

SCOTIABANK US GROWTH FUND
UNAUDITED FINANCIAL STATEMENTS
QUARTER ENDED JUNE 30, 2018

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INDEX TO UNAUDITED FINANCIAL STATEMENTS
QUARTER ENDED JUNE 30, 2018

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SCOTIABANK US GROWTH FUND

UNAUDITED STATEMENT OF FINANCIAL POSITION

AS OF JUNE 30, 2018

(expressed in United States dollars)

	<u>30-Jun-18</u>	<u>31-Mar-18</u>	<u>30-Jun-17</u>
ASSETS			
Cash and cash equivalents	\$ 1,122,516	\$ 2,631,828	\$ 2,089,499
Financial assets at fair value through profit or loss (Cost: \$33,906,424 (March 2018: \$32,637,394; June 2017: \$29,970,605))	46,120,460	44,256,934	40,372,794
Receivable for investments sold	85,035	-	14,112
Dividends receivable	32,020	23,385	22,510
Subscriptions receivable	10,480	5,240	496
	<u>47,370,511</u>	<u>46,917,387</u>	<u>42,499,411</u>
LIABILITIES			
Management fee payable	56,162	57,210	47,252
Accrued expenses	24,634	16,750	29,591
Payable for investments purchased	18,004	-	104,634
Tax withholding liability	6,861	5,126	5,586
Redemptions payable	-	3,500	32,963
	<u>105,661</u>	<u>82,586</u>	<u>220,026</u>
Liabilities (excluding net assets attributable to holders of redeemable participating shares)			
	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>
Management shares			
Net assets attributable to holders of redeemable participating shares	\$ <u>47,263,850</u>	\$ <u>46,833,801</u>	\$ <u>42,278,385</u>
Net asset value per redeemable participating share			
Class A			
\$36,390,175/2,160,025 shares (March 2018: \$35,756,153/2,208,208 shares; June 2017: \$31,068,265/2,082,908 shares)	\$ <u>16.85</u>	\$ <u>16.19</u>	\$ <u>14.92</u>
Class NU			
\$495,010/29,134 shares (March 2018: \$523,680/32,032 shares; June 2017: \$551,851/36,519 shares)	\$ <u>16.99</u>	\$ <u>16.35</u>	\$ <u>15.11</u>
Class IU			
\$10,198,266/558,233 shares (March 2018: \$10,381,334/593,816 shares; June 2017: \$9,339,618/587,608 shares)	\$ <u>18.27</u>	\$ <u>17.48</u>	\$ <u>15.89</u>
Class IJ			
JMC23,400,711/132,720 shares (March 2018: JMC21,715,683/132,720 shares; June 2017: \$169,240,301/1,115,061 shares)	JMC <u>176.31</u>	JMC <u>163.62</u>	JMC <u>151.78</u>

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

Farried Sulliman
Farried Sulliman
Director

Dwight Burrows
Dwight Burrows
Director

Date : August 3, 2018

SCOTIABANK US GROWTH FUND

UNAUDITED STATEMENT OF COMPREHENSIVE INCOME (LOSS)

QUARTER ENDED JUNE 30, 2018

(expressed in United States dollars)

	<u>30-Jun-18</u>	<u>31-Mar-18</u>	<u>30-Jun-17</u>
Income			
Dividend income	\$ 155,287	\$ 140,391	\$ 163,844
Net realized gain on financial assets at fair value through profit or loss and foreign currencies	1,450,262	702,925	511,533
Net change in unrealized appreciation (depreciation) on financial assets at fair value through profit or loss and foreign currencies	<u>594,497</u>	<u>(1,879,996)</u>	<u>1,045,139</u>
Total net income (loss)	<u>2,200,046</u>	<u>(1,036,680)</u>	<u>1,720,516</u>
Expenses			
Management fees	164,251	163,465	134,929
Custodian and administration fees	18,675	17,558	17,752
Other expenses	17,253	16,300	15,992
Professional fees	<u>5,981</u>	<u>5,918</u>	<u>5,810</u>
Total operating expenses	<u>206,160</u>	<u>203,241</u>	<u>174,483</u>
Operating gain (loss)	<u>1,993,886</u>	<u>(1,239,921)</u>	<u>1,546,033</u>
Withholding taxes on dividend income	<u>(43,310)</u>	<u>(39,426)</u>	<u>(47,328)</u>
Increase (decrease) in net assets from operations attributable to holders of redeemable participating shares	<u>\$ 1,950,576</u>	<u>\$ (1,279,347)</u>	<u>\$ 1,498,705</u>

SCOTIABANK US GROWTH FUND

UNAUDITED STATEMENT OF CHANGES IN NET ASSETS

QUARTER ENDED JUNE 30, 2018

(expressed in United States dollars)

	<u>30-Jun-18</u>	<u>31-Mar-18</u>	<u>30-Jun-17</u>
Shareholders' Equity			
Share Capital	\$ 18,791	\$ 19,658	\$ 28,211
Share Premium	25,489,126	27,008,786	26,013,141
Retained Earnings	19,805,357	21,084,704	14,738,328
Increase (decrease) in net assets for the quarter	<u>1,950,576</u>	<u>(1,279,347)</u>	<u>1,498,705</u>
Net assets attributable to holders of redeemable participating shares	<u>\$ 47,263,850</u>	<u>\$ 46,833,801</u>	<u>\$42,278,385</u>

SCOTIABANK US GROWTH FUND

UNAUDITED STATEMENT OF CASH FLOWS

QUARTER ENDED JUNE 30, 2018

(expressed in United States dollars)

	<u>30-Jun-18</u>	<u>31-Mar-18</u>	<u>30-Jun-17</u>
Cash flows from operating activities			
Dividend received	\$ 105,077	\$ 96,823	\$ 118,106
Operating expenses paid	(199,324)	(223,117)	(174,808)
Purchase of financial assets at fair value through profit or loss	(3,422,243)	(4,231,749)	(2,660,473)
Proceeds from sale of financial assets at fair value through profit or loss	<u>3,536,444</u>	<u>2,499,003</u>	<u>2,294,793</u>
Net cash provided by (used in) operating activities	<u>19,954</u>	<u>(1,859,040)</u>	<u>(422,382)</u>
Cash flows from financing activities			
Proceeds from subscriptions of redeemable participating shares	1,856,375	3,472,744	1,496,812
Payments for redemptions of redeemable participating shares	<u>(3,385,641)</u>	<u>(1,525,509)</u>	<u>(1,191,184)</u>
Net cash (used in) provided by financing activities	<u>(1,529,266)</u>	<u>1,947,235</u>	<u>305,628</u>
Net change in cash and cash equivalents	<u>(1,509,312)</u>	<u>88,195</u>	<u>(116,754)</u>
Cash and cash equivalents at beginning of period	<u>2,631,828</u>	<u>2,543,633</u>	<u>2,206,253</u>
Cash and cash equivalents at end of period	<u>\$ 1,122,516</u>	<u>\$ 2,631,828</u>	<u>\$ 2,089,499</u>
Supplementary information on cash flows from operating activities			
Tax withheld	<u>\$ 41,575</u>	<u>\$ 38,382</u>	<u>\$ 47,516</u>

SCOTIABANK US GROWTH FUND
UNAUDITED NOTES TO FINANCIAL STATEMENTS
QUARTER ENDED JUNE 30, 2018

1. General

Scotiabank US Growth Fund (the "Company") was incorporated in the Cayman Islands on October 27, 1999 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 address of the registered office is Scotia Centre, 6 Cardinal Avenue, 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.