

**SCOTIABANK CANADIAN GROWTH FUND**

**UNAUDITED FINANCIAL STATEMENTS**

**QUARTER ENDED DECEMBER 31, 2017**

**SCOTIABANK CANADIAN GROWTH FUND**  
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**SCOTIABANK CANADIAN 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>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 576,307	\$ 5,113,301	\$ 941,474
Financial assets at fair value through profit or loss (Cost: \$33,383,838 (September 2017: \$30,064,798; December 2016: \$43,917,033))	36,935,516	32,298,157	40,511,112
Dividends receivable	81,536	67,325	61,021
Receivable from Manager	1,199	12,684	-
Subscriptions receivable	-	11,505	947
Receivable for investments sold	-	195,114	71,696
	<u>37,594,558</u>	<u>37,698,086</u>	<u>41,586,250</u>
<b>LIABILITIES</b>			
Management fee payable	59,414	59,332	63,128
Accrued expenses	47,541	49,194	66,200
Tax withholding liability	20,384	16,672	15,289
Redemptions payable	11,499	282	146,860
Payable for investments purchased	-	-	6,677
	<u>138,838</u>	<u>125,480</u>	<u>298,154</u>
Liabilities (excluding net assets attributable to holders of redeemable participating shares)			
Management shares	<u>768</u>	<u>768</u>	<u>768</u>
<b>Net assets attributable to holders of redeemable participating shares</b>	<u>\$ 37,454,952</u>	<u>\$ 37,571,838</u>	<u>\$ 41,287,328</u>
Net asset value per redeemable participating share			
Class A \$31,346,016/10,944,713 shares (September 2017: \$31,536,077/11,342,999 shares; December 2016: \$32,651,345/12,118,712 shares)	<u>\$ 2.86</u>	<u>\$ 2.78</u>	<u>\$ 2.69</u>
Class NU \$1,251,544/430,310 shares (September 2017: \$1,214,864/429,711 shares; December 2016: \$1,485,208/540,134 shares)	<u>\$ 2.91</u>	<u>\$ 2.83</u>	<u>\$ 2.75</u>
Class IU \$1,500,220/470,504 shares (September 2017: \$1,449,418/470,504 shares; December 2016: \$2,096,555/712,685 shares)	<u>\$ 3.19</u>	<u>\$ 3.08</u>	<u>\$ 2.94</u>
Class AC CDN2,310,342/565,943 shares (September 2017: CDN2,381,787/601,925 shares; December 2016: CDN1,433,613/349,048 shares)	CDN <u>4.08</u>	CDN <u>3.96</u>	CDN <u>4.11</u>
Class NC CDN1,064,533/282,579 shares (September 2017: CDN1,032,873/282,579 shares; December 2016: CDN1,211,586/317,273 shares)	CDN <u>3.77</u>	CDN <u>3.66</u>	CDN <u>3.82</u>
Class IC CDN830,888/201,627 shares (September 2017: CDN801,297/201,627 shares; December 2016: CDN4,132,168/1,013,726 shares)	CDN <u>4.12</u>	CDN <u>3.97</u>	CDN <u>4.08</u>
Class IJ JMC60,175/558 shares (September 2017: JMC60,340/558 shares; December 2016: JMC57,191/558 shares)	JMC <u>107.79</u>	JMC <u>108.09</u>	JMC <u>102.45</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: February 5, 2018

**SCOTIABANK CANADIAN 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>
<b>Income</b>			
Dividend income	\$ 252,595	\$ 218,361	\$ 222,646
Net realized loss on financial assets at fair value through profit or loss and foreign currencies	(261,681)	(3,386,924)	(2,383,707)
Net change in unrealized appreciation on financial assets at fair value through profit or loss and foreign currencies	<u>1,402,108</u>	<u>4,547,376</u>	<u>3,331,311</u>
Total net income	<u>1,393,022</u>	<u>1,378,813</u>	<u>1,170,250</u>
<b>Expenses</b>			
Management fees	178,581	181,047	182,044
Custodian and administration fees	23,048	23,064	20,797
Other expenses	22,803	20,582	19,023
Professional fees	<u>6,574</u>	<u>5,873</u>	<u>9,704</u>
Total operating expenses	231,006	230,566	231,568
Less: expenses reimbursed	<u>(6,516)</u>	<u>(6,203)</u>	<u>(1,978)</u>
Net operating expenses	<u>224,490</u>	<u>224,363</u>	<u>229,590</u>
<b>Operating profit</b>	1,168,532	1,154,450	940,660
Withholding taxes on dividend income	<u>(63,149)</u>	<u>(54,738)</u>	<u>(55,935)</u>
<b>Increase in net assets from operations attributable to holders of redeemable participating shares</b>	<u>\$ 1,105,383</u>	<u>\$ 1,099,712</u>	<u>\$ 884,725</u>

**SCOTIABANK CANADIAN GROWTH FUND**

**UNAUDITED STATEMENT OF CHANGES IN NET ASSETS**

**QUARTER ENDED DECEMBER 31, 2017**

**(expressed in United States dollars)**

	<b><u>31-Dec-17</u></b>	<b><u>30-Sep-17</u></b>	<b><u>31-Dec-16</u></b>
<b>Shareholders' Equity</b>			
Share Capital	\$ 123,287	\$ 127,624	\$ 144,846
Share Premium	33,387,555	34,605,487	39,474,914
Retained Earnings	2,838,727	1,739,015	782,843
Increase in net assets for the quarter	<u>1,105,383</u>	<u>1,099,712</u>	<u>884,725</u>
Net assets attributable to holders of redeemable participating shares	<u>\$ 37,454,952</u>	<u>\$ 37,571,838</u>	<u>\$ 41,287,328</u>

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