

**SCOTIABANK CANADIAN GROWTH FUND**

**UNAUDITED FINANCIAL STATEMENTS**

**QUARTER ENDED JUNE 30, 2018**

**SCOTIABANK CANADIAN GROWTH FUND**  
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**QUARTER ENDED JUNE 30, 2018**

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**SCOTIABANK CANADIAN 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>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 105,646	\$ 316,086	\$ 1,998,329
Financial assets at fair value through profit or loss (Cost: \$32,849,483 (March 2018:\$32,954,537; June 2017 \$38,119,819))	33,044,168	32,802,288	35,666,891
Dividends receivable	82,993	93,973	66,893
Receivable from Manager	21,620	10,469	6,480
Subscriptions receivable	<u>985</u>	<u>767</u>	<u>1,593</u>
 Total assets	 <u>33,255,412</u>	 <u>33,223,583</u>	 <u>37,740,186</u>
<b>LIABILITIES</b>			
Management fee payable	51,972	53,713	58,390
Accrued expenses	30,246	22,135	37,276
Tax withholding liability	20,748	23,493	16,723
Redemptions payable	<u>318</u>	<u>8,428</u>	<u>6,876</u>
Liabilities (excluding net assets attributable to holders of redeemable participating shares)	<u>103,284</u>	<u>107,769</u>	<u>119,265</u>
 Management shares	 <u>768</u>	 <u>768</u>	 <u>768</u>
 <b>Net assets attributable to holders of redeemable participating shares</b>	 <b>\$ <u>33,151,360</u></b>	 <b>\$ <u>33,115,046</u></b>	 <b>\$ <u>37,620,153</u></b>
Net asset value per redeemable participating share			
Class A			
\$27,776,816/10,531,860 shares (March 2018: \$27,876,028/10,751,653 shares; June 2017: \$31,669,262/11,729,536 shares)	<u>\$ 2.64</u>	<u>\$ 2.59</u>	<u>\$ 2.70</u>
Class NU			
\$970,154/363,124 shares (March 2018: \$1,079,444/410,481 shares; June 2017: \$1,275,787/464,090 shares)	<u>\$ 2.67</u>	<u>\$ 2.63</u>	<u>\$ 2.75</u>
Class IU			
\$1,422,479/479,790 shares (March 2018: \$1,364,663/470,504 shares; June 2017: \$1,400,673/470,504 shares)	<u>\$ 2.96</u>	<u>\$ 2.90</u>	<u>\$ 2.98</u>
Class AC			
CDN2,257,271/571,002 shares (March 2018: CDN2,002,964/525,532 shares; June 2017: CDN2,404,917/602,664 shares)	<u>CDN 3.95</u>	<u>CDN 3.81</u>	<u>CDN 3.99</u>
Class NC			
CDN853,569/235,318 shares (March 2018: CDN823,964/235,318 shares; June 2017: CDN1,042,905/282,579 shares)	<u>CDN 3.62</u>	<u>CDN 3.50</u>	<u>CDN 3.69</u>
Class IC			
CDN811,121/201,627 shares (March 2018: CDN778,220/201,627 shares; June 2017: CDN804,099/201,267 shares)	<u>CDN 4.02</u>	<u>CDN 3.86</u>	<u>CDN 3.99</u>
Class IJ			
JMC58,515/558 shares (March 2018: JMC55,357/558 shares; June 2017: JMC57,719/558 shares)	<u>JMC 104.82</u>	<u>JMC 99.16</u>	<u>JMC 103.39</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: August 3, 2018

**SCOTIABANK CANADIAN GROWTH FUND**

**UNAUDITED STATEMENT OF COMPREHENSIVE INCOME (LOSS)**

**QUARTER ENDED JUNE 30, 2018**

**(expressed in United States dollars)**

	<b><u>30-Jun-18</u></b>	<b><u>31-Mar-18</u></b>	<b><u>30-Jun-17</u></b>
<b>Income</b>			
Dividend income	\$ 249,445	\$ 257,218	\$ 200,627
Net realized income (loss) on financial assets at fair value through profit or loss and foreign currencies	235,365	222,073	(693,711)
Net change in unrealized appreciation (depreciation) on financial assets at fair value through profit or loss and foreign currencies	<u>348,094</u>	<u>(3,705,252)</u>	<u>845,185</u>
Total net income (loss)	<u>832,904</u>	<u>(3,225,961)</u>	<u>352,101</u>
<b>Expenses</b>			
Management fees	158,336	164,797	177,660
Other expenses	20,655	20,712	20,360
Custodian and administration fees	20,253	22,563	22,814
Professional fees	<u>5,983</u>	<u>5,918</u>	<u>5,810</u>
Total operating expenses	205,227	213,990	226,644
Less: expenses reimbursed	<u>(11,146)</u>	<u>(9,270)</u>	<u>(6,414)</u>
Net operating expenses	<u>194,081</u>	<u>204,720</u>	<u>220,230</u>
<b>Operating profit (loss)</b>	638,823	(3,430,681)	131,871
Withholding taxes on dividend income	<u>(62,362)</u>	<u>(64,770)</u>	<u>(50,458)</u>
<b>Increase (decrease) in net assets from operations attributable to holders of redeemable participating shares</b>	<u>\$ 576,461</u>	<u>\$ (3,495,451)</u>	<u>\$ 81,413</u>

**SCOTIABANK CANADIAN 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>
<b>Shareholders' Equity</b>			
Share Capital	\$ 118,158	\$ 120,282	\$ 131,841
Share Premium	32,008,082	32,546,105	35,749,297
Retained Earnings	448,659	3,944,110	1,657,602
Increase (decrease) in net assets for the quarter	<u>576,461</u>	<u>(3,495,451)</u>	<u>81,413</u>
Net assets attributable to holders of redeemable participating shares	<u>\$ 33,151,360</u>	<u>\$ 33,115,046</u>	<u>\$ 37,620,153</u>

**SCOTIABANK CANADIAN 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>
<b>Cash flows from operating activities</b>			
Dividend received	\$ 195,318	\$ 183,120	\$ 136,630
Operating expenses paid	(198,862)	(245,097)	(229,068)
Purchase of financial assets at fair value through profit or loss	(1,778,322)	(2,507,423)	(4,596,880)
Proceeds from sale of financial assets at fair value through profit or loss	2,118,850	3,158,018	6,704,969
Net realized gain (loss) on foreign currencies	1,051	(545)	52,987
	<u>338,035</u>	<u>588,073</u>	<u>2,068,638</u>
Net cash provided by operating activities			
<b>Cash flows from financing activities</b>			
Proceeds from subscriptions of redeemable participating shares	545,113	885,561	803,325
Payments for redemptions of redeemable participating shares	(1,093,588)	(1,733,855)	(1,856,974)
	<u>(548,475)</u>	<u>(848,294)</u>	<u>(1,053,649)</u>
Net cash used in financing activities			
<b>Net change in cash and cash equivalents</b>	(210,440)	(260,221)	1,014,989
<b>Cash and cash equivalents at beginning of period</b>	<u>316,086</u>	<u>576,307</u>	<u>983,340</u>
<b>Cash and cash equivalents at end of period</b>	<u>\$ 105,646</u>	<u>\$ 316,086</u>	<u>\$ 1,998,329</u>
<b>Supplementary information on cash flows from operating activities</b>			
Tax withheld	<u>\$ 65,107</u>	<u>\$ 61,661</u>	<u>\$ 45,946</u>

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

**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 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.