

SCOTIABANK CANADIAN GROWTH FUND

UNAUDITED FINANCIAL STATEMENTS

QUARTER ENDED MARCH 31, 2017

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INDEX TO UNAUDITED FINANCIAL STATEMENTS
QUARTER ENDED MARCH 31, 2017

CONTENTS

	PAGE
UNAUDITED STATEMENT OF FINANCIAL POSITION	1
UNAUDITED STATEMENT OF COMPREHENSIVE (LOSS) INCOME	2
UNAUDITED STATEMENT OF CHANGES IN NET ASSETS	3
UNAUDITED NOTES TO FINANCIAL STATEMENTS	4

SCOTIABANK CANADIAN GROWTH FUND
UNAUDITED STATEMENT OF FINANCIAL POSITION
AS OF MARCH 31, 2017
(expressed in United States dollars)

	<u>31-Mar-17</u>	<u>31-Dec-16</u>	<u>31-Mar-16</u>
ASSETS			
Cash and cash equivalents	\$ 983,340	\$ 941,474	\$ 996,342
Financial assets at fair value through profit or loss (Cost: \$40,673,451 (December 2016: \$43,917,033; March 2016: \$48,423,603))	37,427,235	40,511,112	38,840,164
Receivable for investments sold	410,910	71,696	-
Dividends receivable	48,842	61,021	81,144
Subscriptions receivable	15,543	947	1,395
Receivable from Manager	65	-	77,311
Prepaid assets	-	-	8,624
	<u>38,885,935</u>	<u>41,586,250</u>	<u>40,004,980</u>
LIABILITIES			
Payable for investments purchased	161,652	6,677	325,409
Management fee payable	61,362	63,128	58,710
Accrued expenses	36,728	66,200	53,719
Tax withholding liability	12,211	15,289	20,278
Redemptions payable	264	146,860	279
Liabilities (excluding net assets attributable to holders of redeemable participating shares)	<u>272,217</u>	<u>298,154</u>	<u>458,395</u>
Management shares	<u>768</u>	<u>768</u>	<u>768</u>
Net assets attributable to holders of redeemable participating shares	<u>\$ 38,612,950</u>	<u>\$ 41,287,328</u>	<u>\$ 39,545,817</u>
Net asset value per redeemable participating share			
Class A \$32,123,259/11,914,770 shares (December 2016: \$32,651,345/12,118,712 shares; March 2016: \$31,574,485/12,774,945 shares)	<u>\$ 2.70</u>	<u>\$ 2.69</u>	<u>\$ 2.47</u>
Class NU \$1,425,967/518,819 shares (December 2016: \$1,485,208/540,134 shares; March 2016: \$1,587,910/627,136 shares)	<u>\$ 2.75</u>	<u>\$ 2.75</u>	<u>\$ 2.53</u>
Class IU \$2,108,335/712,685 shares (December 2016: \$2,096,555/712,685 shares; March 2016: \$1,582,933/595,538 shares)	<u>\$ 2.96</u>	<u>\$ 2.94</u>	<u>\$ 2.66</u>
Class AC CDN2,110,369/515,677 shares (December 2016: CDN1,433,613/349,048 shares; March 2016: CDN1,215,888/334,126, shares)	CDN <u>4.09</u>	CDN <u>4.11</u>	CDN <u>3.64</u>
Class NC CDN1,009,930/266,464 shares (December 2016: CDN1,211,586/317,273 shares; March 2016: CDN1,266,497/372,940, shares)	CDN <u>3.79</u>	CDN <u>3.82</u>	CDN <u>3.40</u>
Class IC CDN820,557/201,627 shares (December 2016: CDN4,132,168/1,013,726 shares; March 2016: CDN3,726,290/1,048,959, shares)	CDN <u>4.07</u>	CDN <u>4.08</u>	CDN <u>3.55</u>
Class IJ JMC57,284/558 shares (December 2016: JMC57,191/558 shares; March 2016: JMC48,590/558, shares)	JMC <u>102.61</u>	JMC <u>102.45</u>	JMC <u>87.04</u>

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

Sloane Muldoon
Sloane Muldoon
Director

Sarah Hobbs
Sarah Hobbs
Director

Date: May 12, 2017

SCOTIABANK CANADIAN GROWTH FUND

UNAUDITED STATEMENT OF COMPREHENSIVE (LOSS) INCOME

QUARTER ENDED MARCH 31, 2017

(expressed in United States dollars)

	<u>31-Mar-17</u>	<u>31-Dec-16</u>	<u>31-Mar-16</u>
Income			
Dividend income	\$ 210,839	\$ 222,646	\$ 190,495
Net realized loss on financial assets at fair value through profit or loss and foreign currencies	(104,271)	(2,383,707)	(531,929)
Net change in unrealized appreciation on financial assets at fair value through profit or loss and foreign currencies	<u>165,501</u>	<u>3,331,311</u>	<u>2,584,939</u>
Total net income	<u>272,069</u>	<u>1,170,250</u>	<u>2,243,505</u>
Expenses			
Management fees	182,960	182,034	163,815
Custodian and administration fees	21,501	13,256	24,782
Other expenses	19,590	26,564	31,721
Professional fees	<u>5,745</u>	<u>9,704</u>	<u>4,479</u>
Total operating expenses	229,796	231,558	224,797
Less: expenses reimbursed	<u>(721)</u>	<u>(1,968)</u>	<u>(23,334)</u>
Net operating expenses	<u>229,075</u>	<u>229,590</u>	<u>201,463</u>
Operating profit	42,994	940,660	2,042,042
Withholding taxes on dividend income	<u>(52,960)</u>	<u>(55,935)</u>	<u>(47,895)</u>
Decrease (increase) in net assets from operations attributable to holders of redeemable participating shares	<u>\$ (9,966)</u>	<u>\$ 884,725</u>	<u>\$ 1,994,147</u>

SCOTIABANK CANADIAN GROWTH FUND

UNAUDITED STATEMENT OF CHANGES IN NET ASSETS

QUARTER ENDED MARCH 31, 2017

(expressed in United States dollars)

	<u>31-Mar-17</u>	<u>31-Dec-16</u>	<u>31-Mar-16</u>
Shareholders' Equity			
Share Capital	\$ 135,631	\$ 144,846	\$ 151,867
Share Premium	36,819,717	39,474,914	41,301,639
Retained Earnings	1,667,568	782,843	(3,901,836)
Decrease (increase) in net assets for the quarter	<u>(9,966)</u>	<u>884,725</u>	<u>1,994,147</u>
Net assets attributable to holders of redeemable participating shares	<u>\$ 38,612,950</u>	<u>\$ 41,287,328</u>	<u>\$ 39,545,817</u>

SCOTIABANK CANADIAN GROWTH FUND
UNAUDITED NOTES TO FINANCIAL STATEMENTS
QUARTER ENDED MARCH 31, 2017

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.