

SCOTIABANK US GROWTH FUND
UNAUDITED FINANCIAL STATEMENTS
QUARTER ENDED DECEMBER 31, 2017

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INDEX TO UNAUDITED FINANCIAL STATEMENTS
QUARTER ENDED DECEMBER 31, 2017

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SCOTIABANK US GROWTH FUND

UNAUDITED STATEMENT OF FINANCIAL POSITION

AS OF DECEMBER 31, 2017

(expressed in United States dollars)

	<u>31-Dec-17</u>	<u>30-Sep-17</u>	<u>31-Dec-16</u>
ASSETS			
Cash and cash equivalents	\$ 2,543,633	\$ 1,248,871	\$ 2,312,846
Financial assets at fair value through profit or loss (Cost: \$30,201,723 (September 2017: \$30,592,422; December 2016: \$27,193,156))	43,701,258	42,346,008	35,144,680
Dividends receivable	18,200	22,411	20,000
Subscriptions receivable	<u>8,276</u>	<u>3,815</u>	<u>148,456</u>
 Total assets	 <u>46,271,367</u>	 <u>43,621,105</u>	 <u>37,625,982</u>
LIABILITIES			
Management fee payable	54,695	48,294	42,177
Accrued expenses	39,141	38,386	57,337
Tax withholding liability	4,082	5,556	4,915
Redemptions payable	1,821	-	37,005
Payable for investments purchased	<u>-</u>	<u>-</u>	<u>44,529</u>
 Liabilities (excluding net assets attributable to holders of redeemable participating shares)	 <u>99,739</u>	 <u>92,236</u>	 <u>185,963</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>\$ 46,170,628</u>	 <u>\$ 43,527,869</u>	 <u>\$ 37,439,019</u>
 Net asset value per redeemable participating share			
Class A			
\$35,308,895/2,125,641 shares (September 2017: \$32,457,051/2,099,468 shares; December 2016: \$26,418,943/1,901,946 shares)	<u>\$ 16.61</u>	<u>\$ 15.46</u>	<u>\$ 13.89</u>
 Class NU			
\$555,671/33,095 shares (September 2017: \$543,915/34,767 shares; December 2016: \$578,767/41,036 shares)	<u>\$ 16.79</u>	<u>\$ 15.64</u>	<u>\$ 14.10</u>
 Class IU			
\$10,129,727/567,259 shares (September 2017: \$9,154,136/553,233 shares; December 2016: \$9,223,909/628,593 shares)	<u>\$ 17.86</u>	<u>\$ 16.55</u>	<u>\$ 14.67</u>
 Class IJ			
JMC21,967,028/132,720 shares (September 2017: JMC177,847,614/1,115,061 shares; December 2016: JMC156,862,002/1,115,061 shares)	JMC <u>165.51</u>	JMC <u>159.50</u>	JMC <u>140.68</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 : February 5, 2018

SCOTIABANK US GROWTH FUND

UNAUDITED STATEMENT OF COMPREHENSIVE INCOME

QUARTER ENDED DECEMBER 31, 2017

(expressed in United States dollars)

	<u>31-Dec-17</u>	<u>30-Sep-17</u>	<u>31-Dec-16</u>
Income			
Dividend income	\$ 130,706	\$ 131,942	\$ 231,662
Net realized gain on financial assets at fair value through profit or loss and foreign currencies	1,619,523	317,370	973,988
Net change in unrealized appreciation on financial assets at fair value through profit or loss and foreign currencies	<u>1,745,949</u>	<u>1,351,397</u>	<u>1,010,154</u>
Total net income	<u>3,496,178</u>	<u>1,800,709</u>	<u>2,215,804</u>
Expenses			
Management fees	151,778	142,283	116,253
Custodian and administration fees	17,948	17,948	18,231
Other expenses	16,547	16,165	15,593
Professional fees	<u>6,574</u>	<u>5,873</u>	<u>9,192</u>
Total operating expenses	<u>192,847</u>	<u>182,269</u>	<u>159,269</u>
Operating gain	<u>3,303,331</u>	<u>1,618,440</u>	<u>2,056,535</u>
Withholding taxes on dividend income	<u>(36,759)</u>	<u>(37,341)</u>	<u>(123,414)</u>
Increase in net assets from operations attributable to holders of redeemable participating shares	<u>\$ 3,266,572</u>	<u>\$ 1,581,099</u>	<u>\$ 1,933,121</u>

SCOTIABANK US GROWTH FUND

UNAUDITED STATEMENT OF CHANGES IN NET ASSETS

QUARTER ENDED DECEMBER 31, 2017

(expressed in United States dollars)

	<u>31-Dec-17</u>	<u>30-Sep-17</u>	<u>31-Dec-16</u>
Shareholders' Equity			
Share Capital	\$ 18,577	\$ 28,015	\$ 26,856
Share Premium	25,067,347	25,681,722	24,119,534
Retained Earnings	17,818,132	16,237,033	11,359,508
Increase in net assets for the quarter	<u>3,266,572</u>	<u>1,581,099</u>	<u>1,933,121</u>
Net assets attributable to holders of redeemable participating shares	<u>\$ 46,170,628</u>	<u>\$ 43,527,869</u>	<u>\$ 37,439,019</u>

SCOTIABANK US GROWTH FUND

UNAUDITED NOTES TO FINANCIAL STATEMENTS

QUARTER ENDED DECEMBER 31, 2017

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.