

SCOTIABANK CANADIAN GROWTH FUND

UNAUDITED FINANCIAL STATEMENTS

QUARTER ENDED SEPTEMBER 30, 2018

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INDEX TO UNAUDITED FINANCIAL STATEMENTS
QUARTER ENDED SEPTEMBER 30, 2018

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SCOTIABANK CANADIAN GROWTH FUND
UNAUDITED STATEMENT OF FINANCIAL POSITION
AS OF SEPTEMBER 30, 2018
(expressed in United States dollars)

	<u>30-Sep-18</u>	<u>30-Jun-18</u>	<u>30-Sep-17</u>
ASSETS			
Cash and cash equivalents	\$ 480,359	\$ 105,646	\$ 5,113,301
Financial assets at fair value through profit or loss (Cost: \$31,542,363 (June 2018: \$32,849,483; September 2017: \$30,064,798))	32,856,181	33,044,168	32,298,157
Dividends receivable	93,745	82,993	67,325
Receivable from Manager	32,165	21,620	12,684
Subscriptions receivable	14,831	985	11,505
Receivable for investments sold	-	-	195,114
	<u>33,477,281</u>	<u>33,255,412</u>	<u>37,698,086</u>
LIABILITIES			
Management fee payable	52,666	51,972	59,332
Accrued expenses	40,805	30,246	49,194
Tax withholding liability	23,436	20,748	16,672
Redemptions payable	545	318	282
Liabilities (excluding net assets attributable to holders of redeemable participating shares)	<u>117,452</u>	<u>103,284</u>	<u>125,480</u>
Management shares	<u>768</u>	<u>768</u>	<u>768</u>
Net assets attributable to holders of redeemable participating shares	<u>\$ 33,359,061</u>	<u>\$ 33,151,360</u>	<u>\$ 37,571,838</u>
Net asset value per redeemable participating share			
Class A			
\$28,410,190/10,439,181 shares (June 2018: \$27,776,816/10,531,860 shares; September 2017: \$31,536,077/11,342,999 shares)	<u>\$ 2.72</u>	<u>\$ 2.64</u>	<u>\$ 2.78</u>
Class NU			
\$1,032,898/375,136 shares (June 2018: \$970,154/363,124 shares; September 2017: \$1,214,864/429,711 shares)	<u>\$ 2.75</u>	<u>\$ 2.67</u>	<u>\$ 2.83</u>
Class IU			
\$1,475,064/479,790 shares (June 2018: \$1,422,479/479,790 shares; September 2017: \$1,449,418/470,504 shares)	<u>\$ 3.07</u>	<u>\$ 2.96</u>	<u>\$ 3.08</u>
Class AC			
CDN2,288,374/571,071 shares (June 2018: CDN2,257,271/571,002 shares; September 2017: CDN2,381,787/601,925 shares)	CDN <u>4.01</u>	CDN <u>3.95</u>	CDN <u>3.96</u>
Class NC			
CDN864,226/235,318 shares (June 2018: CDN853,569/235,318 shares; September 2017: CDN1,032,873/282,579 shares)	CDN <u>3.67</u>	CDN <u>3.62</u>	CDN <u>3.66</u>
Class IC			
CDN1,303/320 shares (June 2018: CDN811,121/201,627 shares; September 2017: CDN801,297/201,627 shares)	CDN <u>4.07</u>	CDN <u>4.02</u>	CDN <u>3.97</u>
Class IJ			
JMC62,907/558 shares (June 2018: JMC58,515/558 shares; September 2017: JMC60,340/558 shares)	JMC <u>112.69</u>	JMC <u>104.82</u>	JMC <u>108.09</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: November 5, 2018

SCOTIABANK CANADIAN GROWTH FUND

UNAUDITED STATEMENT OF COMPREHENSIVE INCOME

QUARTER ENDED SEPTEMBER 30, 2018

(expressed in United States dollars)

	<u>30-Sep-18</u>	<u>30-Jun-18</u>	<u>30-Sep-17</u>
Income			
Dividend income	\$ 249,266	\$ 249,445	\$ 218,361
Net realized (loss) income on financial assets at fair value through profit or loss and foreign currencies	(51,507)	235,365	(3,386,924)
Net change in unrealized appreciation on financial assets at fair value through profit or loss and foreign currencies	<u>1,124,069</u>	<u>348,094</u>	<u>4,547,376</u>
Total net income	<u>1,321,828</u>	<u>832,904</u>	<u>1,378,813</u>
Expenses			
Management fees	161,647	158,336	181,047
Custodian and administration fees	22,182	20,253	23,064
Other expenses	21,003	20,655	20,582
Professional fees	<u>6,049</u>	<u>5,983</u>	<u>5,873</u>
Total operating expenses	210,881	205,227	230,566
Less: expenses reimbursed	<u>(10,546)</u>	<u>(11,146)</u>	<u>(6,203)</u>
Net operating expenses	<u>200,335</u>	<u>194,081</u>	<u>224,363</u>
Operating profit	1,121,493	638,823	1,154,450
Withholding taxes on dividend income	<u>(61,062)</u>	<u>(62,362)</u>	<u>(54,738)</u>
Increase in net assets from operations attributable to holders of redeemable participating shares	<u>\$ 1,060,431</u>	<u>\$ 576,461</u>	<u>\$ 1,099,712</u>

SCOTIABANK CANADIAN GROWTH FUND

UNAUDITED STATEMENT OF CHANGES IN NET ASSETS

QUARTER ENDED SEPTEMBER 30, 2018

(expressed in United States dollars)

	<u>30-Sep-18</u>	<u>30-Jun-18</u>	<u>30-Sep-17</u>
Shareholders' Equity			
Share Capital	\$ 115,338	\$ 118,158	\$ 127,624
Share Premium	31,158,172	32,008,082	34,605,487
Retained Earnings	1,025,120	448,659	1,739,015
Increase in net assets for the quarter	<u>1,060,431</u>	<u>576,461</u>	<u>1,099,712</u>
Net assets attributable to holders of redeemable participating shares	<u>\$ 33,359,061</u>	<u>\$ 33,151,360</u>	<u>\$ 37,571,838</u>

SCOTIABANK CANADIAN GROWTH FUND

UNAUDITED STATEMENT OF CASH FLOWS

QUARTER ENDED SEPTEMBER 30, 2018

(expressed in United States dollars)

	<u>30-Sep-18</u>	<u>30-Jun-18</u>	<u>30-Sep-17</u>
Cash flows from operating activities			
Dividend received	\$ 180,140	\$ 195,318	\$ 163,140
Operating expenses paid	(199,627)	(198,862)	(217,707)
Purchase of financial assets at fair value through profit or loss	(1,088,038)	(1,778,322)	(10,628,915)
Proceeds from sale of financial assets at fair value through profit or loss	2,343,974	2,118,850	15,099,761
Net realized gain (loss) on foreign currencies	4,612	1,051	(136,775)
	<u>1,241,061</u>	<u>338,035</u>	<u>4,279,504</u>
Net cash provided by operating activities			
Cash flows from financing activities			
Proceeds from subscriptions of redeemable participating shares	388,373	545,113	436,204
Payments for redemptions of redeemable participating shares	(1,254,721)	(1,093,588)	(1,600,736)
	<u>(866,348)</u>	<u>(548,475)</u>	<u>(1,164,532)</u>
Net cash used in financing activities			
Net change in cash and cash equivalents	374,713	(210,440)	3,114,972
Cash and cash equivalents at beginning of period	105,646	316,086	1,998,329
Cash and cash equivalents at end of period	<u>\$ 480,359</u>	<u>\$ 105,646</u>	<u>\$ 5,113,301</u>
Supplementary information on cash flows from operating activities			
Tax withheld	<u>\$ 58,374</u>	<u>\$ 65,107</u>	<u>\$ 54,789</u>

SCOTIABANK CANADIAN GROWTH FUND
UNAUDITED NOTES TO FINANCIAL STATEMENTS
QUARTER ENDED SEPTEMBER 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.