

SCOTIABANK US GROWTH FUND
UNAUDITED FINANCIAL STATEMENTS
QUARTER ENDED MARCH 31, 2019

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INDEX TO UNAUDITED FINANCIAL STATEMENTS
QUARTER ENDED MARCH 31, 2019

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SCOTIABANK US 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	\$ 1,138,441	\$ 1,995,804	\$ 2,631,828
Financial assets at fair value through profit or loss (Cost: \$32,852,201 (December 2018: \$32,808,865; March 2018: \$32,637,394))	40,830,875	36,387,562	44,256,934
Dividends receivable	21,201	23,120	23,385
Subscriptions receivable	<u>496</u>	<u>3,496</u>	<u>5,240</u>
Total assets	<u>41,991,013</u>	<u>38,409,982</u>	<u>46,917,387</u>
LIABILITIES			
Management fee payable	52,337	47,232	57,210
Redemptions payable	39,729	21,999	5,126
Accrued expenses	30,360	27,526	16,750
Tax withholding liability	<u>4,399</u>	<u>4,974</u>	<u>3,500</u>
Liabilities (excluding net assets attributable to holders of redeemable participating shares)	<u>126,825</u>	<u>101,731</u>	<u>82,586</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>41,863,188</u>	\$ <u>38,307,251</u>	\$ <u>46,833,801</u>
Net asset value per redeemable participating share			
Class A			
\$33,439,589/2,089,364 shares (December 2018: \$30,410,997/2,114,721 shares; March 2018: \$35,756,153/2,208,208 shares)	<u>\$ 16.00</u>	<u>\$ 14.38</u>	<u>\$ 16.19</u>
Class NU			
\$441,537/27,447 shares (December 2018: \$397,156/27,447 shares; March 2018: \$523,680/32,032 shares)	<u>\$ 16.09</u>	<u>\$ 14.47</u>	<u>\$ 16.35</u>
Class IU			
\$7,604,724/432,462 shares (December 2018: \$7,161,522/455,228 shares; March 2018: \$10,381,334/593,816 shares)	<u>\$ 17.58</u>	<u>\$ 15.73</u>	<u>\$ 17.48</u>
Class IJ			
JMC47,580,810/288,406 shares (December 2018: JMC43,007,037/288,406 shares; March 2018: JMC21,715,683/132,720 shares)	<u>JMC 164.98</u>	<u>JMC 149.12</u>	<u>JMC 163.62</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 : May 10, 2019

SCOTIABANK US 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	\$ 197,623	\$ 160,994	\$ 140,391
Net realized gain on financial assets at fair value through profit or loss and foreign currencies	4,926	1,176,631	702,925
Net change in unrealized appreciation (depreciation) on financial assets at fair value through profit or loss and foreign currencies	<u>4,399,977</u>	<u>(9,138,389)</u>	<u>(1,879,996)</u>
Total net income (loss)	<u>4,602,526</u>	<u>(7,800,764)</u>	<u>(1,036,680)</u>
Expenses			
Management fees	146,198	149,127	163,465
Custodian and administration fees	16,961	17,846	16,300
Other expenses	16,952	18,390	17,558
Professional fees	<u>7,299</u>	<u>11,063</u>	<u>5,918</u>
Total operating expenses	<u>187,410</u>	<u>196,426</u>	<u>203,241</u>
Less: expenses reimbursed	<u>-</u>	<u>(1,624)</u>	<u>-</u>
Net operating expenses	<u>187,410</u>	<u>194,802</u>	<u>203,241</u>
Operating gain (loss)	<u>4,415,116</u>	<u>(7,995,566)</u>	<u>(1,239,921)</u>
Withholding taxes on dividend income	<u>(66,573)</u>	<u>(45,661)</u>	<u>(39,426)</u>
Increase (decrease) in net assets from operations attributable to holders of redeemable participating shares	<u>\$ 4,348,543</u>	<u>\$ (8,041,227)</u>	<u>\$ (1,279,347)</u>

SCOTIABANK US 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	\$ 18,366	\$ 18,848	\$ 19,658
Share Premium	22,202,625	22,994,749	27,008,786
Retained Earnings	15,293,654	23,334,881	21,084,704
Increase (decrease) in net assets for the quarter	<u>4,348,543</u>	<u>(8,041,227)</u>	<u>(1,279,347)</u>
Net assets attributable to holders of redeemable participating shares	<u>\$ 41,863,188</u>	<u>\$ 38,307,251</u>	<u>\$ 46,833,801</u>

SCOTIABANK US 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	\$ 132,394	\$ 125,719	\$ 96,823
Operating expenses paid	(179,471)	(211,327)	(223,117)
Reimbursements received from manager	-	1,624	-
Purchase of financial assets at fair value through profit or loss	(1,158,065)	(1,717,482)	(4,231,749)
Proceeds from sale of financial assets at fair value through profit or loss	<u>1,119,655</u>	<u>3,734,726</u>	<u>2,499,003</u>
Net cash (used in) provided by operating activities	<u>(85,487)</u>	<u>1,933,260</u>	<u>(1,859,040)</u>
Cash flows from financing activities			
Proceeds from subscriptions of redeemable participating shares	1,478,746	1,773,535	3,472,744
Payments for redemptions of redeemable participating shares	<u>(2,250,622)</u>	<u>(3,040,732)</u>	<u>(1,525,509)</u>
Net cash (used in) provided by financing activities	<u>(771,876)</u>	<u>(1,267,197)</u>	<u>1,947,235</u>
Net change in cash and cash equivalents	(857,363)	666,063	88,195
Cash and cash equivalents at beginning of period	<u>1,995,804</u>	<u>1,329,741</u>	<u>2,543,633</u>
Cash and cash equivalents at end of period	<u>\$ 1,138,441</u>	<u>\$ 1,995,804</u>	<u>\$ 2,631,828</u>
Supplemental cash flow disclosures			
Tax withheld	<u>\$ 67,148</u>	<u>\$ 50,112</u>	<u>\$ 38,382</u>

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

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 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.