,289	7,093,028
United Urban Investment Corporation	959	1,866,941	1,732,578
		<u>21,411,978</u>	<u>21,199,399</u>
Netherlands – 0.8%			
Unibail-Rodamco SE	8,369	2,683,099	2,648,218
Singapore – 3.7%			
CapitaLand Ltd.	1,049,400	3,547,217	3,473,677
City Developments Ltd.	386,000	4,034,404	4,510,146
Mapletree Commercial Trust	3,277,513	4,696,274	4,988,079
		<u>12,277,895</u>	<u>12,971,902</u>
Spain – 2.6%			
Inmobiliaria Colonial Socimi SA	468,366	5,588,113	5,833,965
Merlin Properties Socimi S.A.	194,544	3,173,796	3,308,219
		<u>8,761,909</u>	<u>9,142,184</u>
United Kingdom – 9.6%			
Assura PLC	5,306,929	5,503,282	5,752,783
Capital & Counties Properties PLC	824,460	4,134,736	4,469,014
Grainger PLC	1,728,870	7,519,974	8,459,227
Green REIT PLC	2,882,352	6,231,788	6,952,179
Land Securities Group PLC	226,705	3,842,536	3,862,989
Unite Group PLC	325,823	3,711,169	4,446,959
		<u>30,943,485</u>	<u>33,943,151</u>
United States – 53.5%			
AvalonBay Communities Inc.	24,296	5,543,569	5,443,898
Boston Properties Inc.	23,720	3,696,195	3,873,595
Brandywine Realty Trust	176,907	3,790,331	4,041,418
Brixmor Property Group Inc.	145,171	3,760,566	3,402,103
Brookdale Senior Living Inc.	1,201,717	19,193,856	14,639,625
Camden Property Trust	40,143	4,657,117	4,641,270
Columbia Property Trust Inc.	193,989	5,562,651	5,591,339
CoreSite Realty Corporation	8,456	1,226,916	1,209,608

Issuer	Number of Shares	Average Cost (\$)	Carrying Value (\$)
EQUITIES (cont'd)			
United States (cont'd)			
Crown Castle International Corporation	33,898	4,425,132	4,725,983
CubeSmart	140,610	5,006,424	5,107,055
DCT Industrial Trust Inc.	57,486	3,779,243	4,243,729
Empire State Realty Trust, Inc.	102,969	2,650,951	2,654,920
Equinix Inc.	4,645	2,679,056	2,643,935
Equity LifeStyle Properties Inc.	27,105	3,001,430	3,030,352
Equity Residential Real Estate Investment Trust	34,394	2,949,265	2,754,578
Essex Property Trust, Inc.	5,578	1,748,575	1,690,900
Extra Space Storage Inc	53,528	5,441,959	5,878,910
GGP Inc.	218,699	6,427,330	6,424,407
HCP, Inc. Real Estate Investment Trust	175,303	6,343,462	5,741,865
Host Hotels & Resorts Inc.	174,473	4,260,740	4,349,554
Invitation Homes Inc.	154,345	4,353,304	4,568,863
Kimco Realty Corporation	37,650	908,988	858,218
Liberty Property Trust	55,360	3,069,488	2,990,347
MGM Growth Properties LLC	189,848	6,331,056	6,950,253
Outfront Media Inc.	90,285	2,809,673	2,630,629
Park Hotels & Resorts Inc.	48,216	1,771,789	1,740,945
ProLogis	80,953	6,012,210	6,558,673
Public Storage Real Estate Investment Trust	12,470	3,377,394	3,273,171
Realty Income Corporation	13,652	982,010	977,641
Regency Centers Corporation	89,035	7,502,857	7,735,659
Retail Properties of America Inc.	204,779	3,359,345	3,456,533
Simon Property Group Inc.	65,347	14,016,190	14,094,607
SL Green Realty Corporation	26,133	3,434,122	3,312,571
Store Capital Corporation	154,451	5,064,669	5,051,120
Sunstone Hotel Investors, Inc.	211,799	4,158,563	4,396,963
Taubman Centers Inc.	60,762	4,878,581	4,993,039
UDR Inc.	164,795	7,996,878	7,972,349
Urban Edge Properties	173,305	5,661,330	5,548,006
Vornado Realty Trust Real Estate Investment Trust	30,249	3,083,743	2,970,043
Weingarten Realty Investors	125,331	5,458,840	5,173,855
Welltower Inc.	12,252	1,079,756	981,249
		<u>191,455,554</u>	<u>188,323,778</u>
Transaction Costs		(306,619)	
TOTAL INVESTMENT PORTFOLIO		<u>330,818,782</u>	<u>337,671,520</u>
OTHER ASSETS, LESS LIABILITIES – 4.1%			<u>14,407,282</u>
NET ASSETS – 100.0%			<u>352,078,802</u>

FOREIGN EQUITY FUNDS

FUND SPECIFIC NOTES

For the periods indicated in Note 1

The Fund (note 1)

The Fund's objective is to achieve superior long term returns through income and capital growth, by investing primarily in U.S., Canadian and non-North American real estate stocks and real estate investment trusts (REITs).

Risks associated with financial instruments (note 4)

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 underlying funds, preferred shares, cash and overdrafts, as applicable.

Interest rate exposure	December 31, 2017 (\$)	December 31, 2016 (\$)
Less than 1 year	–	–
1-3 years	–	–
3-5 years	–	860,149
5-10 years	–	–
> 10 years	–	–
	–	860,149

As at December 31, 2017, 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 or approximately 0.0% (December 31, 2016 – \$7,834 or approximately 0.0%).

Currency risk

The Fund's exposure to currency risk is summarized in the tables below. Amounts shown are based on the carrying value of monetary and non-monetary assets and liabilities of the Fund, net of currency contracts, as applicable.

December 31, 2017				
Currency	Gross currency exposure (\$)	Currency contracts (\$)	Net exposure (\$)	Percentage of net assets (%)
US Dollar	201,069,628	–	201,069,628	57.1
European Euro	43,349,888	–	43,349,888	12.3
British Pound	27,172,382	–	27,172,382	7.7
Hong Kong Dollar	22,332,878	–	22,332,878	6.3
Japanese Yen	21,407,467	–	21,407,467	6.1
Singapore Dollar	12,989,311	–	12,989,311	3.7
Australian Dollar	9,323,394	–	9,323,394	2.6
	337,644,948	–	337,644,948	95.8

December 31, 2016				
Currency	Gross currency exposure (\$)	Currency contracts (\$)	Net exposure (\$)	Percentage of net assets (%)
US Dollar	202,430,836	–	202,430,836	63.5
European Euro	37,108,360	–	37,108,360	11.6
Australian Dollar	22,836,910	–	22,836,910	7.2
Japanese Yen	18,877,491	–	18,877,491	5.9
British Pound	16,242,257	–	16,242,257	5.1
Hong Kong Dollar	9,730,184	–	9,730,184	3.1
Singapore Dollar	5,287,851	–	5,287,851	1.7
	312,513,889	–	312,513,889	98.1

If the Canadian dollar strengthened or weakened by 10% in relation to all other currencies, with all other variables held constant, net assets of the Fund would have decreased or increased, respectively, by \$33,764,495 or 9.6% of net assets (December 31, 2016 – \$31,251,389 or 9.8%). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

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, underlying funds, derivatives and commodities, as applicable. As at December 31, 2017, approximately 95.9% (December 31, 2016 – 94.5%) of the Fund's net assets were exposed to price risk. If prices of these instruments 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 \$33,767,152 (December 31, 2016 – \$30,137,119). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Credit risk

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

Credit ratings	December 31, 2017		December 31, 2016	
	Percentage of total credit rated instruments (%)	Percentage of net assets (%)	Percentage of total credit rated instruments (%)	Percentage of net assets (%)
BBB	–	–	100.0	0.3
	–	–	100.0	0.3

Concentration risk

Concentration risk arises as a result of the concentration of financial instruments 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 by carrying value as a percentage of net assets:

	Percentage of net assets (%)	
	December 31, 2017	December 31, 2016
Australia	2.6	7.1
Canada	2.8	1.2
France	1.8	2.0
Germany	5.2	4.9
Hong Kong	7.3	4.6
Japan	6.0	5.9
Netherlands	0.8	2.8
Singapore	3.7	1.7
Spain	2.6	1.2
United Kingdom	9.6	5.9
United States	53.5	57.5

FUND SPECIFIC NOTES

For the periods indicated in Note 1

Fair Value Classification (note 2)

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

December 31, 2017	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Equities	198,350,270	139,321,250	–	337,671,520
	198,350,270	139,321,250	–	337,671,520

December 31, 2016	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Equities	186,522,232	114,848,957	–	301,371,189
Bonds and debentures	–	860,149	–	860,149
	186,522,232	115,709,106	–	302,231,338

Transfers between levels

During the periods ended December 31, 2017 and December 31, 2016, there were no significant transfers between Level 1 and Level 2.

Offsetting of financial assets and liabilities (note 2)

As at December 31, 2017 and December 31, 2016, the Fund did not enter into any agreement whereby the financial instruments were eligible for offset.

Interest in Underlying Funds (note 2)

The Fund did not hold any interest in Underlying Funds as at December 31, 2017 or December 31, 2016.

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

As at December 31, 2017 or December 31, 2016, there were no differences between the net asset value per unit and the net assets per unit for any series of the Fund.

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	December 31, 2017	December 31, 2016
ASSETS		
Current assets		
Investments		
Non-derivative financial assets	5,653,680	9,396,902
Cash	15,007	1,339
Receivable for securities sold	9,800	33,000
Accrued investment income and other	14	12
	<u>5,678,501</u>	<u>9,431,253</u>
LIABILITIES		
Current liabilities		
Redemptions payable	400	1,000
Accrued expenses	—	567
	<u>400</u>	<u>1,567</u>
Net assets attributable to holders of redeemable units	<u>5,678,101</u>	<u>9,429,686</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series A	<u>5,678,101</u>	<u>9,429,686</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series A	<u>12.39</u>	<u>12.05</u>

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except average units)	2017	2016
INCOME		
Net gain (loss) on investments		
Dividends	40,312	66,242
Interest for distribution purposes	151,077	233,893
Net realized gain (loss) on non-derivative financial assets	392,334	829,475
Change in unrealized gain (loss) on non-derivative financial assets	(158,946)	(567,420)
Net gain (loss) on investments	<u>424,777</u>	<u>562,190</u>
Other income	177	—
Total income (loss), net	<u>424,954</u>	<u>562,190</u>
EXPENSES		
Management fees (note 5)	147,997	207,376
Fixed administration fees (note 6)	12,000	16,813
Independent Review Committee fees	1,135	1,184
Interest expense and bank overdraft charges	293	166
Foreign withholding taxes/tax reclaims	3,515	6,199
Other fund costs	—	2
Harmonized Sales Tax/Goods and Services Tax	15,824	22,449
Total expenses	<u>180,764</u>	<u>254,189</u>
Increase (decrease) in net assets attributable to holders of redeemable units from operations	<u>244,190</u>	<u>308,001</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A	<u>244,190</u>	<u>308,001</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT[†]		
Series A	<u>0.37</u>	<u>0.34</u>
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series A	<u>656,035</u>	<u>907,973</u>

[†] 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)	2017	2016
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series A	<u>9,429,686</u>	<u>11,804,572</u>
	<u>9,429,686</u>	<u>11,804,572</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A	<u>244,190</u>	<u>308,001</u>
	<u>244,190</u>	<u>308,001</u>
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net investment income		
Series A	(12,773)	(43,134)
From net realized gains on investments		
Series A	—	(310,209)
	<u>(12,773)</u>	<u>(353,343)</u>
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A	151,160	1,029,725
Reinvested distributions		
Series A	11,751	332,404
Payments on redemption		
Series A	(4,145,913)	(3,691,673)
	<u>(3,983,002)</u>	<u>(2,329,544)</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A	<u>(3,751,585)</u>	<u>(2,374,886)</u>
	<u>(3,751,585)</u>	<u>(2,374,886)</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series A	<u>5,678,101</u>	<u>9,429,686</u>
	<u>5,678,101</u>	<u>9,429,686</u>

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	244,190	308,001
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(392,334)	(829,475)
Change in unrealized (gain) loss on non-derivative financial assets	158,946	567,420
Non-cash transactions	(187,689)	(293,584)
Purchases of portfolio investments	(10,000)	(1,814,139)
Proceeds from sale of portfolio investments	4,197,499	4,617,819
Accrued investment income and other	(2)	21
Accrued expenses and other payables	(567)	563
Net cash provided by (used in) operating activities	<u>4,010,043</u>	<u>2,556,626</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	151,160	1,029,799
Amounts paid on redemption of redeemable units	(4,146,513)	(3,690,673)
Distributions to unitholders of redeemable units	(1,022)	(20,939)
Net cash provided by (used in) financing activities	<u>(3,996,375)</u>	<u>(2,681,813)</u>
Net increase (decrease) in cash	13,668	(125,187)
Cash (bank overdraft), beginning of period	1,339	126,526
CASH (BANK OVERDRAFT), END OF PERIOD	<u>15,007</u>	<u>1,339</u>
Interest paid ⁽¹⁾	293	166
Interest received ⁽¹⁾	181	376

⁽¹⁾ Classified as operating items.

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2017

Issuer	Number of Units	Average Cost (\$)	Carrying Value (\$)
CANADIAN EQUITY FUNDS – 11.0%			
Scotia Private Canadian Growth Pool Series I	14,175	177,785	254,104
Scotia Private Canadian Small Cap Pool Series I	4,081	130,507	169,983
Scotia Private Canadian Value Pool Series I	7,721	142,095	197,916
		<u>450,387</u>	<u>622,003</u>
FIXED INCOME FUNDS – 69.9%			
Scotia Private American Core-Plus Bond Pool Series I	89,186	760,939	848,399
Scotia Private High Yield Income Pool Series I	63,013	562,610	566,964
Scotia Private Income Pool Series I	239,903	2,638,983	2,553,721
		<u>3,962,532</u>	<u>3,969,084</u>
FOREIGN EQUITY FUNDS – 18.7%			
Scotia Private Emerging Markets Pool Series I	9,630	89,795	113,352
Scotia Private Global Real Estate Pool Series I	12,220	152,527	223,059
Scotia Private International Equity Pool Series I	14,202	174,206	196,030
Scotia Private International Small to Mid Cap Value Pool Series I	3,224	52,867	113,851
Scotia Private U.S. Large Cap Growth Pool Series I	7,254	138,039	164,823
Scotia Private U.S. Mid Cap Value Pool Series I	6,592	103,199	125,130
Scotia Private U.S. Value Pool Series I	7,765	83,502	126,348
		<u>794,135</u>	<u>1,062,593</u>
TOTAL INVESTMENT PORTFOLIO		<u>5,207,054</u>	<u>5,653,680</u>
OTHER ASSETS, LESS LIABILITIES – 0.4%			<u>24,421</u>
NET ASSETS – 100.0%			<u>5,678,101</u>

FUND SPECIFIC NOTES

For the periods indicated in Note 1

The Fund (note 1)

The Fund's objective is to generate current income and long-term capital growth, with a bias towards income. It invests primarily in a mix of equity and income mutual funds managed by us.

The Fund invests primarily in 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.

Risk associated with financial instruments (note 4)**Interest rate risk**

The Fund could be exposed to indirect interest rate risk to the extent that the Underlying Funds held financial instruments that were subject to interest rate risk.

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.

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, underlying funds, derivatives and commodities, as applicable. As at December 31, 2017, approximately 99.6% (December 31, 2016 – 99.7%) of the Fund's net assets were exposed to price risk. If prices of these instruments 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 \$565,368 (December 31, 2016 – \$939,690). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Credit risk

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

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 by carrying value as a percentage of net assets:

	Percentage of net assets (%)	
	December 31, 2017	December 31, 2016
Canadian Equity Funds	11.0	11.1
Fixed Income Funds	69.9	69.7
Foreign Equity Funds	18.7	18.9

Fair Value Classification (note 2)

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

	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
December 31, 2017				
Underlying funds	5,653,680	–	–	5,653,680
	5,653,680	–	–	5,653,680

	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
December 31, 2016				
Underlying funds	9,396,902	–	–	9,396,902
	9,396,902	–	–	9,396,902

Transfers between levels

During the periods ended December 31, 2017 and December 31, 2016, there were no significant transfers between Level 1 and Level 2.

Offsetting of financial assets and liabilities (note 2)

As at December 31, 2017 and December 31, 2016, the Fund did not enter into any agreement whereby the financial instruments were eligible for offset.

Interest in Underlying Funds (note 2)

The following tables present the percentage of the Underlying Funds owned by the Fund.

Underlying Fund	December 31, 2017	
	Carrying value of the Underlying Fund (\$)	Ownership percentage in Underlying Fund (%)
Scotia Private Income Pool Series I	2,553,721	0.5
Scotia Private Canadian Growth Pool Series I	254,104	0.1
Scotia Private Canadian Value Pool Series I	197,916	0.1
Scotia Private American Core-Plus Bond Pool Series I	848,399	0.1
Scotia Private Global Real Estate Pool Series I	223,059	0.1
Scotia Private International Small to Mid Cap Value Pool Series I	113,851	0.1
Scotia Private U.S. Large Cap Growth Pool Series I	164,823	0.1
Scotia Private U.S. Mid Cap Value Pool Series I	125,130	0.1
Scotia Private U.S. Value Pool Series I	126,348	0.1
Scotia Private Canadian Small Cap Pool Series I	169,983	0.0
Scotia Private High Yield Income Pool Series I	566,964	0.0
Scotia Private Emerging Markets Pool Series I	113,352	0.0
Scotia Private International Equity Pool Series I	196,030	0.0
	5,653,680	

FUND SPECIFIC NOTES

For the periods indicated in Note 1

Underlying Fund	December 31, 2016	
	Carrying value of the Underlying Fund (\$)	Ownership percentage in Underlying Fund (%)
Scotia Private Income Pool Series I	4,211,897	0.9
Scotia Private International Small to Mid Cap Value Pool Series I	191,187	0.3
Scotia Private Canadian Growth Pool Series I	431,735	0.2
Scotia Private U.S. Mid Cap Value Pool Series I	207,599	0.2
Scotia Private American Core-Plus Bond Pool Series I	1,412,065	0.2
Scotia Private U.S. Large Cap Growth Pool Series I	275,674	0.2
Scotia Private Canadian Value Pool Series I	331,040	0.2
Scotia Private U.S. Value Pool Series I	209,475	0.2
Scotia Private High Yield Income Pool Series I	945,490	0.1
Scotia Private Emerging Markets Pool Series I	190,438	0.1
Scotia Private Global Real Estate Pool Series I	378,205	0.1
Scotia Private Canadian Small Cap Pool Series I	285,006	0.0
Scotia Private International Equity Pool Series I	327,091	0.0
	9,396,902	

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

As at December 31, 2017 or December 31, 2016, there were no differences between the net asset value per unit and the net assets per unit for any series of the Fund.

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	December 31, 2017	December 31, 2016
ASSETS		
Current assets		
Investments		
Non-derivative financial assets	55,009,871	64,712,077
Cash	71,379	186,565
Receivable for securities sold	90,000	—
Subscriptions receivable	37,838	641,351
Accrued investment income and other	48	66
	<u>55,209,136</u>	<u>65,540,059</u>
LIABILITIES		
Current liabilities		
Redemptions payable	88,437	91,256
Accrued expenses	—	4,211
	<u>88,437</u>	<u>95,467</u>
Net assets attributable to holders of redeemable units	<u>55,120,699</u>	<u>65,444,592</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series A	<u>55,120,699</u>	<u>65,444,592</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series A	<u>14.96</u>	<u>14.26</u>

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except average units)	2017	2016
INCOME		
Net gain (loss) on investments		
Dividends	763,738	848,248
Interest for distribution purposes	689,500	886,876
Net realized gain (loss) on non-derivative financial assets	2,938,163	4,604,995
Change in unrealized gain (loss) on non-derivative financial assets	65,454	(1,319,000)
Net gain (loss) on investments	<u>4,456,855</u>	<u>5,021,119</u>
Other income	241	614
Total income (loss), net	<u>4,457,096</u>	<u>5,021,733</u>
EXPENSES		
Management fees (note 5)	1,289,179	1,468,210
Fixed administration fees (note 6)	49,112	55,932
Independent Review Committee fees	1,135	1,184
Interest expense and bank overdraft charges	190	213
Foreign withholding taxes/tax reclaims	53,197	64,262
Other fund costs	—	12
Harmonized Sales Tax/Goods and Services Tax	123,658	137,518
Total expenses	<u>1,516,471</u>	<u>1,727,331</u>
Increase (decrease) in net assets attributable to holders of redeemable units from operations	<u>2,940,625</u>	<u>3,294,402</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A	<u>2,940,625</u>	<u>3,294,402</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT[†]		
Series A	<u>0.69</u>	<u>0.65</u>
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series A	<u>4,238,571</u>	<u>5,067,536</u>

[†] 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)	2017	2016
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series A	65,444,592	76,291,021
	<u>65,444,592</u>	<u>76,291,021</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A	2,940,625	3,294,402
	<u>2,940,625</u>	<u>3,294,402</u>
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net realized gains on investments		
Series A	—	(474,173)
	<u>—</u>	<u>(474,173)</u>
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A	4,358,148	6,405,839
Reinvested distributions		
Series A	—	452,282
Payments on redemption		
Series A	(17,622,666)	(20,524,779)
	<u>(13,264,518)</u>	<u>(13,666,658)</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A	(10,323,893)	(10,846,429)
	<u>(10,323,893)</u>	<u>(10,846,429)</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series A	55,120,699	65,444,592
	<u>55,120,699</u>	<u>65,444,592</u>

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	2,940,625	3,294,402
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(2,938,163)	(4,604,995)
Change in unrealized (gain) loss on non-derivative financial assets	(65,454)	1,319,000
Non-cash transactions	(1,398,833)	(1,669,921)
Purchases of portfolio investments	(796,000)	(8,537,200)
Proceeds from sale of portfolio investments	14,810,656	24,884,962
Accrued investment income and other	18	14
Accrued expenses and other payables	(4,211)	4,166
Net cash provided by (used in) operating activities	<u>12,548,638</u>	<u>14,690,428</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	4,961,661	5,771,178
Amounts paid on redemption of redeemable units	(17,625,485)	(20,469,323)
Distributions to unitholders of redeemable units	—	(21,891)
Net cash provided by (used in) financing activities	<u>(12,663,824)</u>	<u>(14,720,036)</u>
Net increase (decrease) in cash	(115,186)	(29,608)
Cash (bank overdraft), beginning of period	186,565	216,173
CASH (BANK OVERDRAFT), END OF PERIOD	<u>71,379</u>	<u>186,565</u>
Interest paid ⁽¹⁾	190	213
Interest received ⁽¹⁾	1,227	955

⁽¹⁾ Classified as operating items.

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2017

Issuer	Number of Units	Average Cost (\$)	Carrying Value (\$)
CANADIAN EQUITY FUNDS – 30.1%			
Scotia Private Canadian Growth Pool Series I	369,157	4,838,646	6,617,723
Scotia Private Canadian Mid Cap Pool Series I	117,227	1,785,880	2,497,737
Scotia Private Canadian Small Cap Pool Series I	59,815	1,593,069	2,491,561
Scotia Private Canadian Value Pool Series I	193,949	3,669,711	4,971,438
		<u>11,887,306</u>	<u>16,578,459</u>
FIXED INCOME FUNDS – 40.0%			
Scotia Private High Yield Income Pool Series I	611,574	5,697,103	5,502,694
Scotia Private Income Pool Series I	1,553,116	17,065,114	16,532,607
		<u>22,762,217</u>	<u>22,035,301</u>
FOREIGN EQUITY FUNDS – 29.7%			
Scotia Private Emerging Markets Pool Series I	93,673	917,358	1,102,554
Scotia Private Global Real Estate Pool Series I	180,809	2,613,319	3,300,324
Scotia Private International Equity Pool Series I	316,879	3,707,674	4,373,819
Scotia Private International Small to Mid Cap Value Pool Series I	31,168	524,960	1,100,710
Scotia Private U.S. Large Cap Growth Pool Series I	119,417	1,104,457	2,713,282
Scotia Private U.S. Mid Cap Value Pool Series I	100,137	1,568,574	1,900,807
Scotia Private U.S. Value Pool Series I	117,057	1,391,467	1,904,615
		<u>11,827,809</u>	<u>16,396,111</u>
TOTAL INVESTMENT PORTFOLIO		<u>46,477,332</u>	55,009,871
OTHER ASSETS, LESS LIABILITIES – 0.2%			110,828
NET ASSETS – 100.0%			<u>55,120,699</u>

FUND SPECIFIC NOTES

For the periods indicated in Note 1

The Fund (note 1)

The Fund's objective is to achieve a balance of long-term capital growth and current income. It invests primarily in a mix of equity and income mutual funds managed by us.

The Fund invests primarily in 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.

Risk associated with financial instruments (note 4)**Interest rate risk**

The Fund could be exposed to indirect interest rate risk to the extent that the Underlying Funds held financial instruments that were subject to interest rate risk.

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.

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, underlying funds, derivatives and commodities, as applicable. As at December 31, 2017, approximately 99.8% (December 31, 2016 – 98.9%) of the Fund's net assets were exposed to price risk. If prices of these instruments 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 \$5,500,987 (December 31, 2016 – \$6,471,208). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Credit risk

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

Concentration risk

Concentration risk arises as a result of the concentration of financial instruments 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 by carrying value as a percentage of net assets:

	Percentage of net assets (%)	
	December 31, 2017	December 31, 2016
Canadian Equity Funds	30.1	29.7
Fixed Income Funds	40.0	39.0
Foreign Equity Funds	29.7	30.2

Fair Value Classification (note 2)

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

	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
December 31, 2017				
Underlying funds	55,009,871	–	–	55,009,871
	55,009,871	–	–	55,009,871

	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
December 31, 2016				
Underlying funds	64,712,077	–	–	64,712,077
	64,712,077	–	–	64,712,077

Transfers between levels

During the periods ended December 31, 2017 and December 31, 2016, there were no significant transfers between Level 1 and Level 2.

Offsetting of financial assets and liabilities (note 2)

As at December 31, 2017 and December 31, 2016, the Fund did not enter into any agreement whereby the financial instruments were eligible for offset.

Interest in Underlying Funds (note 2)

The following tables present the percentage of the Underlying Funds owned by the Fund.

Underlying Fund	December 31, 2017	
	Carrying value of the Underlying Fund (\$)	Ownership percentage in Underlying Fund (%)
Scotia Private Income Pool Series I	16,532,607	3.2
Scotia Private Canadian Growth Pool Series I	6,617,723	2.8
Scotia Private Canadian Mid Cap Pool Series I	2,497,737	2.3
Scotia Private Canadian Value Pool Series I	4,971,438	2.3
Scotia Private U.S. Mid Cap Value Pool Series I	1,900,807	2.0
Scotia Private U.S. Value Pool Series I	1,904,615	1.6
Scotia Private International Small to Mid Cap Value Pool Series I	1,100,710	1.4
Scotia Private U.S. Large Cap Growth Pool Series I	2,713,282	1.0
Scotia Private Global Real Estate Pool Series I	3,300,324	0.9
Scotia Private High Yield Income Pool Series I	5,502,694	0.4
Scotia Private Emerging Markets Pool Series I	1,102,554	0.4
Scotia Private Canadian Small Cap Pool Series I	2,491,561	0.3
Scotia Private International Equity Pool Series I	4,373,819	0.3
	55,009,871	

FUND SPECIFIC NOTES

For the periods indicated in Note 1

Underlying Fund	December 31, 2016	
	Carrying value of the Underlying Fund (\$)	Ownership percentage in Underlying Fund (%)
Scotia Private Income Pool Series I	18,932,811	3.9
Scotia Private Canadian Growth Pool Series I	7,762,726	3.7
Scotia Private Canadian Mid Cap Pool Series I	2,940,229	3.3
Scotia Private Canadian Value Pool Series I	5,808,705	3.0
Scotia Private U.S. Large Cap Growth Pool Series I	3,274,204	2.8
Scotia Private International Small to Mid Cap Value Pool Series I	1,326,117	2.2
Scotia Private U.S. Value Pool Series I	2,296,273	2.2
Scotia Private U.S. Mid Cap Value Pool Series I	2,278,554	1.8
Scotia Private Global Real Estate Pool Series I	3,949,785	1.2
Scotia Private Emerging Markets Pool Series I	1,258,441	0.5
Scotia Private International Equity Pool Series I	5,360,398	0.5
Scotia Private High Yield Income Pool Series I	6,591,422	0.5
Scotia Private Canadian Small Cap Pool Series I	2,932,412	0.4
	64,712,077	

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

As at December 31, 2017 or December 31, 2016, there were no differences between the net asset value per unit and the net assets per unit for any series of the Fund.

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	December 31, 2017	December 31, 2016
ASSETS		
Current assets		
Investments		
Non-derivative financial assets	6,444,601	9,109,431
Cash	18,642	36,088
Receivable for securities sold	1,900	—
Subscriptions receivable	—	6,373
Accrued investment income and other	13	14
	<u>6,465,156</u>	<u>9,151,906</u>
LIABILITIES		
Current liabilities		
Redemptions payable	—	1,000
Accrued expenses	—	699
	<u>—</u>	<u>1,699</u>
Net assets attributable to holders of redeemable units	<u>6,465,156</u>	<u>9,150,207</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series A	<u>6,465,156</u>	<u>9,150,207</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series A	<u>16.06</u>	<u>15.17</u>

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except average units)	2017	2016
INCOME		
Net gain (loss) on investments		
Dividends	118,258	153,262
Interest for distribution purposes	45,008	66,750
Net realized gain (loss) on non-derivative financial assets	735,803	796,138
Change in unrealized gain (loss) on non-derivative financial assets	(246,966)	(25,776)
Net gain (loss) on investments	<u>652,103</u>	<u>990,374</u>
Other income	—	204
Total income (loss), net	<u>652,103</u>	<u>990,578</u>
EXPENSES		
Management fees (note 5)	186,601	243,158
Fixed administration fees (note 6)	11,662	15,197
Independent Review Committee fees	1,135	1,184
Interest expense and bank overdraft charges	216	140
Foreign withholding taxes/tax reclaims	6,252	8,749
Other fund costs	—	2
Harmonized Sales Tax/Goods and Services Tax	20,223	24,766
Total expenses	<u>226,089</u>	<u>293,196</u>
Increase (decrease) in net assets attributable to holders of redeemable units from operations	<u>426,014</u>	<u>697,382</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A	<u>426,014</u>	<u>697,382</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT[†]		
Series A	<u>0.84</u>	<u>0.98</u>
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series A	<u>504,702</u>	<u>708,475</u>

[†] 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)	2017	2016
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series A	<u>9,150,207</u>	<u>11,393,181</u>
	<u>9,150,207</u>	<u>11,393,181</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A	<u>426,014</u>	<u>697,382</u>
	<u>426,014</u>	<u>697,382</u>
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A	556,202	739,636
Payments on redemption		
Series A	(3,667,267)	(3,679,992)
	<u>(3,111,065)</u>	<u>(2,940,356)</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A	<u>(2,685,051)</u>	<u>(2,242,974)</u>
	<u>(2,685,051)</u>	<u>(2,242,974)</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series A	<u>6,465,156</u>	<u>9,150,207</u>
	<u>6,465,156</u>	<u>9,150,207</u>

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	426,014	697,382
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(735,803)	(796,138)
Change in unrealized (gain) loss on non-derivative financial assets	246,966	25,776
Non-cash transactions	(156,808)	(211,049)
Purchases of portfolio investments	(224,500)	(1,359,899)
Proceeds from sale of portfolio investments	3,533,075	4,537,337
Accrued investment income and other	1	66
Accrued expenses and other payables	(699)	693
Net cash provided by (used in) operating activities	<u>3,088,246</u>	<u>2,894,168</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	562,575	733,263
Amounts paid on redemption of redeemable units	(3,668,267)	(3,678,992)
Net cash provided by (used in) financing activities	<u>(3,105,692)</u>	<u>(2,945,729)</u>
Net increase (decrease) in cash	(17,446)	(51,561)
Cash (bank overdraft), beginning of period	36,088	87,649
CASH (BANK OVERDRAFT), END OF PERIOD	<u>18,642</u>	<u>36,088</u>
Interest paid ⁽¹⁾	216	140
Interest received ⁽¹⁾	206	280
Dividends received, net of withholding taxes ⁽¹⁾	1	—

⁽¹⁾ Classified as operating items.

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2017

Issuer	Number of Units	Average Cost (\$)	Carrying Value (\$)
CANADIAN EQUITY FUNDS – 50.2%			
Scotia Private Canadian Growth Pool Series I	72,227	978,896	1,294,779
Scotia Private Canadian Mid Cap Pool Series I	22,938	382,807	488,727
Scotia Private Canadian Small Cap Pool Series I	11,695	330,857	487,157
Scotia Private Canadian Value Pool Series I	37,831	740,186	969,721
		<u>2,432,746</u>	<u>3,240,384</u>
FIXED INCOME FUNDS – 19.9%			
Scotia Private High Yield Income Pool Series I	42,890	394,303	385,903
Scotia Private Income Pool Series I	84,786	933,979	902,533
		<u>1,328,282</u>	<u>1,288,436</u>
FOREIGN EQUITY FUNDS – 29.6%			
Scotia Private Emerging Markets Pool Series I	11,009	105,952	129,577
Scotia Private Global Real Estate Pool Series I	21,163	317,484	386,296
Scotia Private International Equity Pool Series I	36,990	413,813	510,573
Scotia Private International Small to Mid Cap Value Pool Series I	3,652	67,489	128,955
Scotia Private U.S. Large Cap Growth Pool Series I	13,920	137,100	316,276
Scotia Private U.S. Mid Cap Value Pool Series I	11,682	183,742	221,752
Scotia Private U.S. Value Pool Series I	13,666	171,777	222,352
		<u>1,397,357</u>	<u>1,915,781</u>
TOTAL INVESTMENT PORTFOLIO		<u>5,158,385</u>	<u>6,444,601</u>
OTHER ASSETS, LESS LIABILITIES – 0.3%			<u>20,555</u>
NET ASSETS – 100.0%			<u>6,465,156</u>

FUND SPECIFIC NOTES

For the periods indicated in Note 1

The Fund (note 1)

The Fund's objective is to achieve long-term capital growth and provide some current income. It invests primarily in a mix of equity and income mutual funds managed by us.

The Fund invests primarily in 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.

Risk associated with financial instruments (note 4)**Interest rate risk**

The Fund could be exposed to indirect interest rate risk to the extent that the Underlying Funds held financial instruments that were subject to interest rate risk.

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.

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, underlying funds, derivatives and commodities, as applicable. As at December 31, 2017, approximately 99.7% (December 31, 2016 – 99.6%) of the Fund's net assets were exposed to price risk. If prices of these instruments 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 \$644,460 (December 31, 2016 – \$910,943). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Credit risk

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

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, 2017	December 31, 2016
Canadian Equity Funds	50.2	49.6
Fixed Income Funds	19.9	19.8
Foreign Equity Funds	29.6	30.2

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

Fair Value Classification (note 2)

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

	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
December 31, 2017				
Underlying funds	6,444,601	–	–	6,444,601
	6,444,601	–	–	6,444,601

	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
December 31, 2016				
Underlying funds	9,109,431	–	–	9,109,431
	9,109,431	–	–	9,109,431

Transfers between levels

During the periods ended December 31, 2017 and December 31, 2016, there were no significant transfers between Level 1 and Level 2.

Offsetting of financial assets and liabilities (note 2)

As at December 31, 2017 and December 31, 2016, the Fund did not enter into any agreement whereby the financial instruments were eligible for offset.

Interest in Underlying Funds (note 2)

The following tables present the percentage of the Underlying Funds owned by the Fund.

	December 31, 2017	
Underlying Fund	Carrying value of the Underlying Fund (\$)	Ownership percentage in Underlying Fund (%)
Scotia Private Canadian Growth Pool Series I	1,294,779	0.5
Scotia Private Canadian Mid Cap Pool Series I	488,727	0.5
Scotia Private Canadian Value Pool Series I	969,721	0.5
Scotia Private Income Pool Series I	902,533	0.2
Scotia Private International Small to Mid Cap Value Pool Series I	128,955	0.2
Scotia Private U.S. Mid Cap Value Pool Series I	221,752	0.2
Scotia Private U.S. Value Pool Series I	222,352	0.2
Scotia Private Canadian Small Cap Pool Series I	487,157	0.1
Scotia Private Global Real Estate Pool Series I	386,296	0.1
Scotia Private U.S. Large Cap Growth Pool Series I	316,276	0.1
Scotia Private High Yield Income Pool Series I	385,903	0.0
Scotia Private Emerging Markets Pool Series I	129,577	0.0
Scotia Private International Equity Pool Series I	510,573	0.0
	6,444,601	

FUND SPECIFIC NOTES

For the periods indicated in Note 1

Underlying Fund	December 31, 2016	
	Carrying value of the Underlying Fund (\$)	Ownership percentage in Underlying Fund (%)
Scotia Private Canadian Growth Pool Series I	1,814,023	0.9
Scotia Private Canadian Mid Cap Pool Series I	679,146	0.8
Scotia Private Canadian Value Pool Series I	1,352,625	0.7
Scotia Private U.S. Large Cap Growth Pool Series I	453,254	0.4
Scotia Private Income Pool Series I	1,255,241	0.3
Scotia Private U.S. Mid Cap Value Pool Series I	321,770	0.3
Scotia Private International Small to Mid Cap Value Pool Series I	184,851	0.3
Scotia Private U.S. Value Pool Series I	322,885	0.3
Scotia Private Global Real Estate Pool Series I	559,339	0.2
Scotia Private Emerging Markets Pool Series I	180,180	0.1
Scotia Private Canadian Small Cap Pool Series I	685,897	0.1
Scotia Private International Equity Pool Series I	744,543	0.1
Scotia Private High Yield Income Pool Series I	555,677	0.0
	9,109,431	

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

As at December 31, 2017 or December 31, 2016, there were no differences between the net asset value per unit and the net assets per unit for any series of the Fund.

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 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 Street East, 28th Floor, Toronto, ON, M5C 2V9.

The Funds presented in these financial statements are open-ended mutual fund trusts. Throughout this document, we refer to these mutual fund trusts individually as a "Fund" and collectively, as the "Funds".

The Funds are established under the laws of the Province of Ontario pursuant to an Amended and Restated Master Declaration of Trust dated November 24, 2011, as amended from time to time. On October 2, 2017, State Street Trust Company Canada replaced The Bank of Nova Scotia in its capacity as custodian of certain Funds. In addition, State Street Bank and Trust Company replaced The Bank of Nova Scotia in its capacity as securities lending agent of the Funds.

The Statements of Financial Position are as at December 31, 2017 and 2016, and the Statements of Comprehensive Income, Changes in Net Assets Attributable to Holders of Redeemable Units and Cash Flows are for the years ended, December 31, 2017 and 2016. For Funds that started during either period, the information presented is for the period from the Fund's commencement date to December 31, 2017 or 2016, as applicable. The Schedule of Investment Portfolio for each of the Funds is as at December 31, 2017. 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 9, 2018 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 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:

Scotia Private Pools	Commencement Date
Scotia Private American Core-Plus Bond Pool	January 28, 2002
Scotia Private Canadian Growth Pool	September 3, 1997
Scotia Private Canadian Mid Cap Pool	January 28, 2002
Scotia Private Canadian Small Cap Pool	September 3, 1997
Scotia Private Canadian Value Pool	September 3, 1997
Scotia Private Emerging Markets Pool	September 8, 2010
Scotia Private Global Equity Pool	September 3, 1997
Scotia Private Global High Yield Pool	January 16, 2018
Scotia Private Global Infrastructure Pool	January 16, 2018
Scotia Private Global Real Estate Pool	January 28, 2002
Scotia Private High Yield Income Pool	September 3, 1997
Scotia Private Income Pool	September 3, 1997
Scotia Private International Equity Pool	September 3, 1997
Scotia Private International Small to Mid Cap Value Pool	January 28, 2002
Scotia Private Short Term Income Pool	September 3, 1997
Scotia Private Strategic Balanced Pool	September 3, 1997
Scotia Private U.S. Large Cap Growth Pool	January 18, 2001

Scotia Private Pools	Commencement Date
Scotia Private U.S. Mid Cap Value Pool	January 28, 2002
Scotia Private U.S. Value Pool	September 3, 1997
Pinnacle Portfolios	
Pinnacle Balanced Portfolio	April 22, 2005
Pinnacle Growth Portfolio	April 22, 2005
Pinnacle Income Portfolio	April 22, 2005

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.

A description of each series is provided below:

Series A:	Series A units are only available through Scotia McLeod or otherwise as permitted by the Manager.
Pinnacle Series:	Pinnacle Series units are only available to investors who participate in the Pinnacle Program.
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 K:	Series K units are only available to investors who participate in the ScotiaMcLeod Investment Portfolio ("SIP"). Series K units are only available in the SIP multi-manager mandates or SIP optimized portfolios and are not available as single funds.
Series M:	Series M units are available to investors who have signed a discretionary investment management agreement with the Manager or Scotiatrust.

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 legislation.

The preparation of these financial statements in accordance with IFRS requires the use of judgment in applying accounting policies and to make estimates and assumptions concerning the future. Significant accounting judgments and estimates made by the Manager 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 short positions are included in this category.

Financial assets and financial liabilities designated at fair value through profit or loss at inception are financial instruments that are not classified as held for trading but are managed and their performance evaluated on a fair value basis in accordance with the respective Fund's investment strategy.

The Funds' obligations for net assets attributable to holders of redeemable units are presented at the redemption amount.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. The Funds include in this category receivable for securities sold, subscription receivable, other accrued investment income and other receivables.

All other financial liabilities, other than those classified as at FVTPL are measured at amortized cost.

Recognition and measurement

Regular purchases and sales of investments are recognized on the date on which the Funds commit to purchase or sell 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 other techniques commonly used by market participants 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; and
- 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, as applicable, 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 Working Group which includes the Chief Financial Officer, members of the finance team, as well as members of the investment council and compliance teams. The working group 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, as defined below, 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. For purposes of determining Net Asset Value as defined below, warrants are valued at their intrinsic value.
- (vi) 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. All transactions in over-the-counter options are executed using approved brokers with an approved credit rating.
- (vii) Futures contracts are valued at their close prices on each valuation date.
- (viii) 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.
- (ix) Centrally cleared swaps and over the counter swaps derive their value from underlying asset prices, indices, reference rates and other inputs or a combination of these factors. They are valued using a broker-dealer bid quotation or on market-based prices provided by an independent pricing source, which may use inputs that are observed from actively quoted markets such as the overnight index swap rate, London Interbank Offered Rate forward rate, interest rates, yield curves and credit spreads.

(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 or the Fund holds non-traded warrants 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") is presented in the "Fund Specific Notes" for each Fund, as applicable.

(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 sold.

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, and swaps 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 have expired. Once the contracts are closed out or have expired, the resulting realized gains and losses of forwards, futures, and swaps 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 represents 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 for distribution purposes.

(f) Functional and presentation currency and foreign exchange translation

The functional and reporting currency for all Funds is the Canadian dollar. The functional currency is the currency of the primary economic environment in which the Funds operate, or where mixed indicators exist in the primary environment, the currency in which they primarily raise capital. Any 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) The fair values 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 at the rates of exchange applicable on the respective dates of such transactions; and
- (iii) Purchase or sale of investments and investment income at the rate of exchange prevailing on the respective dates of such transactions.

Gains and losses on foreign exchange incurred in the Funds from monetary or non-monetary assets and liabilities other than investments and derivatives are shown in the Statements of Comprehensive Income as “Net realized and unrealized foreign currency translation gain (loss)”.

(g) Investments in unconsolidated structured entities

Certain Funds may invest in mutual funds, exchange-traded funds or closed-ended funds managed by the Manager or third party investment managers. The relevant Funds consider all investments in such instruments (“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. The Funds account for these unconsolidated structured entities at fair value.

The Underlying Funds each have their own objectives and investment strategies which assist the Funds in achieving their investment objectives. The Underlying Funds primarily finance their operations by issuing redeemable units or shares which are puttable at the holder's option in the case of mutual funds and exchange-traded funds or through issuing non-redeemable units or partnership interests in the case of closed end funds. The Underlying Funds entitle the holder to a proportional stake in the respective fund's net assets. The Funds hold units, shares or partnership interests 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 their 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. The Funds account for these unconsolidated structured entities investments at fair value. The fair value of such securities, as disclosed in the Schedule of Investment Portfolio, as applicable, represents the maximum exposure to losses at that date.

(h) Redeemable units issued by the Funds

The Funds' outstanding redeemable units qualify as “puttable instruments” as per 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 liabilities.

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.

This feature violates one of the 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 an unconditional 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 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) Non-cash transactions

Non-cash transactions on the Statements of Cash Flows include reinvested distributions from the underlying mutual funds and stock dividends from equity investments. These amounts represent non-cash income recognized in the Statements of Comprehensive Income.

(m) Accounting standards issued but not yet effective

The final version of IFRS 9, *Financial Instruments* was issued by the International Accounting Standards Board (“IASB”) in July 2014 and will replace IAS 39, *Financial Instruments: Recognition and Measurement*, related to the classification and measurement of financial assets and financial liabilities.

IFRS 9 relates to the classification and measurement of financial assets and financial liabilities in the Funds. The new standard is

effective for the Funds for their fiscal year beginning January 1, 2018. The Manager has been evaluating the standard and has currently determined that the impact to the Funds will include additional disclosures related to changes to the classification of certain financial instruments to align with the classifications under IFRS 9. Adoption of the standard will not impact net assets attributable to holders of redeemable units.

3. Significant Accounting Judgments and Estimates

The preparation of financial statements requires the Manager 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, commit to their investors that their business purpose is to invest funds solely for returns from capital appreciation, investment income, or both; and measure and evaluate the performance of their investments on a fair value basis. Consequently, the Funds do not consolidate their investments in subsidiaries, if any, 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 financial instruments 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 that are not quoted in an active market. The use of valuation techniques for financial instruments 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.

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 instruments (such as bonds and debentures) and interest rate sensitive derivative instruments, if any.

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

(i) 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, underlying funds, derivatives and commodities. The maximum risk resulting from these financial instruments is equivalent to their fair value, except for written options, short sales and short futures contracts, where possible losses can be unlimited.

(b) Credit risk

Credit risk is the risk that the issuer of a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Funds. A Fund's investment in financial instruments such as bonds, debentures, money market instruments, preferred shares and derivatives represents the main concentration of credit risk. The fair value of financial instruments includes consideration of the creditworthiness of the issuer, and accordingly, represents the maximum credit risk exposure to the Funds. All the transactions in listed securities are settled or paid upon delivery using approved brokers with an approved credit rating. 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.

The Trade Management Oversight Committee responsible for regulatory evaluation and improvement of trade management policies and procedures, when applicable, is also responsible for counterparty selection and oversight. The committee review counterparties regularly to ensure they still meet preapproved credit standards established by the committee. The counterparty policies and procedures established by the committee have been reviewed and approved by the Board of Directors of the Manager.

The Funds enter into transactions with approved counterparties with a designated rating in accordance with securities regulations. The credit ratings reported in the financial statements for issuers of debt instruments, counterparties of derivative transactions, prime brokers and custodians, where applicable, are S&P Global Ratings' credit ratings or S&P Global Ratings equivalent for credit ratings from other approved rating agencies. In instances where the credit rating was to fall below the designated 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 and State Street Trust Company Canada, as custodians of the Funds, meet all Canadian Securities Administrators' requirements to act as custodian.

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 102% 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, as applicable.

(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 concentration risk is provided in the respective Fund's "Fund Specific Notes".

5. Management Fees

The Funds pay the Manager a management fees for each series of securities, other than Series I, Series K and Pinnacle Series. Management fees for Series I, Series K and Pinnacle Series securities are paid directly by investors. The management fees cover the costs of managing the Funds, arranging for investment analysis, recommendations and investment decision making for the Funds, arranging for, distribution of the Funds, marketing and promotion of the Funds and providing or arranging for other services for the Funds.

The management fee for all Series except Series I, Series K & Pinnacle Series is an annualized rate based on the net asset value of each series of the Funds. The management fee for Series I, Series K & Pinnacle Series 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 by clients who invest large amounts in a particular Fund by waiving a portion of the management fee that it would otherwise be entitled to receive from the Fund or a securityholder and directing the Fund to make a management fee distribution, in the case of clients of the Funds. All management fee distributions and management fee rebates are automatically reinvested in additional units of the relevant series of the Funds.

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		
	Series A	Series F	Series M
Scotia Private Pools			
Scotia Private American Core-Plus Bond Pool	—	0.75	—
Scotia Private Canadian Growth Pool	—	1.00	—
Scotia Private Canadian Mid Cap Pool	—	1.00	—
Scotia Private Canadian Small Cap Pool	—	1.00	0.70
Scotia Private Canadian Value Pool	—	1.00	—
Scotia Private Emerging Markets Pool	—	—	0.70
Scotia Private Global Equity Pool	—	1.00	—
Scotia Private Global High Yield Pool	—	—	0.45
Scotia Private Global Infrastructure Pool	—	—	0.50
Scotia Private Global Real Estate Pool	—	1.00	—

	% of Net Asset Value		
	Series A	Series F	Series M
Scotia Private High Yield Income Pool	—	0.75	0.30
Scotia Private Income Pool	—	0.70	—
Scotia Private International Equity Pool	—	1.00	—
Scotia Private International Small to Mid Cap Value Pool	—	1.00	—
Scotia Private Short Term Income Pool	—	0.50	—
Scotia Private Strategic Balanced Pool	—	1.00	—
Scotia Private U.S. Large Cap Growth Pool	—	1.00	0.40
Scotia Private U.S. Mid Cap Value Pool	—	0.80	0.55
Scotia Private U.S. Value Pool	—	1.00	—
Pinnacle Portfolios			
Pinnacle Income Portfolio	1.85	—	—
Pinnacle Balanced Portfolio	2.10	—	—
Pinnacle Growth Portfolio	2.40	—	—

6. Fixed Administration Fees and Operating Expenses

The Manager pays certain operating expenses of the Funds (“FAF Funds”), other than Scotia Private Short Term Income Pool. 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 FAF Funds pays a Fixed Administration fee to the Manager (the “Fixed Administration fee”). Up to December 31, 2017, 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 FAF 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, the ongoing

audit costs associated with compliance with IFRS, the cost of any new government or regulatory requirements, including compliance with the 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 authority that is based on the assets or other criteria of the Funds, any transaction costs, including all fees and costs related to derivatives, and any borrowing costs, and taxes (including, but not limited to, GST or HST, as applicable). Refer to the simplified prospectus of the Funds for more details on Other Fund Costs. Other Fund Costs will be allocated among the FAF Funds and each Series of the FAF Funds is allocated its own expenses and its proportionate share of these expenses that are common to all Series.

The Fixed Administration Fee does not apply to Scotia Private Short Term Income Pool. Each series of this Fund pays its own share of all expense (“Operating Expenses”) common to the Funds along with series specific expenses relevant to each Series. Operating expenses may include legal fees and other costs incurred in order to comply with legal and regulatory requirements and policies, audit fees, taxes, brokerage commissions, unitholder communication costs and other administrative costs. Examples of other administrative costs include departmental expenses incurred and paid by the Manager which support the daily operation of the Funds. These expenses also include the costs in connection with the operation of the IRC (such as the costs of holding meetings, insurance premiums for the IRC, and fees and expenses of any advisor engaged by the IRC), the fees paid to each IRC member, and the reasonable expenses associated with the performance of his or her duties as an IRC member.

The Manager may, in some years and in certain cases, waive a portion of a Series’ Fixed Administration Fee, Other Fund Costs or Operating Expenses. The Fixed Administration Fee, Other Fund Costs and Operating Expenses, as applicable, 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					
	Series A	Series F	Series I	Series K	Series M	Pinnacle Series
Scotia Private Pools						
Scotia Private American Core-Plus Bond Pool	—	0.10	0.03	—	—	0.18
Scotia Private Canadian Growth Pool	—	0.10	0.04	—	—	0.15
Scotia Private Canadian Mid Cap Pool	—	0.10	0.08	—	—	0.24
Scotia Private Canadian Small Cap Pool	—	0.10	0.03	—	0.15	0.22
Scotia Private Canadian Value Pool	—	0.10	0.05	—	—	0.15
Scotia Private Emerging Markets Pool	—	—	0.07	—	0.09	0.23
Scotia Private Global Equity Pool	—	0.10	0.04	—	—	0.31
Scotia Private Global High Yield Pool	—	—	—	—	0.05	0.18
Scotia Private Global Infrastructure Pool	—	—	—	—	0.10	0.25
Scotia Private Global Real Estate Pool	—	0.10	0.03	—	—	0.11
Scotia Private High Yield Income Pool	—	0.05	0.03	0.11	0.03	0.11
Scotia Private Income Pool	—	0.08	0.03	—	—	0.07
Scotia Private International Equity Pool	—	0.10	0.04	—	—	0.24
Scotia Private International Small to Mid Cap Value Pool	—	0.10	0.10	—	—	0.50
Scotia Private Strategic Balanced Pool	—	0.10	—	—	—	0.30
Scotia Private U.S. Large Cap Growth Pool	—	0.10	0.07	—	0.02	0.27
Scotia Private U.S. Mid Cap Value Pool	—	0.10	0.10	—	0.08	0.49
Scotia Private U.S. Value Pool	—	0.10	0.03	—	—	0.21

	% of Net Asset Value					
	Series A	Series F	Series I	Series K	Series M	Pinnacle Series
Pinnacle Portfolios						
Pinnacle Income Portfolio	0.15	—	—	—	—	—
Pinnacle Balanced Portfolio	0.08	—	—	—	—	—
Pinnacle Growth Portfolio	0.15	—	—	—	—	—

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, 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, 2017 and 2016, the following number of units were issued, reinvested and redeemed:

	December 2017					December 2016				
	Opening Units	Units Issued	Units Reinvested	Units Redeemed	Ending Units	Opening Units	Units Issued	Units Reinvested	Units Redeemed	Ending Units
Scotia Private Pools										
Scotia Private American Core-Plus Bond Pool										
Pinnacle Series Units	10,470,587	3,383,797	400,174	2,207,805	12,046,753	7,116,663	4,867,744	279,197	1,793,017	10,470,587
Series F Units	23,143	14,772	317	3,849	34,383	14,295	8,563	285	—	23,143
Series I Units	75,037,925	3,609,927	2,897,612	2,262,121	79,283,343	70,608,961	3,712,896	2,201,319	1,485,251	75,037,925
Scotia Private Canadian Growth Pool										
Pinnacle Series Units	11,957,258	2,725,454	235,612	1,931,532	12,986,792	10,026,269	4,241,724	196,212	2,506,947	11,957,258
Series F Units	47,354	16,791	371	4,419	60,097	49,767	15,817	216	18,446	47,354
Series I Units	593,528	7,998	9,236	155,204	455,558	721,391	132,836	10,689	271,388	593,528
Scotia Private Canadian Mid Cap Pool										
Pinnacle Series Units	3,544,202	1,047,429	177,026	515,902	4,252,755	3,143,132	1,278,513	101,852	979,295	3,544,202
Series F Units	13,199	8,414	425	4,406	17,632	10,009	7,127	206	4,143	13,199
Series I Units	509,169	405,316	35,236	136,930	812,791	504,757	117,169	15,296	128,053	509,169
Scotia Private Canadian Small Cap Pool										
Pinnacle Series Units	2,843,017	520,987	53,646	489,867	2,927,783	2,362,718	979,620	65,557	564,878	2,843,017
Series F Units	78,759	48,129	1,244	10,765	117,367	33,973	62,622	1,162	18,998	78,759
Series I Units	14,987,158	421,799	305,241	858,381	14,855,817	13,932,082	1,956,387	375,038	1,276,349	14,987,158
Series M Units	103	6,780,529	89,193	1,053,477	5,816,348	—	100	3	—	103
Scotia Private Canadian Value Pool										
Pinnacle Series Units	8,106,216	1,624,312	205,961	1,670,424	8,266,065	7,868,606	2,271,029	209,618	2,243,037	8,106,216
Series F Units	37,121	10,282	424	6,990	40,837	34,980	9,748	448	8,055	37,121
Series I Units	315,711	1,664	6,515	84,388	239,502	525,069	4,985	8,683	223,026	315,711
Scotia Private Emerging Markets Pool										
Pinnacle Series Units	6,334,650	1,342,497	181,133	1,371,656	6,486,624	4,652,145	2,380,131	165,271	862,897	6,334,650
Series I Units	18,698,215	982,322	562,021	1,461,679	18,780,879	16,362,952	4,033,678	511,532	2,209,947	18,698,215
Series M Units	1,358,596	531,493	30,994	472,294	1,448,789	1,713,823	185,268	23,995	564,490	1,358,596
Scotia Private Global Equity Pool										
Pinnacle Series Units	1,226,709	64,417	85,695	261,215	1,115,606	2,804,660	183,450	28,303	1,789,704	1,226,709
Series F Units	389,943	119,733	22,578	206,619	325,635	52,066	369,606	7,685	39,414	389,943
Series I Units	13,710,612	50,088	1,037,464	1,954,587	12,843,577	13,137,194	1,263,153	361,483	1,051,218	13,710,612
Scotia Private Global High Yield Pool										
Pinnacle Series Units	—	7,500	—	—	7,500	—	—	—	—	—
Series M Units	—	7,500	—	—	7,500	—	—	—	—	—
Scotia Private Global Infrastructure Pool										
Pinnacle Series Units	—	7,500	—	—	7,500	—	—	—	—	—
Series M Units	—	7,500	—	—	7,500	—	—	—	—	—

	December 2017					December 2016				
	Opening Units	Units Issued	Units Reinvested	Units Redeemed	Ending Units	Opening Units	Units Issued	Units Reinvested	Units Redeemed	Ending Units
Scotia Private Pools										
Scotia Private Global Real Estate Pool										
Pinnacle Series Units	8,526,226	1,973,574	263,578	1,491,507	9,271,871	9,841,242	2,175,180	760,720	4,250,916	8,526,226
Series F Units	54,096	13,008	405	23,404	44,105	97,260	24,096	2,933	70,193	54,096
Series I Units	9,083,228	1,032,019	306,042	111,601	10,309,688	7,627,152	1,357,303	822,246	723,473	9,083,228
Scotia Private High Yield Income Pool										
Pinnacle Series Units	23,716,044	5,347,410	1,221,050	4,206,833	26,077,671	19,592,175	6,578,572	1,212,477	3,667,180	23,716,044
Series F Units	1,745,903	128,445	16,166	169,255	1,721,259	1,771,696	132,714	20,736	179,243	1,745,903
Series I Units	55,944,736	4,243,396	2,977,857	1,365,284	61,800,705	52,227,011	3,027,961	3,081,986	2,392,222	55,944,736
Series K Units	128,577	1,092,921	40,255	128,108	1,133,645	—	126,738	1,839	—	128,577
Series M Units	50,459,644	12,370,186	2,016,165	11,204,558	53,641,437	50,693,862	10,144,204	2,189,288	12,567,710	50,459,644
Scotia Private Income Pool										
Pinnacle Series Units	43,507,985	13,542,664	984,679	10,667,427	47,367,901	36,546,672	13,651,393	1,144,305	7,834,385	43,507,985
Series F Units	172,404	44,464	1,103	75,837	142,134	198,810	53,619	2,402	82,427	172,404
Series I Units	2,279,453	49,024	46,452	497,124	1,877,805	2,757,463	6,436	69,670	554,116	2,279,453
Scotia Private International Equity Pool										
Pinnacle Series Units	13,306,846	3,008,501	414,822	2,611,365	14,118,804	7,693,860	7,056,885	286,525	1,730,424	13,306,846
Series F Units	99,283	26,071	1,489	23,205	103,638	103,945	36,482	845	41,989	99,283
Series I Units	78,500,698	4,896,622	2,501,466	7,328,949	78,569,837	67,612,353	11,312,182	1,846,895	2,270,732	78,500,698
Scotia Private International Small to Mid Cap Value Pool										
Pinnacle Series Units	2,069,418	501,310	27,603	468,875	2,129,456	1,642,128	776,193	29,400	378,303	2,069,418
Series F Units	23,849	4,168	35	11,488	16,564	23,211	6,677	149	6,188	23,849
Series I Units	63,453	437	701	24,358	40,233	77,390	1,133	1,147	16,217	63,453
Scotia Private Short Term Income Pool										
Pinnacle Series Units	588,967	833,371	1,741	715,591	708,488	608,302	397,120	1,401	417,856	588,967
Series F Units	7,411	9,563	24	1,900	15,098	14,701	2,174	10	9,474	7,411
Scotia Private Strategic Balanced Pool										
Pinnacle Series Units	3,065,214	820,537	85,964	741,246	3,230,469	2,874,516	779,091	84,083	672,476	3,065,214
Series F Units	42,512	37,913	363	15,429	65,359	31,789	14,981	169	4,427	42,512
Scotia Private U.S. Large Cap Growth Pool										
Pinnacle Series Units	5,691,434	1,278,228	19,478	1,115,064	5,874,076	4,144,093	2,526,984	22,544	1,002,187	5,691,434
Series F Units	100,701	29,957	—	79,116	51,542	45,964	92,406	—	37,669	100,701
Series I Units	307,650	2,725	1,435	93,179	218,631	295,235	86,602	1,802	75,989	307,650
Series M Units	—	14,078,016	—	458,280	13,619,736	—	—	—	—	—
Scotia Private U.S. Mid Cap Value Pool										
Pinnacle Series Units	4,204,946	1,371,008	56,441	799,093	4,833,302	873,002	3,742,574	18,365	428,995	4,204,946
Series F Units	23,196	10,752	103	9,100	24,951	18,535	9,519	8	4,866	23,196
Series I Units	300,217	166,866	6,569	47,613	426,039	93,457	269,289	2,169	64,698	300,217
Series M Units	3,153,521	123,271	—	3,276,792	—	3,703,142	400,710	4,012	954,343	3,153,521
Scotia Private U.S. Value Pool										
Pinnacle Series Units	6,827,413	1,567,244	123,372	1,147,210	7,370,819	6,139,031	2,098,614	109,554	1,519,786	6,827,413
Series F Units	28,024	14,255	224	4,841	37,662	31,902	8,960	131	12,969	28,024
Series I Units	320,186	7,494	4,811	80,324	252,167	392,926	47,482	5,827	126,049	320,186
Pinnacle Portfolios										
Pinnacle Balanced Portfolio										
Series A Units	4,589,552	299,966	—	1,204,958	3,684,560	5,579,731	468,892	31,682	1,490,753	4,589,552
Pinnacle Growth Portfolio										
Series A Units	603,132	36,119	—	236,721	402,530	808,054	51,689	—	256,611	603,132
Pinnacle Income Portfolio										
Series A Units	782,788	12,397	947	337,844	458,288	966,356	84,146	27,639	295,353	782,788

(i) Included in units redeemed are redemptions related to payments of the Pinnacle Program Fee, where applicable.

8. Income Taxes

Each of the Funds qualifies or expects to qualify as a mutual fund trust under the *Income Tax Act (Canada)*. The Funds are subject to tax on their net investment income, including the taxable portion of net realized capital gains that are not paid or payable to their unitholders. Each Fund distributes sufficient amounts of its net investment income, including net realized capital gains, less the amount retained to enable each Fund to utilize any available tax losses or, if applicable, tax credits attributable to redemptions during the period by its unitholders such that no income tax will be paid or payable by the Funds. Such net investment income, including net realized capital gains are taxable in the hands of the unitholders. Accordingly, the Funds do not record Canadian income taxes in their financial statements.

The 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.

Losses carried forward

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.

As of the 2017 tax year end, the Funds have capital and non-capital losses available to carry forward as indicated in the table below:

	Year of expiry	Non- Capital Loss \$	Capital Loss \$
Scotia Private Pools			
Scotia Private Canadian Growth Pool	—	—	34,300,599
Scotia Private Canadian Value Pool	—	—	6,579,578
Scotia Private Emerging Markets Pool	—	—	16,330,062
Scotia Private High Yield Income Pool	—	—	993,628
Scotia Private Income Pool	—	—	8,458,564
Scotia Private International Small to Mid Cap Value Pool	—	—	20,189,946
Scotia Private Strategic Balanced Pool	—	—	5,159,828
Scotia Private U.S. Large Cap Growth Pool	—	—	4,892,476
Scotia Private U.S. Mid Cap Value Pool	—	—	266,710
Pinnacle Portfolios			
Pinnacle Balanced Portfolio	—	—	520,755
	2037	25,809	—
Pinnacle Growth Portfolio	2030	204,326	1,304,819
	2032	2,849	—
	2037	60,573	—

Withholding taxes

The Funds currently incur withholding taxes imposed by certain countries on investment income and in some cases, capital gains. Such income and 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 Funds' broker on a "withholding" basis.

As at December 31, 2017 and 2016, 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 advisor from or through a broker-dealer in exchange for directing client securities transactions to the broker-dealer. The ascertainable client brokerage commissions paid in connection with investment portfolio transactions for the periods ended December 31, 2017 and 2016 are set out below.

Fund	2017	2016
Scotia Private Canadian Growth Pool	\$ 5,206	\$ 1,790
Scotia Private Canadian Mid Cap Pool	5,842	7,894
Scotia Private Canadian Small Cap Pool	55,666	125,354
Scotia Private Emerging Markets Pool	129,748	90,186
Scotia Private Global Equity Pool	5,196	15,590
Scotia Private Global Real Estate Pool	475,029	414,021
Scotia Private International Small to Mid Cap Value Pool	16,318	17,470
Scotia Private Strategic Balanced Pool	1,406	1,038
Scotia Private U.S. Mid Cap Growth Pool	4,268	—
Scotia Private U.S. Value Pool	—	6,248

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. and Tangerine Investment Funds Limited, each a mutual fund dealer, and Scotia Capital Inc., (which includes ScotiaMcLeod and Scotia iTRADE), an investment dealer.

On August 4, 2017, Industrial Alliance Insurance and Financial Services Inc. completed its acquisition of HollisWealth including HollisWealth Advisory Services Inc. (collectively, "HollisWealth"), a related party of the Manager. As such, HollisWealth ceased to be a related party.

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 custodian for the Funds

during the period earned 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 separately 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) Decisions about the purchase and sale of each Fund's 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 for the periods ended December 31, 2017 and 2016 are as follows:

Fund	December 31, 2017	December 31, 2016
Scotia Private Strategic Balanced Pool	1,749	4,091
Scotia Private Canadian Value Pool	36,921	33,577
Scotia Private Canadian Mid Cap Pool	34,206	17,804
Scotia Private Canadian Growth Pool	13,173	8,591
Scotia Private Canadian Small Cap Pool	39,158	45,101
Scotia Private International Small to Mid Cap Value Pool	—	1,691

- (c) Certain registered dealers through which units 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.
- (d) 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 included in "Interest for distribution purposes" in the Statements of Comprehensive Income.
- (e) The Manager has received approval from the Independent Review Committee for the Funds to purchase securities of related parties. Any related party securities held by the Funds are disclosed in the Schedule of Investment Portfolio for the respective Funds.
- (f) The Funds may invest in investment funds managed by the Manager or a related party, which are disclosed in the Schedule of Investment Portfolio for the respective Funds. These include Scotia Funds, Scotia Private Pools, Pinnacle Portfolios, Dynamic Funds, Marquis Funds and Dynamic Private Investment Pools.

- (g) Units held by the Manager in the Funds as at December 31, 2017 and 2016, are disclosed below:

Fund	December 31, 2017	December 31, 2016
Scotia Private High Yield Income Pool	—	103 Series K Units
Scotia Private Global High Yield Pool	7500 Series Pinnacle Units	—
Scotia Private Global High Yield Pool	7500 Series M Units	—
Scotia Private Canadian Small Cap Pool	—	103 Series M Units
Scotia Private Global Infrastructure Pool	7500 Series Pinnacle Units	—
Scotia Private Global Infrastructure Pool	7500 Series M Units	—

- (h) Distributions received from related party funds are included in "Interest for distribution purposes", "Dividends", or "Net realized gain (loss) on non-derivative financial assets", as applicable in the Statements of Comprehensive Income.

11. Securities Lending

Some of the Funds may enter into securities lending transactions under a securities lending program with their custodian, State Street Bank and Trust Company. 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. In accordance with security regulations, the Funds receive minimum collateral of 102%. 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 Funds do not receive cash collateral from any securities lending transactions. The aggregate market value of all securities loaned by a Fund cannot exceed 50% of the Net Assets of the Fund. 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 income earned from these securities lending transactions is recorded in the Statements of Comprehensive Income. The securities lending agent earns 30% of the gross income generated through any securities lending transactions in the Funds.

On October 2, 2017, State Street Bank and Trust Company replaced The Bank of Nova Scotia in its capacity as securities lending agent of the Funds. The Bank of Nova Scotia and State Street Bank and Trust Company earned 30% of the gross income generated through any securities lending transactions in the Funds for the period wherein they served as lending agents.

The aggregate market value of the securities on loan and the collateral received by the Funds as at December 31, 2017 and 2016 are presented below along with the income earned for the periods ended December 31, 2017 and 2016.

	As at December 31, 2017		For the period ended December 31, 2017		
	Market value of securities on loan (\$)	Market value of collateral on loan (\$)	Net amount received by the Fund (\$)	Amount earned by lending agent (\$)	Gross securities lending revenue earned (\$)
Scotia Private American Core-Plus Bond Pool	—	—	77,612	33,262	110,874
Scotia Private Canadian Growth Pool	1,728,082	1,816,019	4,341	1,860	6,201
Scotia Private Canadian Mid Cap Pool	9,062,834	9,601,605	34,503	14,787	49,290
Scotia Private Canadian Small Cap Pool	20,129,015	21,243,439	484,209	207,518	691,727
Scotia Private Canadian Value Pool	7,492,459	7,863,966	15,100	6,471	21,571
Scotia Private Emerging Markets Pool	11,483,041	12,422,234	7,609	3,261	10,870
Scotia Private Global Equity Pool	2,588,453	2,800,161	15,000	6,429	21,429
Scotia Private Global Real Estate Pool	—	—	4,623	1,981	6,604
Scotia Private High Yield Income Pool	15,047,255	15,628,390	85	36	121
Scotia Private Income Pool	28,479,098	29,672,762	42,144	18,062	60,206
Scotia Private International Equity Pool	421,263	464,052	116,250	49,821	166,071
Scotia Private International Small to Mid Cap Value Pool	270,199	283,949	979	420	1,399
Scotia Private Short Term Income Pool	—	—	17	7	24
Scotia Private Strategic Balanced Pool	610,250	641,304	10,490	4,496	14,986
Scotia Private U.S. Large Cap Growth Pool	—	—	348	149	497
Scotia Private U.S. Mid Cap Value Pool	—	—	2,776	1,190	3,966
Scotia Private U.S. Value Pool	—	—	3,795	1,626	5,421

12. Currency Legend

The following is a list of abbreviations that may be used in the Financial Statements:

AUD	Australian Dollar	KRW	South Korean Won
BMD	Bermuda Dollar	MXN	Mexican Peso
BRL	Brazilian Real	MYR	Malaysian Ringgit
CAD	Canadian Dollar	NOK	Norwegian Krone
CHF	Swiss Franc	NZD	New Zealand Dollar
DKK	Danish Krone	PHP	Philippine Peso
EUR	Euro	PKR	Pakistani Rupee
GBP	Pound Sterling	SEK	Swedish Krona
HKD	Hong Kong Dollar	SGD	Singapore Dollar
IDR	Indonesian Rupiah	THB	Thailand Baht
ILS	Israeli Shekel	TWD	New Taiwan Dollar
INR	Indian Rupee	USD	US Dollar
JPY	Japanese Yen	ZAR	South African Rand

Management 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 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. The Board of Directors of 1832 Asset Management G.P. Inc., as general partner for and on behalf of 1832 Asset Management L.P., is 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 Board of Directors of 1832 Asset Management G.P. Inc. has delegated responsibility for oversight of the financial reporting process to the Finance Committee of the Board of Directors of 1832 Asset Management G.P. Inc. (the “Finance Committee”). The Finance Committee is responsible for reviewing the financial statements and the management report of fund performance and recommending them to the Board of Directors of 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 Trustee of the 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.



Glen Gowland
President
1832 Asset Management L.P.

March 9, 2018



Abdurrehman Muhammadi
Chief Financial Officer
1832 Asset Management L.P.

Independent Auditor's Report

126

To the unitholders and trustees of

Scotia Private Short Term Income Pool
Scotia Private Income Pool
Scotia Private High Yield Income Pool
Scotia Private American Core-Plus Bond Pool
Scotia Private Global High Yield Pool
Scotia Private Strategic Balanced Pool
Scotia Private Canadian Value Pool
Scotia Private Canadian Mid Cap Pool
Scotia Private Canadian Growth Pool
Scotia Private Canadian Small Cap Pool
Scotia Private U.S. Value Pool
Scotia Private U.S. Mid Cap Value Pool
Scotia Private U.S. Large Cap Growth Pool
Scotia Private International Equity Pool
Scotia Private International Small to Mid Cap Value Pool
Scotia Private Emerging Markets Pool
Scotia Private Global Equity Pool
Scotia Private Global Infrastructure Pool
Scotia Private Global Real Estate Pool
Pinnacle Income Portfolio
Pinnacle Balanced Portfolio
Pinnacle Growth Portfolio
(collectively the Funds)

We have audited the accompanying financial statements of each of the Funds, which comprise the statements of financial position as at December 31, 2017 and 2016 and the statements of comprehensive income, changes in net assets attributable to holders of redeemable units and cash flows for the years then ended, 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 the 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 that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on the 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, if any, 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 financial statements present fairly, in all material respects, the financial position of each of the Funds as at December 31, 2017 and 2016 and their financial performance and cash flows for the years then ended in accordance with International Financial Reporting Standards.

PricewaterhouseCoopers LLP

Chartered Professional Accountants,
Licensed Public Accountants
Toronto, Ontario
March 9, 2018

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