

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

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INDEX TO UNAUDITED FINANCIAL STATEMENTS
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SCOTIABANK US 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	\$ 1,329,741	\$ 1,122,516	\$ 1,248,871
Financial assets at fair value through profit or loss (Cost: \$33,649,477 (June 2018: \$33,906,424; September 2017: \$30,592,422))	46,366,563	46,120,460	42,346,008
Dividends receivable	37,957	32,020	22,411
Subscriptions receivable	13,052	10,480	3,815
Receivable for investments sold	<u>-</u>	<u>85,035</u>	<u>-</u>
Total assets	<u>47,747,313</u>	<u>47,370,511</u>	<u>43,621,105</u>
LIABILITIES			
Management fee payable	56,670	56,162	48,294
Accrued expenses	32,989	24,634	38,386
Tax withholding liability	9,425	6,861	5,556
Redemptions payable	362	-	-
Payable for investments purchased	<u>-</u>	<u>18,004</u>	<u>-</u>
Liabilities (excluding net assets attributable to holders of redeemable participating shares)	<u>99,446</u>	<u>105,661</u>	<u>92,236</u>
Management shares	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>
Net assets attributable to holders of redeemable participating shares	<u>\$ 47,646,867</u>	<u>\$ 47,263,850</u>	<u>\$ 43,527,869</u>
Net asset value per redeemable participating share			
Class A			
\$37,145,009/2,135,980 shares (June 2018: \$36,390,175/2,160,025 shares; September 2017: \$32,457,051/2,099,468 shares)	<u>\$ 17.39</u>	<u>\$ 16.85</u>	<u>\$ 15.46</u>
Class NU			
\$515,449/29,423 shares (June 2018: \$495,010/29,134 shares; September 2017: \$543,915/34,767 shares)	<u>\$ 17.52</u>	<u>\$ 16.99</u>	<u>\$ 15.64</u>
Class IU			
\$9,579,967/505,780 shares (June 2018: \$10,198,266/558,233 shares; September 2017: \$9,154,136/553,233 shares)	<u>\$ 18.94</u>	<u>\$ 18.27</u>	<u>\$ 16.55</u>
Class IJ			
JMC54,684,028/288,406 shares (June 2018: JMC23,400,711/132,720 shares; September 2017: JMC177,847,614/1,115,061 shares)	<u>JMC 189.61</u>	<u>JMC 176.31</u>	<u>JMC 159.50</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 : November 5, 2018

SCOTIABANK US 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	\$ 169,249	\$ 155,287	\$ 131,942
Net realized gain on financial assets at fair value through profit or loss and foreign currencies	1,163,745	1,450,262	317,370
Net change in unrealized appreciation on financial assets at fair value through profit or loss and foreign currencies	<u>503,050</u>	<u>594,497</u>	<u>1,351,397</u>
Total net income	<u>1,836,044</u>	<u>2,200,046</u>	<u>1,800,709</u>
Expenses			
Management fees	168,298	164,251	142,283
Custodian and administration fees	17,948	18,675	17,948
Other expenses	16,663	17,253	16,165
Professional fees	<u>6,051</u>	<u>5,981</u>	<u>5,873</u>
Total operating expenses	<u>208,960</u>	<u>206,160</u>	<u>182,269</u>
Operating gain	<u>1,627,084</u>	<u>1,993,886</u>	<u>1,618,440</u>
Withholding taxes on dividend income	<u>(48,136)</u>	<u>(43,310)</u>	<u>(37,341)</u>
Increase in net assets from operations attributable to holders of redeemable participating shares	<u>\$ 1,578,948</u>	<u>\$ 1,950,576</u>	<u>\$ 1,581,099</u>

SCOTIABANK US 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	\$ 19,585	\$ 18,791	\$ 28,015
Share Premium	24,292,401	25,489,126	25,681,722
Retained Earnings	21,755,933	19,805,357	16,237,033
Increase in net assets for the quarter	<u>1,578,948</u>	<u>1,950,576</u>	<u>1,581,099</u>
Net assets attributable to holders of redeemable participating shares	<u>\$ 47,646,867</u>	<u>\$ 47,263,850</u>	<u>\$ 43,527,869</u>

SCOTIABANK US 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	\$ 117,740	\$ 105,077	\$ 94,670
Operating expenses paid	(200,097)	(199,324)	(172,432)
Purchase of financial assets at fair value through profit or loss	(3,258,647)	(3,422,243)	(970,143)
Proceeds from sale of financial assets at fair value through profit or loss	<u>4,746,369</u>	<u>3,536,444</u>	<u>575,174</u>
Net cash provided by (used in) operating activities	<u>1,405,365</u>	<u>19,954</u>	<u>(472,731)</u>
Cash flows from financing activities			
Proceeds from subscriptions of redeemable participating shares	1,710,639	1,856,375	1,040,668
Payments for redemptions of redeemable participating shares	<u>(2,908,779)</u>	<u>(3,385,641)</u>	<u>(1,408,565)</u>
Net cash used in financing activities	<u>(1,198,140)</u>	<u>(1,529,266)</u>	<u>(367,897)</u>
Net change in cash and cash equivalents	207,225	(1,509,312)	(840,628)
Cash and cash equivalents at beginning of period	<u>1,122,516</u>	<u>2,631,828</u>	<u>2,089,499</u>
Cash and cash equivalents at end of period	<u>\$ 1,329,741</u>	<u>\$ 1,122,516</u>	<u>\$ 1,248,871</u>
Supplementary information on cash flows from operating activities			
Tax withheld	<u>\$ 45,572</u>	<u>\$ 41,575</u>	<u>\$ 37,371</u>

SCOTIABANK US GROWTH FUND

UNAUDITED NOTES TO FINANCIAL STATEMENTS

QUARTER ENDED SEPTEMBER 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.