

SCOTIABANK CANADIAN GROWTH FUND

UNAUDITED FINANCIAL STATEMENTS

QUARTER ENDED MARCH 31, 2019

SCOTIABANK CANADIAN GROWTH FUND
INDEX TO UNAUDITED FINANCIAL STATEMENTS
QUARTER ENDED MARCH 31, 2019

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SCOTIABANK CANADIAN GROWTH FUND
UNAUDITED STATEMENT OF FINANCIAL POSITION
AS OF MARCH 31, 2019
(expressed in United States dollars)

	<u>31-Mar-19</u>	<u>31-Dec-18</u>	<u>31-Mar-18</u>
ASSETS			
Cash and cash equivalents	\$ 760,364	\$ 1,613,903	\$ 316,086
Financial assets at fair value through profit or loss (Cost: \$28,286,917 (December 2018: \$27,950,597; March 2018: \$32,954,537))	28,386,813	24,535,878	32,802,288
Dividends receivable	72,767	67,025	93,973
Receivable from Manager	16,705	14,573	10,469
Subscriptions receivable	496	496	767
	<u>29,237,145</u>	<u>26,231,875</u>	<u>33,223,583</u>
LIABILITIES			
Management fee payable	50,051	46,234	53,713
Accrued expenses	33,056	32,416	22,135
Tax withholding liability	18,524	16,756	23,493
Redemptions payable	-	2,970	8,428
Liabilities (excluding net assets attributable to holders of redeemable participating shares)	<u>101,631</u>	<u>98,376</u>	<u>107,769</u>
Management shares	<u>768</u>	<u>768</u>	<u>768</u>
Net assets attributable to holders of redeemable participating shares	<u>\$ 29,134,746</u>	<u>\$ 26,132,731</u>	<u>\$ 33,115,046</u>
Net asset value per redeemable participating share			
Class A \$26,028,837/9,895,113 shares (December 2018: \$23,390,127/10,073,582 shares; March 2018: \$27,876,028/10,751,653 shares)			
	<u>\$ 2.63</u>	<u>\$ 2.32</u>	<u>\$ 2.59</u>
Class NU \$938,879/353,664 shares (December 2018: \$834,538/355,695 shares; March 2018: \$1,079,444/410,481 shares)			
	<u>\$ 2.65</u>	<u>\$ 2.35</u>	<u>\$ 2.63</u>
Class IU \$835/357 shares (December 2018: \$781/357 shares; March 2018: \$1,364,663/470,504 shares)			
	<u>\$ 2.34</u>	<u>\$ 2.19</u>	<u>\$ 2.90</u>
Class AC CDN2,030,735/507,174 shares (December 2018: CDN1,823,302/505,067 shares; March 2018: CDN2,002,964/525,532 shares)			
	<u>CDN 4.00</u>	<u>CDN 3.61</u>	<u>CDN 3.81</u>
Class NC CDN861,359/235,318 shares (December 2018: CDN777,553/235,318 shares; March 2018: CDN823,964/235,318 shares)			
	<u>CDN 3.66</u>	<u>CDN 3.30</u>	<u>CDN 3.50</u>
Class IC CDN1,228/320 shares ((December 2018: CDN1,188/320 shares; March 2018: CDN778,220/201,627 shares)			
	<u>CDN 3.84</u>	<u>CDN 3.71</u>	<u>CDN 3.86</u>
Class IJ JMC57,291/558 shares (December 2018: JMC50,635/558 shares; March 2018: JMC55,357/558 shares)			
	<u>JMC 102.63</u>	<u>JMC 90.70</u>	<u>JMC 99.16</u>

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

Farried Sulliman
Farried Sulliman
Director

Dwight Burrows
Dwight Burrows
Director

Date: May 10, 2019

SCOTIABANK CANADIAN GROWTH FUND

UNAUDITED STATEMENT OF COMPREHENSIVE INCOME (LOSS)

QUARTER ENDED MARCH 31, 2019

(expressed in United States dollars)

	<u>31-Mar-19</u>	<u>31-Dec-18</u>	<u>31-Mar-18</u>
Income			
Dividend income	\$ 230,963	\$ 362,566	\$ 257,218
Other income	-	112	-
Net realized (loss) gain on financial assets at fair value through profit or loss and foreign currencies	(64,642)	(35,305)	222,073
Net change in unrealized appreciation (depreciation) on financial assets at fair value through profit or loss and foreign currencies	<u>3,537,013</u>	<u>(4,755,225)</u>	<u>(3,705,252)</u>
Total net income (loss)	<u>3,703,334</u>	<u>(4,427,852)</u>	<u>(3,225,961)</u>
Expenses			
Management fees	143,006	146,755	164,797
Other expenses	21,945	19,167	20,712
Custodian and administration fees	21,566	20,250	22,563
Professional fees	<u>7,299</u>	<u>11,062</u>	<u>5,918</u>
Total operating expenses	193,816	197,234	213,990
Less: expenses reimbursed	<u>(16,161)</u>	<u>(14,572)</u>	<u>(9,270)</u>
Net operating expenses	<u>177,655</u>	<u>182,662</u>	<u>204,720</u>
Operating profit (loss)	3,525,679	(4,610,514)	(3,430,681)
Withholding taxes on dividend income	<u>(57,838)</u>	<u>(52,848)</u>	<u>(64,770)</u>
Increase (decrease) in net assets from operations attributable to holders of redeemable participating shares	<u>\$ 3,467,841</u>	<u>\$ (4,663,362)</u>	<u>\$ (3,495,451)</u>

SCOTIABANK CANADIAN GROWTH FUND

UNAUDITED STATEMENT OF CHANGES IN NET ASSETS

QUARTER ENDED MARCH 31, 2019

(expressed in United States dollars)

	<u>31-Mar-19</u>	<u>31-Dec-18</u>	<u>31-Mar-18</u>
Shareholders' Equity			
Share Capital	\$ 104,250	\$ 106,034	\$ 120,282
Share Premium	28,140,466	28,604,508	32,546,105
Retained Earnings	(2,577,811)	2,085,551	3,944,110
Increase (decrease) in net assets for the quarter	<u>3,467,841</u>	<u>(4,663,362)</u>	<u>(3,495,451)</u>
Net assets attributable to holders of redeemable participating shares	<u>\$ 29,134,746</u>	<u>\$ 26,132,731</u>	<u>\$ 33,115,046</u>

SCOTIABANK CANADIAN GROWTH FUND

UNAUDITED STATEMENT OF CASH FLOWS

QUARTER ENDED MARCH 31, 2019

(expressed in United States dollars)

	<u>31-Mar-19</u>	<u>31-Dec-18</u>	<u>31-Mar-18</u>
Cash flows from operating activities			
Dividend received	\$ 169,151	\$ 329,758	\$ 183,120
Other income received	-	112	-
Operating expenses paid	(189,359)	(212,055)	(245,097)
Reimbursements received from Manager	14,029	32,164	-
Purchase of financial assets at fair value through profit or loss	(2,363,217)	(204,583)	(2,507,423)
Proceeds from sale of financial assets at fair value through profit or loss	1,962,747	3,760,206	3,158,018
Net realized gain (loss) on foreign currencies	<u>21,905</u>	<u>(25,849)</u>	<u>(545)</u>
Net cash (used in) provided by operating activities	<u>(384,744)</u>	<u>3,679,753</u>	<u>588,073</u>
Cash flows from financing activities			
Proceeds from subscriptions of redeemable participating shares	308,503	413,509	885,561
Payments for redemptions of redeemable participating shares	<u>(777,298)</u>	<u>(2,959,718)</u>	<u>(1,733,855)</u>
Net cash used in financing activities	<u>(468,795)</u>	<u>(2,546,209)</u>	<u>(848,294)</u>
Net change in cash and cash equivalents	(853,539)	1,133,544	(260,221)
Cash and cash equivalents at beginning of period	<u>1,613,903</u>	<u>480,359</u>	<u>576,307</u>
Cash and cash equivalents at end of period	<u>\$ 760,364</u>	<u>\$ 1,613,903</u>	<u>\$ 316,086</u>
Supplemental cash flow disclosures			
Tax withheld	<u>\$ 56,070</u>	<u>\$ 59,528</u>	<u>\$ 61,661</u>

SCOTIABANK CANADIAN GROWTH FUND
UNAUDITED NOTES TO FINANCIAL STATEMENTS
QUARTER ENDED MARCH 31, 2019

1. General

Scotiabank Canadian Growth Fund (the "Company") was incorporated in the Cayman Islands on June 23, 1994 and registered under the Mutual Fund Law of the Cayman Islands. The Company is an open ended investment company which may issue and redeem its shares at a price based on the underlying net asset value. The registered office of the Fund is located at the offices of Scotiabank & Trust (Cayman) Ltd., 18 Forum Lane, Camana Bay, P.O. Box 501, Grand Cayman, KY1-1106. The Company has no employees.

2. Significant accounting policies

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