

ScotiaFunds®

Interim Report

June 30, 2018

Cash Equivalent Funds

Scotia T-Bill Fund
Scotia Premium T-Bill Fund
Scotia Money Market Fund
Scotia U.S. \$ Money Market Fund

Income Funds

Scotia Short Term Bond Fund
Scotia Private Short-Mid Government Bond Pool
Scotia Mortgage Income Fund
Scotia Floating Rate Income Fund
Scotia Conservative Income Fund
Scotia Bond Fund
Scotia Canadian Income Fund
Scotia Private Total Return Bond Pool
Scotia Private Canadian Corporate Bond Pool
Scotia Private Canadian Preferred Share Pool
Scotia U.S. \$ Bond Fund
Scotia Global Bond Fund
Scotia Private Global Credit Pool

Balanced Funds

Scotia Diversified Monthly Income Fund
Scotia Income Advantage Fund
Scotia Canadian Balanced Fund
Scotia Dividend Balanced Fund
Scotia Balanced Opportunities Fund
Scotia Global Balanced Fund
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Equity Funds

Canadian Equity Funds

Scotia Canadian Dividend Fund
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International Equity Funds

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Scotia International Value Fund
Scotia European Fund
Scotia Pacific Rim Fund
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Global Equity Funds

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Scotia Global Growth Fund
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Specialty Funds

Scotia Private Options Income Pool

Index Funds

Scotia Canadian Bond Index Fund
Scotia Canadian Index Fund
Scotia U.S. Index Fund
Scotia CanAm Index Fund
Scotia Nasdaq Index Fund
Scotia International Index Fund

Scotia Portfolios

Scotia Selected® Portfolios

Scotia Selected Income Portfolio
Scotia Selected Balanced Income Portfolio
Scotia Selected Balanced Growth Portfolio
Scotia Selected Growth Portfolio
Scotia Selected Maximum Growth Portfolio

Scotia Partners Portfolios®

Scotia Partners Income Portfolio
Scotia Partners Balanced Income Portfolio
Scotia Partners Balanced Growth Portfolio
Scotia Partners Growth Portfolio
Scotia Partners Maximum Growth Portfolio

Scotia INNOVA Portfolios®

Scotia INNOVA Income Portfolio
Scotia INNOVA Balanced Income Portfolio
Scotia INNOVA Balanced Growth Portfolio
Scotia INNOVA Growth Portfolio
Scotia INNOVA Maximum Growth Portfolio

Scotia Aria™ Portfolios

Scotia Aria Conservative Build Portfolio
Scotia Aria Conservative Defend Portfolio
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Economic & Financial Market Outlook

Jean-François Perrault
SVP and Chief Economist
Scotiabank Economics

Inflection Point

Global growth remains remarkably strong as trade is facilitating mutually-reinforcing expansion across much of the world. This virtuous expansion is now at risk as a result of trade policy decisions in the United States. The aggressive US stance on trade is leading to a rise in input costs and in the price of consumer and capital goods that will eventually feed into inflation and increase business uncertainty. This will force businesses in the US to reconsider investment decisions. While the global economy remains sufficiently robust to deal with reasonably minor trade skirmishes such as the tariffs on steel and aluminum, we fear we have reached an inflection point, where all future trade actions could dampen global growth in a meaningful way while raising inflation. The escalating risk of a trade war represents a clear and present danger to the expansion, but we are hopeful that cooler heads will prevail given the costs of escalated actions.

Against this still-strong global backdrop, inflationary pressures are on the rise, more so in some countries than others. In advanced economies, central banks in Canada, the US and the UK are expected to continue tightening in response to observed and expected inflation. In Europe, where growth remains well above potential, inflationary pressures are rising but remain more muted as core inflation measures remain well below the rising headline inflation data. With growth expected to remain above potential through the year, the ECB has signaled that it would end its quantitative easing program at year-end, as a precursor to an eventual rise in policy rates. In Japan, growth will likely slow somewhat from the rapid expansion registered last year. While the economy is now firmly in excess demand, inflation remains well below the Bank of Japan's objective, and has recently been moving farther away from it. This will keep the Bank of Japan from changing its policy stance for the foreseeable future.

Commodity prices continue to benefit from strong economic growth and increasingly tight conditions across upstream production capacity as well as supporting supply chains. OPEC+ announced that it would move to increase effective production through the latter half of 2018 to alleviate some of the ongoing tightness that had pushed Brent crude prices as high as \$80/bbl in early June. In line with this revised path of expected OPEC+ supply and factoring for the stronger-than-anticipated

demand that pressed the group to lift production earlier than initially expected, we predict Brent will average \$74/bbl in 2018 and \$77/bbl in 2019, while WTI prices are expected to lag Brent.

Over the last year, the US economy has enjoyed a combination of moderate growth, modest inflation, and gradually rising interest rates. The US economy has been in a sweet spot of benign data and policy that have allowed the current eight-and-a-half-year run of uninterrupted growth to become the second longest US expansion in history in June. We still expect the expansion to extend and become the longest on record in July 2019, but the current policy mix in the US clouds expectations beyond that point.

Against this background, the Federal Reserve will continue to normalize its policy settings. The US economy is operating above sustainable rates, and price pressures are a concern. We forecast that the Fed will largely look through trade-related uncertainty and remain on a tightening path, with rates rising to 3% by end-2019.

The Canadian economy remains in good shape, with growth expected to again exceed potential in 2018. The sources of Canadian growth may finally be evolving toward a more sustainable mix with a lighter emphasis on household consumption and real estate, and a greater contribution from investment and trade that could help boost productivity. Aggregate growth could still surprise to the upside if current trade tensions are resolved more quickly than projected and competitiveness concerns begin to be addressed.

While the Bank of Canada is right to lose a little sleep over trade, further policy normalization is required. We expect an additional 100 basis points of tightening by end-2019. If our forecast is accurate, this would represent a very gradual pace of tightening, with less than one move per quarter through the end of next year. That would leave the overnight rate at 2.5% by the end of next year and either in line with or not far from the estimated neutral rate, and still very low by historical standards. Markets appear to be underpricing the extent of policy moves by the BoC. Given the rise in the price of oil, and what is likely to be a more pronounced increase in rates by Governor Poloz, the Canadian dollar should appreciate gradually as the year progresses, ending the year around 1.28 (or 78 cents), if trade tensions remain contained as we expect.

Prospects in Asia remain reasonably strong, though trade tensions between the US and China have the potential to significantly affect the region. In China, economic activity continues to be robust, though growth this year will slow relative to 2017 owing in part to lesser policy stimulus. An escalation of the trade dispute with the US would have negative impacts on the Chinese economy, but Chinese authorities have a range of tools at their disposal to blunt the impact of a more aggressive US trade policy.

A key challenge facing emerging markets this year is the transition to a more hawkish stance on the part of the Federal Reserve. The countries of the Pacific Alliance have been generally insulated from these movements. Growth prospects are improving in all these countries, as economic activity is expected to accelerate relative to last

year. This is most true in Chile and Peru, where the rise in commodity prices and enthusiasm for new political administrations are leading to large increases in growth rates relative to 2017. In Colombia, high oil prices are providing a strong impulse to business investment, which will be further strengthened as confidence in the new administration takes hold. Strengthening business activity will add to already buoyant household spending. In Mexico, the domestic economy remains strong, and activity continues to benefit from robust growth in the US and the rest of the world. The political transition is key to Mexican prospects. We expect the AMLO administration to maintain the general thrust of economic policies of the previous government, but there are risks of a more dramatic shift in orientation.

Scotia T-Bill Fund (Unaudited)

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	June 30, 2018	December 31, 2017
ASSETS		
Current assets		
Financial assets at fair value through profit or loss (note 2)		
Non-derivative financial assets	35,762,006	34,609,402
Cash	198,690	97,984
Subscriptions receivable	18,347	12,205
Accrued investment income and other	4,082	3,139
Due From Manager	1,459	726
	<u>35,984,584</u>	<u>34,723,456</u>
LIABILITIES		
Current liabilities		
Management fee payable	25,996	–
Redemptions payable	16,579	32,969
Distributions payable	226	124
	<u>42,801</u>	<u>33,093</u>
Net assets attributable to holders of redeemable units	<u>35,941,783</u>	<u>34,690,363</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series A	<u>35,941,783</u>	<u>34,690,363</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series A	<u>10.00</u>	<u>10.00</u>

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended June 30 (note 1),

(in dollars except average units)	2018	2017
INCOME		
Net gain (loss) on financial assets and liabilities at fair value through profit or loss		
Interest for distribution purposes	228,477	128,370
Net gain (loss) on financial assets and liabilities at fair value through profit or loss	228,477	128,370
Securities lending (note 11)	2,519	1,786
Total income (loss), net	<u>230,996</u>	<u>130,156</u>
EXPENSES		
Management fees (note 5)	133,586	193,623
Independent Review Committee fees	587	576
Audit fees	5,555	5,152
Custodian fees	5,385	597
Filing fees	7,101	9,415
Legal fees	4	73
Unitholder administration costs	21,845	38,450
Unitholder reporting costs	2,126	7,003
Other fund costs	–	4
Harmonized Sales Tax/Goods and Services Tax	18,754	15,754
Total expenses	194,943	270,647
Expenses absorbed by the Manager	(54,738)	(161,759)
Net expenses	<u>140,205</u>	<u>108,888</u>
Increase (decrease) in net assets attributable to holders of redeemable units from operations	<u>90,791</u>	<u>21,268</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A	<u>90,791</u>	<u>21,268</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT¹		
Series A	<u>0.03</u>	<u>0.01</u>
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series A	3,571,184	3,948,233

¹ The increase (decrease) in net assets attributable to holders of redeemable units from operations per unit is calculated by dividing the increase (decrease) in net assets attributable to holders of redeemable units from operations per series by the weighted average number of units per series.

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the periods ended June 30 (note 1),

(in dollars)	2018	2017
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series A	34,690,363	40,626,408
	<u>34,690,363</u>	<u>40,626,408</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A	90,791	21,268
	<u>90,791</u>	<u>21,268</u>
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net investment income		
Series A	(90,791)	(21,268)
	<u>(90,791)</u>	<u>(21,268)</u>
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A	8,441,329	3,363,044
Reinvested distributions		
Series A	89,737	21,053
Payments on redemption		
Series A	(7,279,646)	(6,643,345)
	<u>1,251,420</u>	<u>(3,259,248)</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A	1,251,420	(3,259,248)
	<u>1,251,420</u>	<u>(3,259,248)</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series A	35,941,783	37,367,160
	<u>35,941,783</u>	<u>37,367,160</u>

STATEMENTS OF CASH FLOWS

For the periods ended June 30 (note 1),

(in dollars)	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	90,791	21,268
Adjustments for:		
Purchases of portfolio investments	(52,272,361)	(54,058,747)
Proceeds from sale of portfolio investments	51,116,836	57,430,522
Accrued investment income and other	1,245	(676)
Accrued expenses and other payables	25,996	17,913
Net cash provided by (used in) operating activities	<u>(1,037,493)</u>	<u>3,410,280</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	8,435,187	3,404,617
Amounts paid on redemption of redeemable units	(7,296,036)	(6,639,273)
Distributions to unitholders of redeemable units	(952)	(174)
Net cash provided by (used in) financing activities	1,138,199	(3,234,830)
Net increase (decrease) in cash	100,706	175,450
Cash (bank overdraft), beginning of period	97,984	28,664
CASH (BANK OVERDRAFT), END OF PERIOD	<u>198,690</u>	<u>204,114</u>
Interest received, net of withholding taxes ⁽¹⁾	225,324	127,694

⁽¹⁾ Classified as operating items.

Scotia T-Bill Fund (Unaudited – Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at June 30, 2018

Issuer	Face Value (\$)	Average Cost (\$)	Carrying Value (\$)
MONEY MARKET INSTRUMENTS – 99.6%			
Federal Bonds – 20.1%			
Canada Housing Trust No. 1 (Floating Rate) 0.83% Sep 15, 2018	7,200,000	7,213,536	7,207,536
Promissory Notes – 1.7%			
Province of Alberta 0.00% Apr 04, 2019	610,000	599,563	601,781
Provincial Bonds – 19.8%			
Province of British Columbia (Floating Rate) 1.76% Jan 10, 2020	1,000,000	1,003,600	1,006,952
Province of Nova Scotia 1.12% Aug 15, 2018	4,700,000	4,712,753	4,712,631
Province of Ontario (Floating Rate) 1.52% Dec 03, 2018	1,380,000	1,384,761	1,383,765
		<u>7,101,114</u>	<u>7,103,348</u>
Treasury Bills – 58.0%			
Government of Canada 0.00% Jul 12, 2018	5,705,000	5,700,867	5,703,141
Government of Canada 0.00% Jul 26, 2018	2,270,000	2,252,884	2,268,130
Government of Canada 0.00% Oct 04, 2018	6,255,000	6,226,540	6,233,315
Government of Canada 0.00% Sep 06, 2018	2,200,000	2,191,398	2,194,777
Government of Canada 0.00% Sep 20, 2018	3,180,000	3,149,056	3,169,606
Province of Ontario 0.00% May 01, 2019	1,300,000	1,276,639	1,280,372
		<u>20,797,384</u>	<u>20,849,341</u>
TOTAL INVESTMENT PORTFOLIO		<u>35,711,597</u>	<u>35,762,006</u>
OTHER ASSETS, LESS LIABILITIES – 0.4%			<u>179,777</u>
NET ASSETS – 100.0%			<u>35,941,783</u>

Instruments with a 0.00% stated interest rate are purchased at a discount to face value. The discount represents the implied effective interest.

Scotia T-Bill Fund (Unaudited – Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

The Fund (note 1)

The Fund's objective is to provide income and liquidity, while maintaining a high level of safety. It invests primarily in Government of Canada treasury bills and other short-term debt instruments guaranteed by the Government of Canada.

Risks associated with financial instruments (note 4)

Interest rate risk

The table below summarizes the Fund's exposure to interest rate risk by the remaining term to maturity of the Fund's portfolio, excluding cash and overdrafts, as applicable.

Interest rate exposure	June 30, 2018 (\$)	December 31, 2017 (\$)
Less than 1 year	34,755,054	34,609,402
1-3 years	1,006,952	–
3-5 years	–	–
5-10 years	–	–
> 10 years	–	–
	35,762,006	34,609,402

As at June 30, 2018, had the prevailing interest rates increased or decreased by 0.25%, assuming a parallel shift in the yield curve and all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by \$16,560 or approximately 0.0% (December 31, 2017 – \$11,475 or approximately 0.0%).

Currency risk

The Fund did not have significant currency risk exposure as at June 30, 2018 or December 31, 2017.

Price risk

The Fund did not have significant price risk exposure to equities, underlying funds, derivatives or commodities, if applicable, as at June 30, 2018 and December 31, 2017.

Credit risk

The table below summarizes the credit ratings of bond and debentures and money market instruments held by the Fund.

Credit ratings	June 30, 2018		December 31, 2017	
	Percentage of total money market instruments (%)	Percentage of net assets (%)	Percentage of total money market instruments (%)	Percentage of net assets (%)
Short Term Rating				
A-1+	56.4	56.1	57.2	57.2
A-1	3.6	3.6	–	–
Bond Credit Rating				
AAA	23.0	22.9	20.9	20.9
AA	–	–	1.4	1.4
A	17.0	17.0	20.5	20.3
	100.0	99.6	100.0	99.8

Concentration risk

Concentration risk arises as a result of the concentration of financial instruments within the same category, geographical location, asset type or industry sector, as applicable. The table below is a summary of the Fund's concentration risk by carrying value as a percentage of net assets:

	Percentage of net assets (%)	
	June 30, 2018	December 31, 2017
Federal Bonds	20.1	–
Promissory Notes	1.7	4.9
Provincial Bonds	19.8	–
Short Term Bonds	–	42.7
Treasury Bills	58.0	52.2

Fair Value Classification (note 2)

The tables below illustrate the classification of the Fund's financial instruments within the fair value hierarchy.

June 30, 2018	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Money market instruments	–	35,762,006	–	35,762,006
	–	35,762,006	–	35,762,006

December 31, 2017	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Bonds and debentures	–	14,818,834	–	14,818,834
Money market instruments	–	19,790,568	–	19,790,568
	–	34,609,402	–	34,609,402

Transfers between levels

During the periods ended June 30, 2018 and December 31, 2017, there were no significant transfers between Level 1 and Level 2.

Offsetting of financial assets and liabilities (note 2)

As at June 30, 2018 and December 31, 2017, the Fund did not enter into any agreement whereby the financial instruments were eligible for offset.

Interest in Underlying Funds (note 2)

The Fund did not hold any interest in Underlying Funds as at June 30, 2018 or December 31, 2017.

Comparison of net asset value per unit and net assets per unit (note 2)

As at June 30, 2018 or December 31, 2017, there were no differences between the net asset value per unit and the net assets per unit for any series of the Fund.

Scotia Premium T-Bill Fund (Unaudited)

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	June 30, 2018	December 31, 2017
ASSETS		
Current assets		
Financial assets at fair value through profit or loss (note 2)		
Non-derivative financial assets	120,435,071	142,158,897
Cash	201,798	92,839
Accrued investment income and other	14,358	12,985
Due from manager	29,093	35,909
	<u>120,680,320</u>	<u>142,300,630</u>
LIABILITIES		
Current liabilities		
Management fee payable	59,746	–
Redemptions payable	2,700	176,884
Accrued expenses	4,704	–
Distributions payable	6,712	4,594
	<u>73,862</u>	<u>181,478</u>
Net assets attributable to holders of redeemable units	<u>120,606,458</u>	<u>142,119,152</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series A	120,606,458	142,119,152
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series A	10.00	10.00

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended June 30 (note 1),

(in dollars except average units)	2018	2017
INCOME		
Net gain (loss) on financial assets and liabilities at fair value through profit or loss		
Interest for distribution purposes	843,655	523,877
Net gain (loss) on financial assets and liabilities at fair value through profit or loss		
Securities lending (note 11)	843,655	523,877
	10,924	8,908
Total income (loss), net	<u>854,579</u>	<u>532,785</u>
EXPENSES		
Management fees (note 5)	128,944	249,872
Independent Review Committee fees	587	576
Audit fees	5,613	5,154
Custodian fees	6,986	1,819
Filing fees	7,213	9,446
Legal fees	15	300
Unitholder administration costs	7,864	12,047
Unitholder reporting costs	1,264	2,243
Other fund costs	–	13
Harmonized Sales Tax/Goods and Services Tax	38,961	27,522
Total expenses	<u>197,447</u>	<u>308,992</u>
Expenses absorbed by the Manager	(11,133)	(26,582)
Net expenses	<u>186,314</u>	<u>282,410</u>
Increase (decrease) in net assets attributable to holders of redeemable units from operations	<u>668,265</u>	<u>250,375</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A	668,265	250,375
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT[†]		
Series A	0.05	0.02
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series A	12,946,713	15,977,260

[†] The increase (decrease) in net assets attributable to holders of redeemable units from operations per unit is calculated by dividing the increase (decrease) in net assets attributable to holders of redeemable units from operations per series by the weighted average number of units per series.

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the periods ended June 30 (note 1),

(in dollars)	2018	2017
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series A	142,119,152	171,698,765
	<u>142,119,152</u>	<u>171,698,765</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A	668,265	250,375
	<u>668,265</u>	<u>250,375</u>
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net investment income		
Series A	(668,264)	(250,377)
	<u>(668,264)</u>	<u>(250,377)</u>
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A	–	12,122,500
Reinvested distributions		
Series A	632,702	267,836
Payments on redemption		
Series A	(22,145,397)	(30,410,695)
	<u>(21,512,695)</u>	<u>(18,020,359)</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A	(21,512,694)	(18,020,361)
	<u>(21,512,694)</u>	<u>(18,020,361)</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series A	120,606,458	153,678,404
	<u>120,606,458</u>	<u>153,678,404</u>

STATEMENTS OF CASH FLOWS

For the periods ended June 30 (note 1),

(in dollars)	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units		
	668,265	250,375
Adjustments for:		
Purchases of portfolio investments	(114,349,801)	(232,468,139)
Proceeds from sale of portfolio investments	136,073,627	250,497,518
Accrued investment income and other	(1,373)	(31,243)
Accrued expenses and other payables	64,450	72,576
Due from manager	6,816	36,369
Net cash provided by (used in) operating activities	<u>22,461,984</u>	<u>18,357,456</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units		
	–	12,113,306
Amounts paid on redemption of redeemable units		
	(22,319,581)	(30,425,351)
Distributions to unitholders of redeemable units		
	(33,444)	15,084
Net cash provided by (used in) financing activities	<u>(22,353,025)</u>	<u>(18,296,961)</u>
Net increase (decrease) in cash		
	108,959	60,495
Cash (bank overdraft), beginning of period		
	92,839	57,385
CASH (BANK OVERDRAFT), END OF PERIOD	<u>201,798</u>	<u>117,880</u>
Interest received, net of withholding taxes ⁽¹⁾	842,282	492,634

⁽¹⁾ Classified as operating items.

Scotia Premium T-Bill Fund (Unaudited – Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at June 30, 2018

Issuer	Face Value (\$)	Average Cost (\$)	Carrying Value (\$)
MONEY MARKET INSTRUMENTS – 99.9%			
Federal Bonds – 24.5%			
Canada Housing Trust No. 1 (Floating Rate) 0.83% Sep 15, 2018	29,500,000	<u>29,555,460</u>	<u>29,530,877</u>
Promissory Notes – 1.8%			
Province of Alberta 0.00% Apr 04, 2019	2,170,000	<u>2,132,871</u>	<u>2,140,760</u>
Provincial Bonds – 23.7%			
Province of British Columbia (Floating Rate) 1.76% Jan 10, 2020	3,600,000	3,612,960	3,625,027
Province of Nova Scotia 1.12% Aug 15, 2018	18,900,000	18,951,272	18,950,800
Province of Ontario (Floating Rate) 1.52% Dec 03, 2018	5,975,000	5,995,614	5,991,297
		<u>28,559,846</u>	<u>28,567,124</u>
Treasury Bills – 49.9%			
Government of Canada 0.00% Jul 12, 2018	4,110,000	4,106,835	4,108,643
Government of Canada 0.00% Jul 26, 2018	9,650,000	9,577,239	9,642,051
Government of Canada 0.00% Oct 04, 2018	21,550,000	21,451,948	21,475,294
Government of Canada 0.00% Sep 06, 2018	7,600,000	7,570,284	7,581,958
Government of Canada 0.00% Sep 20, 2018	12,900,000	12,773,967	12,857,818
Province of Ontario 0.00% May 01, 2019	4,600,000	4,517,338	4,530,546
		<u>59,997,611</u>	<u>60,196,310</u>
TOTAL INVESTMENT PORTFOLIO		<u>120,245,788</u>	120,435,071
OTHER ASSETS, LESS LIABILITIES – 0.1%			<u>171,387</u>
NET ASSETS – 100.0%			<u>120,606,458</u>

Instruments with a 0.00% stated interest rate are purchased at a discount to face value. The discount represents the implied effective interest.

Scotia Premium T-Bill Fund (Unaudited – Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

The Fund (note 1)

The Fund's objective is to provide income and liquidity, while maintaining a high level of safety. It invests primarily in Government of Canada treasury bills and other short-term debt instruments guaranteed by the Government of Canada.

Risks associated with financial instruments (note 4)

Interest rate risk

The table below summarizes the Fund's exposure to interest rate risk by the remaining term to maturity of the Fund's portfolio, excluding cash and overdrafts, as applicable.

Interest rate exposure	June 30, 2018 (\$)	December 31, 2017 (\$)
Less than 1 year	116,810,044	142,158,897
1-3 years	3,625,027	–
3-5 years	–	–
5-10 years	–	–
> 10 years	–	–
	120,435,071	142,158,897

As at June 30, 2018, had the prevailing interest rates increased or decreased by 0.25%, assuming a parallel shift in the yield curve and all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by \$61,295 or approximately 0.1% (December 31, 2017 – \$47,723 or approximately 0.0%).

Currency risk

The Fund did not have significant currency risk exposure as at June 30, 2018 or December 31, 2017.

Price risk

The Fund did not have significant price risk exposure to equities, underlying funds, derivatives or commodities, if applicable, as at June 30, 2018 and December 31, 2017.

Credit risk

The table below summarizes the credit ratings of bond and debentures and money market instruments held by the Fund.

Credit ratings	June 30, 2018		December 31, 2017	
	Percentage of total money market instruments (%)	Percentage of net assets (%)	Percentage of total money market instruments (%)	Percentage of net assets (%)
Short Term Rating				
A-1+	48.0	47.9	56.5	56.6
A-1	3.8	3.8	–	–
Bond Credit Rating				
AAA	27.5	27.5	20.8	20.8
AA	–	–	1.5	1.5
A	20.7	20.7	21.2	21.2
	100.0	99.9	100.0	100.1

Concentration risk

Concentration risk arises as a result of the concentration of financial instruments within the same category, geographical location, asset

type or industry sector, as applicable. The table below is a summary of the Fund's concentration risk by carrying value as a percentage of net assets:

	Percentage of net assets (%)	
	June 30, 2018	December 31, 2017
Federal Bonds	24.5	20.8
Promissory Notes	1.8	5.1
Provincial Bonds	23.7	21.2
Short Term Bonds	–	1.5
Treasury Bills	49.9	51.5

Fair Value Classification (note 2)

The tables below illustrate the classification of the Fund's financial instruments within the fair value hierarchy.

June 30, 2018	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Bonds and debentures	–	58,098,001	–	58,098,001
Money market instruments	–	62,337,070	–	62,337,070
	–	120,435,071	–	120,435,071

December 31, 2017	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Bonds and debentures	–	61,737,626	–	61,737,626
Money market instruments	–	80,421,271	–	80,421,271
	–	142,158,897	–	142,158,897

Transfers between levels

During the periods ended June 30, 2018 and December 31, 2017, there were no significant transfers between Level 1 and Level 2.

Offsetting of financial assets and liabilities (note 2)

As at June 30, 2018 and December 31, 2017, the Fund did not enter into any agreement whereby the financial instruments were eligible for offset.

Interest in Underlying Funds (note 2)

The Fund did not hold any interest in Underlying Funds as at June 30, 2018 or December 31, 2017.

Comparison of net asset value per unit and net assets per unit (note 2)

As at June 30, 2018 or December 31, 2017, there were no differences between the net asset value per unit and the net assets per unit for any series of the Fund.

Scotia Money Market Fund (Unaudited)

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	June 30, 2018	December 31, 2017
ASSETS		
Current assets		
Financial assets at fair value through profit or loss (note 2)		
Non-derivative financial assets	1,355,343,167	1,237,504,941
Cash	97,101	2,179,428
Subscriptions receivable	10,970,983	6,910,836
Accrued investment income and other	193,856	133,522
Due from manager	8,617	9,416
	<u>1,366,613,724</u>	<u>1,246,738,143</u>
LIABILITIES		
Current liabilities		
Management fee payable	179,493	–
Redemptions payable	7,968,197	3,012,573
Accrued expenses	54,410	–
Distributions payable	13,014	8,134
	<u>8,215,114</u>	<u>3,020,707</u>
Net assets attributable to holders of redeemable units	<u>1,358,398,610</u>	<u>1,243,717,436</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series A	182,230,823	193,552,821
Advisor Series	167,024	211,015
Series I	55,646,641	–
Series K	4,037,033	1,709,996
Series M	1,061,644,698	985,433,286
Premium Series	<u>54,672,391</u>	<u>62,810,318</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series A	10.00	10.00
Advisor Series	10.00	10.00
Series I	10.00	–
Series K	10.00	10.00
Series M	10.00	10.00
Premium Series	<u>10.00</u>	<u>10.00</u>

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended June 30 (note 1),

(in dollars except average units)	2018	2017
INCOME		
Net gain (loss) on financial assets and liabilities at fair value through profit or loss		
Interest for distribution purposes	11,117,333	6,614,735
Net gain (loss) on financial assets and liabilities at fair value through profit or loss	11,117,333	6,614,735
Securities lending (note 11)	1,332	5,677
Total income (loss), net	<u>11,118,665</u>	<u>6,620,412</u>
EXPENSES		
Management fees (note 5)	954,356	1,353,577
Independent Review Committee fees	587	576
Interest expense and bank overdraft charges	7,636	1,247
Audit fees	5,517	5,059
Custodian fees	23,470	16,680
Filing fees	10,376	23,693
Legal fees	156	2,454
Unitholder administration costs	177,055	159,561
Unitholder reporting costs	6,844	16,332
Other fund costs	–	102
Harmonized Sales Tax/Goods and Services Tax	122,331	110,872
Total expenses	1,308,328	1,690,153
Expenses absorbed by the Manager	(195,460)	(535,004)
Net expenses	<u>1,112,868</u>	<u>1,155,149</u>
Increase (decrease) in net assets attributable to holders of redeemable units from operations	<u>10,005,797</u>	<u>5,465,263</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A	816,728	323,798
Advisor Series	470	527
Series I	146,643	–
Series K	21,430	2,967
Series M	8,642,645	4,850,788
Premium Series	<u>377,881</u>	<u>287,183</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT[†]		
Series A	0.04	0.01
Advisor Series	0.03	0.01
Series I	0.03	–
Series K	0.08	0.05
Series M	0.08	0.05
Premium Series	<u>0.06</u>	<u>0.03</u>
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series A	18,789,887	21,658,871
Advisor Series	17,994	35,453
Series I	5,553,521	–
Series K	257,876	59,031
Series M	109,078,886	100,485,422
Premium Series	<u>5,896,463</u>	<u>8,564,484</u>

[†] The increase (decrease) in net assets attributable to holders of redeemable units from operations per unit is calculated by dividing the increase (decrease) in net assets attributable to holders of redeemable units from operations per series by the weighted average number of units per series.

Scotia Money Market Fund (Unaudited – Continued)

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the periods ended June 30 (note 1),

(in dollars)	2018	2017
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series A	193,552,821	218,470,612
Advisor Series	211,015	450,468
Series K	1,709,996	1,004
Series M	985,433,286	1,038,195,157
Premium Series	62,810,318	95,808,916
	<u>1,243,717,436</u>	<u>1,352,926,157</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A	816,728	323,798
Advisor Series	470	527
Series I	146,643	–
Series K	21,430	2,967
Series M	8,642,645	4,850,788
Premium Series	377,881	287,183
	<u>10,005,797</u>	<u>5,465,263</u>
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net investment income		
Series A	(816,729)	(323,798)
Advisor Series	(470)	(527)
Series I	(146,643)	–
Series K	(21,430)	(2,967)
Series M	(8,642,645)	(4,850,788)
Premium Series	(377,881)	(287,182)
	<u>(10,005,798)</u>	<u>(5,465,260)</u>
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A	49,123,328	67,588,396
Series I	55,500,000	–
Series K	2,803,068	1,209,454
Series M	851,499,392	1,012,628,323
Premium Series	9,900	13,067
Reinvested distributions		
Series A	768,711	317,956
Advisor Series	470	527
Series I	146,641	–
Series K	21,430	2,967
Series M	8,544,290	4,810,210
Premium Series	365,107	278,394
Payments on redemption		
Series A	(61,214,036)	(76,658,456)
Advisor Series	(44,461)	(162,793)
Series K	(497,461)	(10,961)
Series M	(783,832,270)	(1,156,798,983)
Premium Series	(8,512,934)	(18,762,338)
	<u>114,681,175</u>	<u>(165,544,237)</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A	(11,321,998)	(8,752,104)
Advisor Series	(43,991)	(162,266)
Series I	55,646,641	–
Series K	2,327,037	1,201,460
Series M	76,211,412	(139,360,448)
Premium Series	(8,137,927)	(18,470,876)
	<u>114,681,174</u>	<u>(165,544,234)</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series A	182,230,823	209,718,508
Advisor Series	167,024	288,202
Series I	55,646,641	–
Series K	4,037,033	1,202,464
Series M	1,061,644,698	898,834,709
Premium Series	54,672,391	77,338,040
	<u>1,358,398,610</u>	<u>1,187,381,923</u>

STATEMENTS OF CASH FLOWS

For the periods ended June 30 (note 1),

(in dollars)	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	10,005,797	5,465,263
Adjustments for:		
Purchases of portfolio investments	(3,865,328,863)	(3,442,092,064)
Proceeds from sale of portfolio investments	3,747,490,638	3,601,570,120
Accrued investment income and other	(60,334)	(3,604)
Accrued expenses and other payables	233,903	178,422
Due from manager	799	–
Net cash provided by (used in) operating activities	<u>(107,658,060)</u>	<u>165,118,137</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	954,814,637	1,081,141,367
Amounts paid on redemption of redeemable units	(849,084,636)	(1,246,104,620)
Distributions to unitholders of redeemable units	(154,268)	(56,735)
Net cash provided by (used in) financing activities	<u>105,575,733</u>	<u>(165,019,988)</u>
Net increase (decrease) in cash	(2,082,327)	98,149
Cash (bank overdraft), beginning of period	2,179,428	3,567
CASH (BANK OVERDRAFT), END OF PERIOD	<u>97,101</u>	<u>101,716</u>
Interest paid ⁽¹⁾	7,636	1,247
Interest received, net of withholding taxes ⁽¹⁾	11,118,132	6,611,131

⁽¹⁾ Classified as operating items.

The accompanying notes are an integral part of the financial statements.

Scotia Money Market Fund (Unaudited – Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at June 30, 2018

Issuer	Face Value (\$)	Average Cost (\$)	Carrying Value (\$)	Issuer	Face Value (\$)	Average Cost (\$)	Carrying Value (\$)
MONEY MARKET INSTRUMENTS – 99.8%				MONEY MARKET INSTRUMENTS (cont'd)			
Bankers' Acceptances – 4.5%				Commercial Paper (cont'd)			
Bank of America Corporation 0.00% Jul 19, 2018	10,070,000	10,061,540	10,062,347	Toronto Hydro Corporation 0.00% Jul 04, 2018	8,440,000	8,437,721	8,438,698
Bank of America Corporation 0.00% Jul 20, 2018	1,247,000	1,245,504	1,245,968	Toyota Credit Canada Inc. 0.00% Sep 17, 2018	6,000,000	5,966,100	5,978,048
Bank of Montreal 0.00% Jul 17, 2018	8,355,000	8,343,554	8,349,104			<u>448,873,261</u>	<u>449,377,738</u>
Canadian Imperial Bank of Commerce 0.00% Jul 17, 2018	3,434,000	3,430,016	3,431,589	Provincial Bonds – 6.9%			
Fédération des caisses Desjardins du Québec 0.00% Jul 17, 2018	3,400,000	3,395,954	3,397,628	Province of Manitoba (Floating Rate) 1.22% Apr 02, 2019	18,925,000	18,983,634	19,036,656
Fédération des caisses Desjardins du Québec 0.00% Jul 24, 2018	11,800,000	11,761,060	11,787,703	Province of New Brunswick Canada (Floating Rate) 1.42% Aug 01, 2019	20,000,000	20,078,000	20,104,526
HSBC Bank of Canada 0.00% Aug 01, 2018	5,400,000	5,379,588	5,392,224	Province of Ontario Canada (Floating Rate) 1.40% Aug 26, 2019	54,700,000	54,881,251	54,893,024
HSBC Bank of Canada 0.00% Jul 17, 2018	14,480,000	14,467,760	14,469,848			<u>93,942,885</u>	<u>94,034,206</u>
National Bank of Canada 0.00% Jul 17, 2018	2,300,000	2,296,757	2,298,379	Short Term Bonds – 54.0%			
Royal Bank of Canada 0.00% Sep 19, 2018	480,000	478,176	478,262	Bank of Montreal (Floating Rate) 1.60% Apr 11, 2019	48,000,000	48,161,856	48,345,492
		<u>60,859,909</u>	<u>60,913,052</u>	Bank of Montreal 3.21% Sep 13, 2018	9,000,000	9,069,480	9,110,972
Bearers' Deposit Notes – 1.3%				Bank of Nova Scotia, The (Floating Rate) 1.45% Oct 12, 2018 [†]	10,000,000	10,000,600	10,007,979
Fédération des caisses Desjardins du Québec 0.00% Jul 17, 2018	5,000,000	4,993,250	4,996,523	Bank of Nova Scotia, The 2.46% Mar 14, 2019 [†]	43,500,000	43,642,320	43,922,438
Manulife Bank of Canada 0.00% Jul 17, 2018	8,000,000	7,988,000	7,994,333	Bank of Nova Scotia, The 2.75% Aug 13, 2018 [†]	8,000,000	8,035,840	8,092,038
Manulife Bank of Canada 0.00% Jul 19, 2018	5,170,000	5,165,709	5,166,118	BMW Canada Inc. 2.27% Nov 26, 2018	33,974,000	34,144,714	34,124,307
		<u>18,146,959</u>	<u>18,156,974</u>	BMW Canada Inc. 2.33% Sep 26, 2018	1,050,000	1,054,725	1,057,637
Commercial Paper – 33.1%				Caisse Centrale Desjardins 2.80% Nov 19, 2018	16,040,000	16,145,123	16,147,544
AltaLink Investments LP. 1.75% Oct 01, 2018	10,920,000	10,870,969	10,871,491	Canadian Imperial Bank of Commerce (Floating Rate) 1.43% Jan 28, 2019	7,000,000	7,004,900	7,023,756
Enbridge Gas Distribution Inc. 0.00% Jul 17, 2018	24,000,000	23,974,800	23,980,527	Canadian Imperial Bank of Commerce (Floating Rate) 1.76% Feb 07, 2020	52,000,000	51,999,740	52,137,299
Enbridge Pipelines Inc. 0.00% Jul 11, 2018	8,640,000	8,631,187	8,635,584	City of Toronto 5.60% Dec 18, 2018	21,424,000	21,826,557	21,855,674
Enbridge Pipelines Inc. 0.00% Jul 17, 2018	20,300,000	20,275,031	20,283,021	GE Capital Canada Funding Company 3.55% Jun 11, 2019	3,980,000	4,030,108	4,035,925
EPCOR Utilities Inc. 0.00% Jul 05, 2018	1,100,000	1,099,670	1,099,764	Genesis Trust II 1.68% Sep 17, 2018	44,800,000	44,736,905	44,996,453
EPCOR Utilities Inc. 0.00% Jul 09, 2018	6,600,000	6,597,360	6,597,624	Genesis Trust II 2.43% May 15, 2019	19,200,000	19,240,896	19,294,185
FortisBC Energy Inc. 0.00% Aug 01, 2018	4,100,000	4,089,176	4,094,413	Honda Canada Finance Inc. (Floating Rate) 2.02% Dec 03, 2018	21,142,000	21,245,868	21,232,740
FortisBC Energy Inc. 0.00% Aug 15, 2018	5,000,000	4,987,700	4,990,245	Honda Canada Finance Inc. (Floating Rate) 2.33% Jun 07, 2019	15,700,000	15,766,097	15,787,784
FortisBC Energy Inc. 0.00% Jul 17, 2018	5,000,000	4,993,950	4,996,453	HSBC Bank of Canada 2.08% Nov 26, 2018	17,500,000	17,521,625	17,544,569
FortisBC Energy Inc. 0.00% Jul 30, 2018	15,000,000	14,957,100	14,980,604	John Deere Canada Funding Inc. 1.75% Jan 28, 2019	8,479,000	8,465,836	8,533,053
FortisBC Energy Inc. 0.00% Sep 27, 2018	7,000,000	6,972,490	6,972,796	John Deere Canada Funding Inc. 2.35% Jun 24, 2019	27,292,000	27,369,236	27,376,937
Greater Toronto Airports Authority 0.00% Jul 12, 2018	18,410,000	18,340,492	18,399,870	Master Credit Card Trust II 2.72% Nov 21, 2018	63,687,000	64,121,711	64,076,510
Greater Toronto Airports Authority 0.00% Jul 13, 2018	11,020,000	10,976,030	11,013,430	National Bank of Canada (Floating Rate) 1.76% Jun 11, 2019	50,055,000	50,055,000	50,098,507
Greater Toronto Airports Authority 0.00% Jul 16, 2018	7,100,000	7,089,682	7,095,100	National Bank of Canada 2.79% Aug 09, 2018	5,000,000	5,058,400	5,060,799
Husky Energy Inc. 0.00% Aug 15, 2018	4,000,000	3,984,040	3,991,260	NAV Canada 5.30% Apr 17, 2019	29,395,000	30,237,197	30,447,832
Husky Energy Inc. 0.00% Jul 27, 2018	8,470,000	8,435,019	8,459,144	Royal Bank of Canada (Floating Rate) 1.02% Jul 30, 2018	50,500,000	50,500,000	50,656,688
Husky Energy Inc. 0.00% Sep 05, 2018	23,170,000	23,071,528	23,095,870	Royal Bank of Canada (Floating Rate) 1.59% Apr 09, 2019	1,415,000	1,421,232	1,424,728
Imperial Oil Ltd. 0.00% Jul 05, 2018	27,000,000	26,985,420	26,994,793	Royal Bank of Canada (Floating Rate) 1.73% Apr 09, 2019	4,000,000	4,000,000	4,003,437
Inter Pipeline (Corridor) Inc. 0.00% Aug 01, 2018	1,040,000	1,035,850	1,038,419	Royal Bank of Canada 2.82% Jul 12, 2018	4,000,000	4,044,120	4,054,019
Inter Pipeline (Corridor) Inc. 0.00% Aug 13, 2018	1,100,000	1,096,447	1,097,767	Toronto-Dominion Bank, The (Floating Rate) 1.73% Jul 31, 2019	60,000,000	59,998,350	60,174,981
Inter Pipeline (Corridor) Inc. 0.00% Jul 09, 2018	7,650,000	7,616,952	7,646,732	Toyota Credit Canada Inc. 2.25% May 23, 2019	6,700,000	6,713,132	6,728,130
Inter Pipeline (Corridor) Inc. 0.00% Jul 10, 2018	6,100,000	6,090,911	6,097,246	Toyota Credit Canada Inc. 2.75% Jul 18, 2018	6,646,000	6,719,489	6,731,708
Inter Pipeline (Corridor) Inc. 0.00% Jul 11, 2018	2,400,000	2,389,752	2,398,747	Toyota Credit Canada Inc. 2.80% Nov 21, 2018	15,920,000	16,037,274	16,027,126
Inter Pipeline (Corridor) Inc. 0.00% Jul 23, 2018	13,698,000	13,660,294	13,683,518	Vancouver Airport Authority 4.42% Dec 07, 2018	22,438,000	22,815,309	22,749,950
Lower Mattagami Energy Limited Partnership 0.00% Jul 17, 2018	26,000,000	25,963,600	25,981,248			<u>731,183,640</u>	<u>732,861,197</u>
Nestlé Capital Canada Ltd. 0.00% Jul 17, 2018	6,160,000	6,144,415	6,155,584	TOTAL INVESTMENT PORTFOLIO			
Nestlé Capital Canada Ltd. 0.00% Jul 24, 2018	9,675,000	9,649,372	9,665,221	OTHER ASSETS, LESS LIABILITIES – 0.2%			
Nissan Canada Financial Services Inc. 0.00% Jul 09, 2018	26,970,000	26,948,424	26,959,780	NET ASSETS – 100.0%			
Nissan Canada Financial Services Inc. 0.00% Jul 11, 2018	9,000,000	8,992,350	8,995,793			<u>1,353,006,654</u>	<u>1,355,343,167</u>
Nova Scotia Power Inc. 0.00% Aug 01, 2018	3,300,000	3,295,149	3,295,296				
Nova Scotia Power Inc. 0.00% Jul 09, 2018	8,700,000	8,686,776	8,696,500				
Nova Scotia Power Inc. 0.00% Jul 11, 2018	5,000,000	4,993,300	4,997,543				
Nova Scotia Power Inc. 0.00% Jul 13, 2018	2,000,000	1,997,320	1,998,839				
Nova Scotia Power Inc. 0.00% Jul 16, 2018	3,000,000	2,995,710	2,997,855				
Nova Scotia Power Inc. 0.00% Jul 19, 2018	2,400,000	2,396,904	2,397,972				
Nova Scotia Power Inc. 0.00% Jul 23, 2018	4,141,000	4,135,327	4,136,791				
Nova Scotia Power Inc. 0.00% Jul 25, 2018	4,000,000	3,994,680	3,995,567				
Nova Scotia Power Inc. 0.00% Jul 26, 2018	3,500,000	3,495,485	3,495,952				
Omers Finance Trust 0.00% Jul 03, 2018	4,000,000	3,984,080	3,999,469				
Omers Finance Trust 0.00% Jul 18, 2018	17,400,000	17,378,946	17,386,932				
Omers Finance Trust 0.00% Sep 04, 2018	18,100,000	18,023,920	18,046,538				
Omers Finance Trust 0.00% Sep 06, 2018	16,620,000	16,550,861	16,569,447				
Omers Finance Trust 0.00% Sep 21, 2018	910,000	906,278	906,642				
Ontario Teachers Financial Trust 0.00% Jul 19, 2018	21,100,000	21,032,058	21,083,015				
Ontario Teachers Financial Trust 0.00% Oct 25, 2018	4,710,000	4,682,635	4,684,790				

[†] Investment in related party (note 10)

Instruments with a 0.00% stated interest rate are purchased at a discount to face value. The discount represents the implied effective interest.

Scotia Money Market Fund (Unaudited – Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

The Fund (note 1)

The Fund's objective is to provide income and liquidity, while maintaining a high level of safety. It invests primarily in high quality, short-term fixed income securities issued by Canadian federal, provincial and municipal governments, Canadian chartered banks and trust companies, and corporations.

Risks associated with financial instruments (note 4)

Interest rate risk

The table below summarizes the Fund's exposure to interest rate risk by the remaining term to maturity of the Fund's portfolio, excluding cash and overdrafts, as applicable.

Interest rate exposure	June 30, 2018 (\$)	December 31, 2017 (\$)
Less than 1 year	1,168,033,337	1,134,980,026
1-3 years	187,309,830	102,524,915
3-5 years	–	–
5-10 years	–	–
> 10 years	–	–
	1,355,343,167	1,237,504,941

As at June 30, 2018, had the prevailing interest rates increased or decreased by 0.25%, assuming a parallel shift in the yield curve and all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by \$603,748 or approximately 0.0% (December 31, 2017 – \$664,371 or approximately 0.1%).

Currency risk

The Fund did not have significant currency risk exposure as at June 30, 2018 or December 31, 2017.

Price risk

The Fund did not have significant price risk exposure to equities, underlying funds, derivatives or commodities, if applicable, as at June 30, 2018 and December 31, 2017.

Credit risk

The table below summarizes the credit ratings of bond and debentures and money market instruments held by the Fund.

Credit ratings	June 30, 2018		December 31, 2017	
	Percentage of total money market instruments (%)	Percentage of net assets (%)	Percentage of total money market instruments (%)	Percentage of net assets (%)
Short Term Rating				
A-1+	9.7	9.7	11.0	10.9
A-1	29.3	29.2	19.6	19.6
A-2	–	–	4.1	4.1
Bond Credit Rating				
AAA	9.5	9.4	5.4	5.3
AA	29.6	29.7	31.4	31.3
A	21.9	21.8	23.8	23.7
NOT RATED	–	–	4.7	4.6
	100.0	99.8	100.0	99.5

Concentration risk

Concentration risk arises as a result of the concentration of financial instruments within the same category, geographical location, asset type or industry sector, as applicable. The table below is a summary of the Fund's concentration risk by carrying value as a percentage of net assets:

	Percentage of net assets (%)	
	June 30, 2018	December 31, 2017
Bankers' Acceptances	4.5	4.0
Bearers' Deposit Notes	1.3	1.2
Commercial Paper	33.1	25.9
Promissory Notes	–	1.1
Provincial Bonds	6.9	–
Short Term Bonds	54.0	64.9
Treasury Bills	–	2.4

Fair Value Classification (note 2)

The tables below illustrate the classification of the Fund's financial instruments within the fair value hierarchy.

June 30, 2018	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Bonds and debentures	–	826,895,403	–	826,895,403
Money market instruments	–	528,447,764	–	528,447,764
	–	1,355,343,167	–	1,355,343,167

December 31, 2017	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Bonds and debentures	–	807,813,760	–	807,813,760
Money market instruments	–	429,691,181	–	429,691,181
	–	1,237,504,941	–	1,237,504,941

Transfers between levels

During the periods ended June 30, 2018 and December 31, 2017, there were no significant transfers between Level 1 and Level 2.

Offsetting of financial assets and liabilities (note 2)

As at June 30, 2018 and December 31, 2017, the Fund did not enter into any agreement whereby the financial instruments were eligible for offset.

Interest in Underlying Funds (note 2)

The Fund did not hold any interest in Underlying Funds as at June 30, 2018 or December 31, 2017.

Comparison of net asset value per unit and net assets per unit (note 2)

As at June 30, 2018 or December 31, 2017, there were no differences between the net asset value per unit and the net assets per unit for any series of the Fund.

Scotia U.S. \$ Money Market Fund (Unaudited)

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	June 30, 2018	December 31, 2017
	U.S. \$	U.S. \$
ASSETS		
Current assets		
Financial assets at fair value through profit or loss (note 2)		
Non-derivative financial assets	59,997,503	55,443,810
Cash	101,669	99,055
Subscriptions receivable	17,567	200,000
Accrued investment income and other	185,325	181,030
	<u>60,302,064</u>	<u>55,923,895</u>
LIABILITIES		
Current liabilities		
Management fee payable	29,979	—
Redemptions payable	515,751	—
Distributions payable	1,912	674
	<u>547,642</u>	<u>674</u>
Net assets attributable to holders of redeemable units	<u>59,754,422</u>	<u>55,923,221</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series A	29,406,938	36,582,820
Series M	30,347,484	19,340,401
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series A	10.00	10.00
Series M	<u>10.00</u>	<u>10.00</u>

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended June 30 (note 1),

(in dollars except average units)	2018	2017
	U.S. \$	U.S. \$
INCOME		
Net gain (loss) on financial assets and liabilities at fair value through profit or loss		
Interest for distribution purposes	594,848	244,718
Net gain (loss) on financial assets and liabilities at fair value through profit or loss	594,848	244,718
Securities lending (note 11)	—	97
Total income (loss), net	<u>594,848</u>	<u>244,815</u>
EXPENSES		
Management fees (note 5)	168,408	184,405
Independent Review Committee fees	587	576
Interest expense and bank overdraft charges	—	28
Audit fees	5,555	5,151
Custodian fees	6,580	1,563
Filing fees	7,811	1,186
Legal fees	6	88
Unitholder administration costs	5,195	10,322
Unitholder reporting costs	1,313	2,408
Other fund costs	—	4
Harmonized Sales Tax/Goods and Services Tax	18,501	16,562
Total expenses	213,956	222,293
Expenses absorbed by the Manager	(29,617)	(41,165)
Net expenses	<u>184,339</u>	<u>181,128</u>
Increase (decrease) in net assets attributable to holders of redeemable units from operations	<u>410,509</u>	<u>63,687</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A	122,533	10,533
Series M	287,976	53,154
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT[†]		
Series A	0.04	0.00
Series M	<u>0.09</u>	<u>0.05</u>
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series A	3,293,978	3,687,275
Series M	3,055,366	1,036,145

[†] The increase (decrease) in net assets attributable to holders of redeemable units from operations per unit is calculated by dividing the increase (decrease) in net assets attributable to holders of redeemable units from operations per series by the weighted average number of units per series.

The accompanying notes are an integral part of the financial statements.

Scotia U.S. \$ Money Market Fund (Unaudited – Continued)

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the periods ended June 30 (note 1),

(in dollars)	2018	2017
	U.S. \$	U.S. \$
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series A	36,582,820	39,293,860
Series M	19,340,401	3,844,828
	<u>55,923,221</u>	<u>43,138,688</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A	122,533	10,533
Series M	287,976	53,154
	<u>410,509</u>	<u>63,687</u>
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net investment income		
Series A	(122,533)	(10,532)
Series M	(287,974)	(53,154)
	<u>(410,507)</u>	<u>(63,686)</u>
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A	4,136,168	3,020,109
Series M	44,308,403	18,922,719
Reinvested distributions		
Series A	113,824	10,014
Series M	284,111	52,821
Payments on redemption		
Series A	(11,425,874)	(7,863,927)
Series M	(33,585,433)	(8,744,481)
	<u>3,831,199</u>	<u>5,397,255</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A	(7,175,882)	(4,833,803)
Series M	11,007,083	10,231,059
	<u>3,831,201</u>	<u>5,397,256</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series A	29,406,938	34,460,057
Series M	30,347,484	14,075,887
	<u>59,754,422</u>	<u>48,535,944</u>

STATEMENTS OF CASH FLOWS

For the periods ended June 30 (note 1),

(in dollars)	2018	2017
	U.S. \$	U.S. \$
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	410,509	63,687
Adjustments for:		
Purchases of portfolio investments	(187,360,486)	(153,679,762)
Proceeds from sale of portfolio investments	182,806,792	148,551,781
Accrued investment income and other	(4,295)	(1,254)
Accrued expenses and other payables	29,979	31,014
Net cash provided by (used in) operating activities	<u>(4,117,501)</u>	<u>(5,034,534)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	48,627,004	21,682,702
Amounts paid on redemption of redeemable units	(44,495,555)	(16,617,108)
Distributions to unitholders of redeemable units	(11,334)	(770)
Net cash provided by (used in) financing activities	<u>4,120,115</u>	<u>5,064,824</u>
Net increase (decrease) in cash	2,614	30,290
Cash (bank overdraft), beginning of period	99,055	71,255
CASH (BANK OVERDRAFT), END OF PERIOD	<u>101,669</u>	<u>101,545</u>
Interest paid ⁽¹⁾	–	28
Interest received, net of withholding taxes ⁽¹⁾	590,553	243,464

⁽¹⁾ Classified as operating items.

SCHEDULE OF INVESTMENT PORTFOLIO

As at June 30, 2018

Issuer	Face Value (\$)	Average Cost (\$)	Carrying Value (\$)
	U.S. \$	U.S. \$	U.S. \$
MONEY MARKET INSTRUMENTS – 100.4%			
Commercial Paper – 38.2%			
Enbridge Pipelines Inc. 0.00% Jul 06, 2018	1,400,000	1,397,368	1,399,436
Farm Credit Canada 0.00% Jul 09, 2018	240,000	239,609	239,887
Farm Credit Canada 0.00% Jul 16, 2018	13,575,000	13,552,058	13,563,159
Farm Credit Canada 0.00% Jul 23, 2018	1,160,000	1,158,016	1,158,528
Farm Credit Canada 0.00% Jul 25, 2018	5,075,000	5,066,626	5,068,022
Omers Finance Trust 0.00% Sep 13, 2018	1,400,000	1,391,754	1,393,278
		<u>22,805,431</u>	<u>22,822,310</u>
Provincial Bonds – 15.6%			
Province of Ontario 1.25% Jun 17, 2019	2,300,000	2,270,790	2,271,913
Province of Ontario 2.00% Sep 27, 2018	7,000,000	6,993,210	7,032,458
		<u>9,264,000</u>	<u>9,304,371</u>
Short Term Bonds – 46.6%			
American Honda Finance Corporation (Floating Rate) 1.60% Nov 19, 2018	800,000	802,288	803,046
American Honda Finance Corporation 1.51% Jan 22, 2019	300,000	300,306	301,557
Apple Inc. (Floating Rate) 2.27% Feb 22, 2019	130,000	131,188	131,076
Bank of Montreal (Floating Rate) 2.15% Dec 12, 2019	995,000	1,001,236	1,001,691
Bank of Montreal 2.00% Jul 18, 2019	1,500,000	1,510,641	1,516,565
Bank of Nova Scotia (Floating Rate) 1.38% Nov 09, 2018 [†]	500,000	500,175	501,863
Bank of Nova Scotia (Floating Rate) 1.53% Feb 28, 2019 [†]	600,000	600,111	601,268
Bank of Nova Scotia (Floating Rate) 1.54% Jul 18, 2018 [†]	600,000	601,998	603,365
Bank of Nova Scotia (Floating Rate) 2.09% Jul 06, 2018 [†]	1,000,000	999,744	1,001,397
Canadian Imperial Bank of Commerce (Floating Rate) 1.41% Jul 13, 2018	200,000	200,388	201,179
Canadian Imperial Bank of Commerce (Floating Rate) 1.76% Aug 08, 2018	1,100,000	1,101,403	1,104,590
Canadian Imperial Bank of Commerce (Floating Rate) 1.98% Jan 28, 2019	900,000	900,738	904,335
Canadian Imperial Bank of Commerce (Floating Rate) 2.31% May 29, 2019	1,000,000	1,001,030	1,003,108
Canadian National Railway Company 6.80% Jul 15, 2018	1,200,000	1,219,332	1,239,404
Coca-Cola Company, The 1.65% Nov 01, 2018	320,000	319,366	320,563
International Business Machines Corporation 7.63% Oct 15, 2018	1,700,000	1,733,745	1,751,895
John Deere Capital Corporation (Floating Rate) 1.57% Oct 15, 2018	654,000	656,086	658,012
John Deere Capital Corporation (Floating Rate) 1.92% Jan 08, 2019	800,000	804,624	807,503
National Australia Bank Ltd. (Floating Rate) 1.79% Jul 23, 2018	890,000	894,671	895,283
National Australia Bank Ltd. 2.30% Jul 25, 2018	300,000	302,178	303,110
National Bank of Canada (Floating Rate) 1.94% Oct 11, 2018	1,200,000	1,200,205	1,206,898
National Bank of Canada (Floating Rate) 2.08% Dec 14, 2018	2,100,000	2,117,452	2,109,430
Pfizer Inc. 1.45% Jun 03, 2019	300,000	296,829	297,162
Royal Bank of Canada (Floating Rate) 1.58% Jul 30, 2018	460,000	462,064	462,378
Royal Bank of Canada (Floating Rate) 1.66% Mar 15, 2019	660,000	663,663	661,943
Royal Bank of Canada (Floating Rate) 2.07% Apr 15, 2019	500,000	504,355	505,448
Royal Bank of Canada (Floating Rate) 2.16% Jan 10, 2019	600,000	601,799	604,925
Royal Bank of Canada (Floating Rate) 2.22% Aug 29, 2019	600,000	600,754	601,976
Toronto-Dominion Bank, The (Floating Rate) 1.43% Aug 21, 2018	400,000	400,044	400,115
Toronto-Dominion Bank, The (Floating Rate) 1.96% Aug 13, 2019	418,000	421,816	421,758
Toronto-Dominion Bank, The (Floating Rate) 1.99% Jan 22, 2019	1,600,000	1,612,257	1,616,233
Toyota Motor Credit Corporation (Floating Rate) 1.48% Dec 24, 2018	697,000	697,861	697,540
Toyota Motor Credit Corporation (Floating Rate) 1.67% Sep 27, 2018	700,000	700,000	701,026
Walt Disney Company, The 1.65% Jan 08, 2019	1,200,000	1,196,037	1,207,167
Wells Fargo Bank NA (Floating Rate) 1.82% Nov 28, 2018	723,000	726,723	726,013
		<u>27,783,107</u>	<u>27,870,822</u>
TOTAL INVESTMENT PORTFOLIO		<u>59,852,538</u>	<u>59,997,503</u>
OTHER ASSETS, LESS LIABILITIES – (0.4%)			(243,081)
NET ASSETS – 100.0%			<u>59,754,422</u>

Instruments with a 0.00% stated interest rate are purchased at a discount to face value. The discount represents the implied effective interest.

[†] Investment in related party (note 10)

The accompanying notes are an integral part of the financial statements.

Scotia U.S. \$ Money Market Fund (Unaudited – Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

All amounts are in U.S.\$ unless otherwise stated

The Fund (note 1)

The Fund's objective is to provide income and liquidity, while maintaining a high level of safety. It invests primarily in treasury bills and other money market instruments that are denominated in U.S. dollars and are issued by Canadian federal, provincial and municipal governments and corporations, and by supranational entities, such as the World Bank.

Risks associated with financial instruments (note 4)

Interest rate risk

The table below summarizes the Fund's exposure to interest rate risk by the remaining term to maturity of the Fund's portfolio, excluding cash and overdrafts, as applicable.

Interest rate exposure	June 30, 2018 (\$)	December 31, 2017 (\$)
Less than 1 year	56,455,513	50,089,728
1-3 years	3,541,990	5,354,082
3-5 years	–	–
5-10 years	–	–
> 10 years	–	–
	59,997,503	55,443,810

As at June 30, 2018, had the prevailing interest rates increased or decreased by 0.25%, assuming a parallel shift in the yield curve and all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by \$11,476 or approximately 0.0% (December 31, 2017 – \$12,944 or approximately 0.0%).

Currency risk

The Fund's exposure to currency risk is summarized in the tables below. Amounts shown are based on the carrying value of monetary and non-monetary assets and liabilities of the Fund net of currency contracts, as applicable.

Currency	June 30, 2018			
	Gross currency exposure (\$)	Currency contracts (\$)	Net exposure (\$)	Percentage of net assets (%)
Canadian Dollar	2,222	–	2,222	0.0
	2,222	–	2,222	0.0

Currency	December 31, 2017			
	Gross currency exposure (\$)	Currency contracts (\$)	Net exposure (\$)	Percentage of net assets (%)
Canadian Dollar	3,069	–	3,069	0.0
Total	3,069	–	3,069	0.0

If the Canadian dollar strengthened or weakened by 10% in relation to all other currencies, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by \$222 or 0.0% (December 31, 2017 – \$307 or 0.0%). In practice, actual results may

differ from this sensitivity analysis and the difference could be material.

Price risk

The Fund did not have significant price risk exposure to equities, underlying funds, derivatives or commodities, if applicable, as at June 30, 2018 and December 31, 2017.

Credit risk

The table below summarizes the credit ratings of bond and debentures and money market instruments held by the Fund.

Credit ratings	June 30, 2018		December 31, 2017	
	Percentage of total money market instruments (%)	Percentage of net assets (%)	Percentage of total money market instruments (%)	Percentage of net assets (%)
Short Term Rating				
A-1+	36.9	37.0	29.4	29.1
A-1	4.3	4.4	–	–
Bond Credit Rating				
AAA	–	–	2.7	2.7
AA	12.7	12.7	16.8	16.7
A	44.6	44.8	41.7	41.3
BBB	1.5	1.5	–	–
NOT RATED	–	–	9.4	9.3
	100.0	100.4	100.0	99.1

Concentration risk

Concentration risk arises as a result of the concentration of financial instruments within the same category, geographical location, asset type or industry sector, as applicable. The table below is a summary of the Fund's concentration risk by carrying value as a percentage of net assets:

	Percentage of net assets (%)	
	June 30, 2018	December 31, 2017
Commercial Paper	38.2	14.0
Federal Bonds	–	2.7
Promissory Notes	–	15.1
Provincial Bonds	15.6	21.9
Short Term Bonds	46.6	45.4

Fair Value Classification (note 2)

The tables below illustrate the classification of the Fund's financial instruments within the fair value hierarchy.

June 30, 2018	Level 1	Level 2	Level 3	Total
	(\$)	(\$)	(\$)	(\$)
Bonds and debentures	–	37,175,193	–	37,175,193
Money market instruments	–	22,822,310	–	22,822,310
	–	59,997,503	–	59,997,503

December 31, 2017	Level 1	Level 2	Level 3	Total
	(\$)	(\$)	(\$)	(\$)
Bonds and debentures	–	39,148,139	–	39,148,139
Money market instruments	–	16,295,671	–	16,295,671
	–	55,443,810	–	55,443,810

Scotia U.S. \$ Money Market Fund (Unaudited – Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

All amounts are in U.S.\$ unless otherwise stated

Transfers between levels

During the periods ended June 30, 2018 and December 31, 2017, there were no significant transfers between Level 1 and Level 2.

Offsetting of financial assets and liabilities (note 2)

As at June 30, 2018 and December 31, 2017, the Fund did not enter into any agreement whereby the financial instruments were eligible for offset.

Interest in Underlying Funds (note 2)

The Fund did not hold any interest in Underlying Funds as at June 30, 2018 or December 31, 2017.

Comparison of net asset value per unit and net assets per unit (note 2)

As at June 30, 2018 or December 31, 2017, there were no differences between the net asset value per unit and the net assets per unit for any series of the Fund.

Scotia Short Term Bond Fund (Unaudited)

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	June 30, 2018	December 31, 2017
ASSETS		
Current assets		
Financial assets at fair value through profit or loss (note 2)		
Non-derivative financial assets	309,805,627	329,094,669
Cash	1,329,880	2,110,674
Receivable for securities sold	49,048,548	-
Subscriptions receivable	394,131	117,898
Accrued investment income and other	949,653	902,587
	<u>361,527,839</u>	<u>332,225,828</u>
LIABILITIES		
Current liabilities		
Management fee payable	17,997	-
Payable for securities purchased	50,124,055	-
Redemptions payable	2,471,387	262,046
Accrued expenses	10,359	-
Distributions payable	30,007	-
	<u>52,653,805</u>	<u>262,046</u>
Net assets attributable to holders of redeemable units	<u>308,874,034</u>	<u>331,963,782</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series I	1,056,909	1,290,692
Series K	21,905,937	17,892,000
Series M	285,911,188	312,781,090
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series I	9.57	9.65
Series K	9.64	9.71
Series M	9.51	9.59

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended June 30 (note 1),

(in dollars except average units)	2018	2017
INCOME		
Net gain (loss) on financial assets and liabilities at fair value through profit or loss		
Interest for distribution purposes	4,057,680	4,331,781
Net realized gain (loss) on non-derivative financial assets	(3,380,601)	352,265
Change in unrealized gain (loss) on non-derivative financial assets	<u>804,609</u>	<u>(3,129,096)</u>
Net gain (loss) on financial assets and liabilities at fair value through profit or loss	1,481,688	1,554,950
Securities lending (note 11)	3,909	13,631
Total income (loss), net	<u>1,485,597</u>	<u>1,568,581</u>
EXPENSES		
Management fees (note 5)	104,191	130,995
Fixed administration fees (note 6)	55,636	60,821
Independent Review Committee fees	587	576
Harmonized Sales Tax/Goods and Services Tax	17,930	21,662
Total expenses	<u>178,344</u>	<u>214,054</u>
Increase (decrease) in net assets attributable to holders of redeemable units from operations	<u>1,307,253</u>	<u>1,354,527</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series I	5,368	5,211
Series K	97,644	(48,787)
Series M	<u>1,204,241</u>	<u>1,398,103</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT[†]		
Series I	0.04	0.04
Series K	0.05	(0.06)
Series M	<u>0.04</u>	<u>0.04</u>
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series I	121,935	147,790
Series K	2,041,755	830,023
Series M	<u>31,236,880</u>	<u>38,571,149</u>

[†] The increase (decrease) in net assets attributable to holders of redeemable units from operations per unit is calculated by dividing the increase (decrease) in net assets attributable to holders of redeemable units from operations per series by the weighted average number of units per series.

Scotia Short Term Bond Fund (Unaudited – Continued)

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the periods ended June 30 (note 1),

(in dollars)	2018	2017
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series I	1,290,692	1,514,068
Series K	17,892,000	4,502,047
Series M	312,781,090	388,169,221
	<u>331,963,782</u>	<u>394,185,336</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series I	5,368	5,211
Series K	97,644	(48,787)
Series M	1,204,241	1,398,103
	<u>1,307,253</u>	<u>1,354,527</u>
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net investment income		
Series I	(15,074)	(16,743)
Series K	(251,766)	(96,075)
Series M	(3,747,273)	(4,218,424)
	<u>(4,014,113)</u>	<u>(4,331,242)</u>
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series I	87,449	68,000
Series K	5,487,779	7,874,653
Series M	28,590,397	36,037,376
Reinvested distributions		
Series I	15,074	16,743
Series K	251,766	96,075
Series M	3,569,490	4,026,285
Payments on redemption		
Series I	(326,600)	(191,900)
Series K	(1,571,486)	(365,694)
Series M	(56,486,757)	(62,438,154)
	<u>(20,382,888)</u>	<u>(14,876,616)</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series I	(233,783)	(118,689)
Series K	4,013,937	7,460,172
Series M	(26,869,902)	(25,194,814)
	<u>(23,089,748)</u>	<u>(17,853,331)</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series I	1,056,909	1,395,379
Series K	21,905,937	11,962,219
Series M	285,911,188	362,974,407
	<u>308,874,034</u>	<u>376,332,005</u>

STATEMENTS OF CASH FLOWS

For the periods ended June 30 (note 1),

(in dollars)	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	1,307,253	1,354,527
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	3,380,601	(352,265)
Change in unrealized gain (loss) on non-derivative financial assets	(804,609)	3,129,096
Purchases of portfolio investments	(279,779,953)	(329,944,404)
Proceeds from sale of portfolio investments	297,568,510	342,254,674
Accrued investment income and other	(47,066)	156,253
Accrued expenses and other payables	28,356	34,126
Net cash provided by (used in) operating activities	<u>21,653,092</u>	<u>16,632,007</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	33,889,392	43,915,887
Amounts paid on redemption of redeemable units	(56,175,502)	(62,928,441)
Distributions to unitholders of redeemable units	(147,776)	(159,187)
Net cash provided by (used in) financing activities	<u>(22,433,886)</u>	<u>(19,171,741)</u>
Net increase (decrease) in cash	(780,794)	(2,539,734)
Cash (bank overdraft), beginning of period	2,110,674	3,010,606
CASH (BANK OVERDRAFT), END OF PERIOD	<u>1,329,880</u>	<u>470,872</u>
Interest received, net of withholding taxes ⁽¹⁾	4,010,614	4,488,035

(1) Classified as operating items.

Scotia Short Term Bond Fund (Unaudited – Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at June 30, 2018

Issuer	Face Value (\$)	Average Cost (\$)	Carrying Value (\$)
BONDS AND DEBENTURES – 100.4%			
Corporate Bonds – 43.2%			
AltaGas Ltd. 4.07% Jun 01, 2020	3,000,000	3,219,960	3,068,761
Bank of Montreal 1.88% Mar 31, 2021	10,000,000	9,999,500	9,788,436
bclMC Realty Corporation 2.79% Aug 02, 2018	7,500,000	7,745,400	7,507,137
Bell Canada 3.25% Jun 17, 2020	5,000,000	5,220,150	5,058,081
Canadian Imperial Bank of Commerce 1.90% Apr 26, 2021	10,100,000	10,094,748	9,891,525
Enbridge Gas Distribution Inc. 4.04% Nov 23, 2020	5,000,000	5,449,800	5,175,367
Ford Credit Canada Ltd. 2.58% May 10, 2021	5,000,000	5,000,000	4,918,380
Fortified Trust 1.67% Jul 23, 2021	7,000,000	7,000,000	6,779,468
Genesis Trust II 1.68% Sep 17, 2018	2,900,000	2,900,000	2,898,619
Hydro One Inc. 4.40% Jun 01, 2020	5,000,000	5,619,400	5,178,089
John Deere Canada Funding Inc. 2.63% Sep 21, 2022	5,000,000	4,997,900	4,954,705
Manulife Bank of Canada 2.08% May 26, 2022	8,500,000	8,500,000	8,253,972
Master Credit Card Trust II 2.72% Nov 21, 2018	3,040,000	3,040,000	3,048,563
National Bank of Canada 2.40% Oct 28, 2019	4,810,000	4,866,125	4,812,915
NAV Canada 5.30% Apr 17, 2019	3,571,000	4,051,050	3,655,861
Nissan Canada Financial Services Inc. 1.58% Oct 07, 2019	5,000,000	5,000,000	4,944,289
OMERS Realty Corporation 3.20% Jul 24, 2020	7,500,000	7,592,100	7,593,491
Rogers Communications Inc. 2.80% Mar 13, 2019	4,750,000	4,825,140	4,770,239
Royal Bank of Canada 2.89% Oct 11, 2018	8,000,000	8,271,600	8,022,908
Royal Bank of Canada 2.95% May 01, 2023	8,000,000	8,000,000	8,015,504
Shaw Communications Inc. 5.50% Dec 07, 2020	5,000,000	5,658,750	5,313,829
Toronto-Dominion Bank, The 1.99% Mar 23, 2022	10,000,000	9,999,999	9,728,981
		<u>137,051,622</u>	<u>133,379,120</u>
Federal Bonds – 43.4%			
Canada Housing Trust No. 1 1.20% Jun 15, 2020	2,500,000	2,474,600	2,461,113
Canada Housing Trust No. 1 1.25% Jun 15, 2021	25,000,000	24,257,500	24,334,665
Canada Housing Trust No. 1 1.95% Jun 15, 2019	57,000,000	57,236,802	57,078,770
Canada Housing Trust No. 1 2.00% Dec 15, 2019	50,000,000	50,072,000	50,045,561
		<u>134,040,902</u>	<u>133,920,109</u>
Provincial Bonds – 13.8%			
Province of New Brunswick 3.35% Dec 03, 2021	11,000,000	11,341,000	11,345,431
Province of Ontario 4.20% Jun 02, 2020	30,000,000	32,915,550	31,160,967
		<u>44,256,550</u>	<u>42,506,398</u>
TOTAL INVESTMENT PORTFOLIO	<u>315,349,074</u>		<u>309,805,627</u>
OTHER ASSETS, LESS LIABILITIES – (0.4%)			<u>(931,593)</u>
NET ASSETS – 100.0%			<u>308,874,034</u>

The accompanying notes are an integral part of the financial statements.

Scotia Short Term Bond Fund (Unaudited – Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

The Fund (note 1)

The Fund's objective is to provide regular interest income and modest capital gains. It invests primarily in:

- bonds and treasury bills issued or guaranteed by Canadian federal, provincial and municipal governments, any agency of such governments and Canadian corporations
- money market instruments of Canadian issuers. These include commercial paper, bankers' acceptances, asset-backed or mortgage-backed securities and guaranteed investment certificates

Risks associated with financial instruments (note 4)

Interest rate risk

The table below summarizes the Fund's exposure to interest rate risk by the remaining term to maturity of the Fund's portfolio, excluding underlying funds, preferred shares, cash and overdrafts, as applicable.

Interest rate exposure	June 30, 2018 (\$)	December 31, 2017 (\$)
Less than 1 year	86,982,097	26,589,328
1-3 years	173,745,469	148,041,601
3-5 years	49,078,061	154,463,740
5-10 years	–	–
> 10 years	–	–
	309,805,627	329,094,669

As at June 30, 2018, had the prevailing interest rates increased or decreased by 0.25%, assuming a parallel shift in the yield curve and all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by \$1,471,113 or approximately 0.5% (December 31, 2017 – \$2,131,627 or approximately 0.6%).

Currency risk

The Fund did not have significant currency risk exposure as at June 30, 2018 or December 31, 2017.

Price risk

The Fund did not have significant price risk exposure to equities, underlying funds, derivatives or commodities, if applicable, as at June 30, 2018 and December 31, 2017.

Credit risk

The table below summarizes the credit ratings of bonds and debentures, money market instruments and preferred shares held by the Fund, as applicable.

	June 30, 2018		December 31, 2017	
	Percentage of total credit rated instruments (%)	Percentage of net assets (%)	Percentage of total credit rated instruments (%)	Percentage of net assets (%)
Credit ratings				
AAA	47.1	47.5	49.2	48.8
AA	20.8	20.8	22.4	22.1
A	24.6	24.6	21.3	21.2
BBB	7.5	7.5	7.1	7.0
	100.0	100.4	100.0	99.1

Concentration risk

Concentration risk arises as a result of the concentration of financial instruments within the same category, geographical location, asset type or industry sector, as applicable. The table below is a summary of the Fund's concentration risk by carrying value as a percentage of net assets:

	Percentage of net assets (%)	
	June 30, 2018	December 31, 2017
Corporate Bonds	43.2	39.6
Federal Bonds	43.4	44.9
Provincial Bonds	13.8	14.6

Fair Value Classification (note 2)

The tables below illustrate the classification of the Fund's financial instruments within the fair value hierarchy.

June 30, 2018	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Bonds and debentures	–	309,805,627	–	309,805,627
	–	309,805,627	–	309,805,627

December 31, 2017	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Bonds and debentures	–	329,094,669	–	329,094,669
	–	329,094,669	–	329,094,669

Transfers between levels

During the periods ended June 30, 2018 and December 31, 2017, there were no significant transfers between Level 1 and Level 2.

Offsetting of financial assets and liabilities (note 2)

As at June 30, 2018 and December 31, 2017, the Fund did not enter into any agreement whereby the financial instruments were eligible for offset.

Interest in Underlying Funds (note 2)

The Fund did not hold any interest in Underlying Funds as at June 30, 2018 or December 31, 2017.

Comparison of net asset value per unit and net assets per unit (note 2)

As at June 30, 2018 or December 31, 2017, there were no differences between the net asset value per unit and the net assets per unit for any series of the Fund.

Scotia Private Short-Mid Government Bond Pool (Unaudited)

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	June 30, 2018	December 31, 2017
ASSETS		
Current assets		
Financial assets at fair value through profit or loss (note 2)		
Non-derivative financial assets	755,287,914	816,951,061
Cash	1,162,498	2,192,524
Receivable for securities sold	99,377,171	–
Subscriptions receivable	408,395	199,358
Accrued investment income and other	1,646,395	2,268,979
	<u>857,882,373</u>	<u>821,611,922</u>
LIABILITIES		
Current liabilities		
Management fee payable	21,089	–
Payable for securities purchased	105,190,679	–
Redemptions payable	2,265,194	726,378
Accrued expenses	17,330	–
Distributions payable	55,105	–
	<u>107,549,397</u>	<u>726,378</u>
Net assets attributable to holders of redeemable units	<u>750,332,976</u>	<u>820,885,544</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series I	372,118,902	395,446,536
Series K	43,851,596	42,421,802
Series M	334,362,478	383,017,206
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series I	10.15	10.26
Series K	9.48	9.57
Series M	10.16	10.27

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended June 30 (note 1),

(in dollars except average units)	2018	2017
INCOME		
Net gain (loss) on financial assets and liabilities at fair value through profit or loss		
Interest for distribution purposes	8,650,269	11,046,445
Net realized gain (loss) on non-derivative financial assets	(11,894,950)	(4,237,800)
Change in unrealized gain (loss) on non-derivative financial assets	4,755,190	663,855
Net realized gain (loss) on derivatives	–	(1,041,988)
Change in unrealized gain (loss) on derivatives	–	(957,600)
Net gain (loss) on financial assets and liabilities at fair value through profit or loss	<u>1,510,509</u>	<u>5,472,912</u>
Securities lending (note 11)	–	52,641
Total income (loss), net	<u>1,510,509</u>	<u>5,525,553</u>
EXPENSES		
Management fees (note 5)	124,890	193,426
Fixed administration fees (note 6)	96,671	113,371
Independent Review Committee fees	587	576
Interest expense and bank overdraft charges	279	–
Harmonized Sales Tax/Goods and Services Tax	24,980	33,915
Transaction costs	–	3,511
Total expenses	<u>247,407</u>	<u>344,799</u>
Increase (decrease) in net assets attributable to holders of redeemable units from operations	<u>1,263,102</u>	<u>5,180,754</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series I	750,366	2,188,831
Series K	149,653	(83,932)
Series M	363,083	3,075,855
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT[†]		
Series I	0.02	0.05
Series K	0.03	(0.04)
Series M	0.01	0.06
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series I	37,648,400	45,124,441
Series K	4,371,118	2,102,725
Series M	35,121,650	52,970,722

[†] The increase (decrease) in net assets attributable to holders of redeemable units from operations per unit is calculated by dividing the increase (decrease) in net assets attributable to holders of redeemable units from operations per series by the weighted average number of units per series.

Scotia Private Short-Mid Government Bond Pool (Unaudited – Continued)

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the periods ended June 30 (note 1),

(in dollars)	2018	2017
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series I	395,446,536	454,425,468
Series K	42,421,802	11,900,030
Series M	383,017,206	817,131,124
	<u>820,885,544</u>	<u>1,283,456,622</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series I	750,366	2,188,831
Series K	149,653	(83,932)
Series M	363,083	3,075,855
	<u>1,263,102</u>	<u>5,180,754</u>
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net investment income		
Series I	(4,967,634)	(6,178,508)
Series K	(522,338)	(273,074)
Series M	(4,461,400)	(6,790,785)
	<u>(9,951,372)</u>	<u>(13,242,367)</u>
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series I	–	32,960,088
Series K	12,591,489	20,123,649
Series M	24,001,028	41,652,618
Reinvested distributions		
Series I	4,967,634	5,695,183
Series K	522,338	273,074
Series M	4,108,570	6,228,975
Payments on redemption		
Series I	(24,078,000)	(4,555,822)
Series K	(11,311,348)	(629,359)
Series M	(72,666,009)	(420,452,295)
	<u>(61,864,298)</u>	<u>(318,703,889)</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series I	(23,327,634)	30,109,772
Series K	1,429,794	19,410,358
Series M	(48,654,728)	(376,285,632)
	<u>(70,552,568)</u>	<u>(326,765,502)</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series I	372,118,902	484,535,240
Series K	43,851,596	31,310,388
Series M	334,362,478	440,845,492
	<u>750,332,976</u>	<u>956,691,120</u>

STATEMENTS OF CASH FLOWS

For the periods ended June 30 (note 1),

(in dollars)	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	1,263,102	5,180,754
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	11,894,950	4,237,800
Change in unrealized (gain) loss on non-derivative financial assets	(4,755,190)	(663,855)
Change in unrealized (gain) loss on derivatives	–	957,600
Purchases of portfolio investments	(687,862,392)	(837,359,197)
Proceeds from sale of portfolio investments	748,199,286	1,146,784,595
Cash collateral deposited on derivatives	–	4,997,428
Accrued investment income and other	622,584	844,346
Accrued expenses and other payables	38,419	46,680
Net cash provided by (used in) operating activities	<u>69,400,759</u>	<u>325,026,151</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	36,383,480	91,721,819
Amounts paid on redemption of redeemable units	(106,516,541)	(425,616,047)
Distributions to unitholders of redeemable units	(297,724)	(496,288)
Net cash provided by (used in) financing activities	<u>(70,430,785)</u>	<u>(334,390,516)</u>
Net increase (decrease) in cash	(1,030,026)	(9,364,365)
Cash (bank overdraft), beginning of period	2,192,524	27,709,343
CASH (BANK OVERDRAFT), END OF PERIOD	<u>1,162,498</u>	<u>18,344,978</u>
Interest paid ⁽¹⁾	279	–
Interest received, net of withholding taxes ⁽¹⁾	9,272,853	11,890,790

⁽¹⁾ Classified as operating items.

Scotia Private Short-Mid Government Bond Pool (Unaudited – Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at June 30, 2018

Issuer	Face Value (\$)	Average Cost (\$)	Carrying Value (\$)
BONDS AND DEBENTURES – 100.7%			
Corporate Bonds – 12.4%			
Hydro Quebec Interest Strip 0.00% Feb 15, 2023	50,000,000	41,898,950	44,183,000
Hydro-Quebec 1.00% May 25, 2019	49,000,000	48,580,960	48,650,511
		<u>90,479,910</u>	<u>92,833,511</u>
Federal Bonds – 51.1%			
Canada Housing Trust No 1 2.35% Jun 15, 2027	40,000,000	39,401,614	39,376,022
Canada Housing Trust No. 1 1.45% Jun 15, 2020	65,000,000	65,217,650	64,296,347
Canada Housing Trust No. 1 1.90% Sep 15, 2026	45,120,000	43,573,695	43,057,119
Canada Housing Trust No. 1 1.95% Jun 15, 2019	91,110,000	91,345,446	91,235,908
Canada Housing Trust No. 1 2.00% Dec 15, 2019	55,000,000	55,079,200	55,050,117
Canada Housing Trust No. 1 2.55% Mar 15, 2025	90,000,000	93,096,548	90,477,626
		<u>387,714,153</u>	<u>383,493,139</u>
Provincial Bonds – 37.2%			
Province of Manitoba 2.55% Jun 02, 2026	25,000,000	24,196,750	24,577,346
Province of Nova Scotia 4.10% Jun 01, 2021	45,000,000	49,277,100	47,281,344
Province of Ontario 2.60% Jun 02, 2027	15,000,000	14,552,550	14,747,032
Province of Ontario 4.00% Jun 02, 2021	99,000,000	104,015,791	103,746,917
Province of Ontario Generic Coupon Strip 0.00% Jun 02, 2022	25,000,000	22,864,000	22,661,875
Province of Ontario Generic Coupon Strip 0.00% Jun 02, 2023	75,000,000	66,008,550	65,946,750
		<u>280,914,741</u>	<u>278,961,264</u>
TOTAL INVESTMENT PORTFOLIO		<u>759,108,804</u>	<u>755,287,914</u>
OTHER ASSETS, LESS LIABILITIES – (0.7%)			<u>(4,954,938)</u>
NET ASSETS – 100.0%			<u>750,332,976</u>

The accompanying notes are an integral part of the financial statements.

Scotia Private Short-Mid Government Bond Pool (Unaudited – Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

The Fund (note 1)

The Fund's objective is to provide regular interest income and modest capital gains. It invests primarily in:

- bonds and treasury bills issued or guaranteed by Canadian federal, provincial and municipal governments, or any agency of such governments
- money market instruments of Canadian issuers. These include commercial paper, bankers' acceptances, asset-backed or mortgage-backed securities and guaranteed investment certificates

Risks associated with financial instruments (note 4)

Interest rate risk

The table below summarizes the Fund's exposure to interest rate risk by the remaining term to maturity of the Fund's portfolio, excluding underlying funds, preferred shares, cash and overdrafts, as applicable.

Interest rate exposure	June 30, 2018 (\$)	December 31, 2017 (\$)
Less than 1 year	139,886,419	24,176,329
1-3 years	270,374,725	277,729,947
3-5 years	132,791,625	100,991,016
5-10 years	212,235,145	414,053,769
> 10 years	–	–
	755,287,914	816,951,061

As at June 30, 2018, had the prevailing interest rates increased or decreased by 0.25%, assuming a parallel shift in the yield curve and all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by \$7,098,001 or approximately 0.9% (December 31, 2017 – \$9,131,481 or approximately 1.1%).

Currency risk

The Fund did not have significant currency risk exposure as at June 30, 2018 or December 31, 2017.

Price risk

The Fund did not have significant price risk exposure to equities, underlying funds, derivatives or commodities, if applicable, as at June 30, 2018 and December 31, 2017.

Credit risk

The table below summarizes the credit ratings of bonds and debentures, money market instruments and preferred shares held by the Fund, as applicable.

	June 30, 2018		December 31, 2017	
	Percentage of total credit rated instruments (%)	Percentage of net assets (%)	Percentage of total credit rated instruments (%)	Percentage of net assets (%)
Credit ratings				
AAA	50.7	51.1	51.0	50.7
AA	18.2	18.3	19.5	19.4
A	31.1	31.3	29.5	29.4
	100.0	100.7	100.0	99.5

Concentration risk

Concentration risk arises as a result of the concentration of financial instruments within the same category, geographical location, asset type or industry sector, as applicable. The table below is a summary of the Fund's concentration risk by carrying value as a percentage of net assets:

	Percentage of net assets (%)	
	June 30, 2018	December 31, 2017
Corporate Bonds	12.4	8.4
Federal Bonds	51.1	50.7
Provincial Bonds	37.2	40.4

Fair Value Classification (note 2)

The tables below illustrate the classification of the Fund's financial instruments within the fair value hierarchy.

June 30, 2018	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Bonds and debentures	–	755,287,914	–	755,287,914
	–	755,287,914	–	755,287,914

December 31, 2017	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Bonds and debentures	–	816,951,061	–	816,951,061
	–	816,951,061	–	816,951,061

Transfers between levels

During the periods ended June 30, 2018 and December 31, 2017, there were no significant transfers between Level 1 and Level 2.

Offsetting of financial assets and liabilities (note 2)

As at June 30, 2018 and December 31, 2017, the Fund did not enter into any agreement whereby the financial instruments were eligible for offset.

Interest in Underlying Funds (note 2)

The Fund did not hold any interest in Underlying Funds as at June 30, 2018 or December 31, 2017.

Comparison of net asset value per unit and net assets per unit (note 2)

As at June 30, 2018 or December 31, 2017, there were no differences between the net asset value per unit and the net assets per unit for any series of the Fund.

Scotia Mortgage Income Fund (Unaudited)

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	June 30, 2018	December 31, 2017
ASSETS		
Current assets		
Financial assets at fair value through profit or loss (note 2)		
Non-derivative financial assets	94,267,100	113,997,554
Cash	15,075,222	8,823,413
Subscriptions receivable	433,675	10,870
Accrued investment income and other	158,541	161,140
Mortgage payments receivable	204,858	57,832
	<u>110,139,396</u>	<u>123,050,809</u>
LIABILITIES		
Current liabilities		
Management fee payable	33,454	–
Redemptions payable	125,835	122,532
Accrued expenses	24,763	–
Distributions payable	91,055	65
	<u>275,107</u>	<u>122,597</u>
Net assets attributable to holders of redeemable units	<u>109,864,289</u>	<u>122,928,212</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series A	67,723,564	72,612,969
Series F	106,496	117,338
Series I	799,892	973,062
Series K	6,239,908	4,735,206
Series M	<u>34,994,429</u>	<u>44,489,637</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series A	10.61	10.60
Series F	10.58	10.57
Series I	10.53	10.52
Series K	9.97	9.96
Series M	<u>9.87</u>	<u>9.86</u>

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended June 30 (note 1),

(in dollars except average units)	2018	2017
INCOME		
Net gain (loss) on financial assets and liabilities at fair value through profit or loss		
Interest for distribution purposes	1,869,471	2,085,902
Net realized gain (loss) on non-derivative financial assets	42	(42,719)
Change in unrealized gain (loss) on non-derivative financial assets	63,665	(206,693)
Net gain (loss) on financial assets and liabilities at fair value through profit or loss	<u>1,933,178</u>	<u>1,836,490</u>
Other income	134	3,913
Total income (loss), net	<u>1,933,312</u>	<u>1,840,403</u>
EXPENSES		
Management fees (note 5)	390,463	472,280
Fixed administration fees (note 6)	141,841	184,477
Independent Review Committee fees	587	576
Interest expense and bank overdraft charges	2,902	–
Harmonized Sales Tax/Goods and Services Tax	58,887	73,493
Total expenses	<u>594,680</u>	<u>730,826</u>
Increase (decrease) in net assets attributable to holders of redeemable units from operations	<u>1,338,632</u>	<u>1,109,577</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A	642,831	324,743
Series F	1,382	717
Series I	14,080	9,119
Series K	88,798	18,637
Series M	<u>591,541</u>	<u>756,361</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT[†]		
Series A	0.10	0.04
Series F	0.14	0.05
Series I	0.17	0.09
Series K	0.16	0.08
Series M	<u>0.15</u>	<u>0.13</u>
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series A	6,473,501	7,737,528
Series F	10,211	13,700
Series I	83,523	100,941
Series K	538,238	236,758
Series M	<u>3,921,982</u>	<u>5,805,465</u>

[†] The increase (decrease) in net assets attributable to holders of redeemable units from operations per unit is calculated by dividing the increase (decrease) in net assets attributable to holders of redeemable units from operations per series by the weighted average number of units per series.

Scotia Mortgage Income Fund (Unaudited – Continued)

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the periods ended June 30 (note 1),

(in dollars)	2018	2017
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series A	72,612,969	85,328,884
Series F	117,338	142,945
Series I	973,062	1,107,947
Series K	4,735,206	1,274,890
Series M	44,489,637	61,030,974
	<u>122,928,212</u>	<u>148,885,640</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A	642,831	324,743
Series F	1,382	717
Series I	14,080	9,119
Series K	88,798	18,637
Series M	591,541	756,361
	<u>1,338,632</u>	<u>1,109,577</u>
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net investment income		
Series A	(604,712)	(584,089)
Series F	(1,205)	(1,584)
Series I	(13,237)	(14,700)
Series K	(84,646)	(34,563)
Series M	(567,017)	(763,852)
	<u>(1,270,817)</u>	<u>(1,398,788)</u>
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A	4,346,729	3,785,740
Series F	11,348	60,233
Series I	93,000	40,000
Series K	1,617,441	2,090,578
Series M	2,988,669	6,516,155
Reinvested distributions		
Series A	570,824	551,460
Series F	838	1,423
Series I	13,237	14,700
Series K	84,646	34,563
Payments on redemption		
Series A	(9,845,077)	(10,733,677)
Series F	(23,205)	(28,866)
Series I	(280,250)	(125,756)
Series K	(201,537)	(187,259)
Series M	(12,508,401)	(15,039,777)
	<u>(13,131,738)</u>	<u>(13,020,483)</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A	(4,889,405)	(6,655,823)
Series F	(10,842)	31,923
Series I	(173,170)	(76,637)
Series K	1,504,702	1,921,956
Series M	(9,495,208)	(8,531,113)
	<u>(13,063,923)</u>	<u>(13,309,694)</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series A	67,723,564	78,673,061
Series F	106,496	174,868
Series I	799,892	1,031,310
Series K	6,239,908	3,196,846
Series M	34,994,429	52,499,861
	<u>109,864,289</u>	<u>135,575,946</u>

STATEMENTS OF CASH FLOWS

For the periods ended June 30 (note 1),

(in dollars)	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	1,338,632	1,109,577
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(42)	42,719
Change in unrealized (gain) loss on non-derivative financial assets	(63,665)	206,693
Purchases of portfolio investments	(65,827,036)	(79,441,157)
Proceeds from sale of portfolio investments	85,474,171	89,717,713
Accrued investment income and other	2,599	12,740
Accrued expenses and other payables	58,217	70,900
Net cash provided by (used in) operating activities	<u>20,982,876</u>	<u>11,719,185</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	8,623,034	12,655,826
Amounts paid on redemption of redeemable units	(22,843,819)	(25,880,427)
Distributions to unitholders of redeemable units	(510,282)	(673,142)
Net cash provided by (used in) financing activities	<u>(14,731,067)</u>	<u>(13,897,743)</u>
Net increase (decrease) in cash	6,251,809	(2,178,558)
Cash (bank overdraft), beginning of period	8,823,413	13,407,090
CASH (BANK OVERDRAFT), END OF PERIOD	<u>15,075,222</u>	<u>11,228,532</u>
Interest paid ⁽¹⁾	2,902	–
Interest received, net of withholding taxes ⁽¹⁾	1,872,069	2,098,642

⁽¹⁾ Classified as operating items.

Scotia Mortgage Income Fund (Unaudited – Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at June 30, 2018

Interest Rate (%)	Number	Principal Balance (\$)	Amortized Cost (\$)	Carrying Value (\$)
CONVENTIONAL MORTGAGES – 85.8%				
1.00 – 1.24	1	63,666	63,440	63,122
2.00 – 2.24	30	4,382,297	4,384,863	4,351,415
1.00 – 1.24	51	7,577,674	7,602,774	7,534,240
2.25 – 2.49	85	11,699,453	11,742,473	11,626,337
2.50 – 2.74	58	7,248,284	7,273,059	7,231,532
2.75 – 2.99	54	8,992,711	9,009,930	9,032,631
3.00 – 3.24	38	5,250,297	5,263,128	5,307,603
3.25 – 3.49	4	428,092	429,199	431,274
3.50 – 3.74	1	184,995	185,576	191,100
3.75 – 3.99	324	47,661,181	47,675,089	47,681,140
4.25 – 4.49	1	39,814	41,117	40,870
4.75 – 4.99	1	241,812	242,863	250,132
5.25 – 5.49	3	520,069	521,422	525,704
TOTAL	651	94,290,345	94,434,933	94,267,100
TOTAL INVESTMENT PORTFOLIO			94,434,933	94,267,100
OTHER ASSETS, LESS LIABILITIES – 14.2%				15,597,189
NET ASSETS – 100.0%				109,864,289

Mortgages by Type of Property

As at June 30, 2018

	Number of Mortgages	Principal Balance (\$)	Carrying Value (\$)
Single Family Dwelling	460	66,810,764	66,803,265
Multi-Unit Dwelling of up to 8 Units	68	11,174,880	11,162,961
Condominiums	123	16,304,701	16,300,874
TOTAL	651	94,290,345	94,267,100

Mortgages by Geographic Location

As at June 30, 2018

	Number of Mortgages	Principal Balance (\$)	Carrying Value (\$)
Ontario	250	40,861,631	40,844,402
Alberta	106	17,725,787	17,705,183
British Columbia	72	12,811,368	12,816,629
Quebec	61	7,258,527	7,254,956
Nova Scotia	38	3,004,747	3,005,664
Saskatchewan	30	4,932,227	4,942,850
New Brunswick	45	3,551,341	3,552,560
Newfoundland and Labrador	30	2,317,155	2,318,438
Manitoba	14	1,602,998	1,601,826
Prince Edward Island	3	54,959	54,959
Yukon Territories	2	169,605	169,633
TOTAL	651	94,290,345	94,267,100

The accompanying notes are an integral part of the financial statements.

Scotia Mortgage Income Fund (Unaudited – Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

The Fund (note 1)

The Fund's objective is to provide regular interest income. It invests primarily in high quality mortgages on residential properties in Canada.

Risks associated with financial instruments (note 4)

Interest rate risk

The table below summarizes the Fund's exposure to interest rate risk by the remaining term to maturity of the Fund's portfolio, excluding underlying funds, preferred shares, cash and overdrafts, as applicable.

	June 30, 2018	December 31, 2017
	Percentage of net assets (%)	Percentage of net assets (%)
Mortgages of 6 months or less	51.8	56.7
Mortgages of more than 6 months to 1 year	10.1	12.3
Mortgages of more than 1 years to 2 years	10.7	15.1
Mortgages of more than 2 years to 3 years	1.5	4.1
Mortgages of more than 3 years to 4 years	2.4	1.3
Mortgages of more than 4 years to 5 years	9.0	3.2
Mortgages of more than 6 years to 7 years	0.3	–
	85.8	92.7

As at June 30, 2018, had the prevailing interest rates increased or decreased by 0.25%, assuming a parallel shift in the yield curve and all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by \$18,645 or approximately 0.0% (December 31, 2017 – \$25,043 or approximately 0.0%).

Currency risk

The Fund did not have significant currency risk exposure as at June 30, 2018 or December 31, 2017.

Price risk

The Fund did not have significant price risk exposure to equities, underlying funds, derivatives or commodities, if applicable, as at June 30, 2018 and December 31, 2017.

Credit risk

As the Fund invests primarily in mortgages, this represents the main concentration of credit risk. The market value of debt instruments includes consideration of the creditworthiness of the issuer and accordingly, represents the maximum credit risk exposure to the Fund. All mortgages were purchased from Scotia Mortgage Corporation. The Bank of Nova Scotia will buy any mortgage that is in default if it was purchased from Scotia Mortgage Corporation or from Scotiabank.

Concentration risk

Concentration risk arises as a result of the concentration of financial instruments within the same category, geographical location, asset type or industry sector, as applicable. The table below is a summary of

the Fund's concentration risk by carrying value as a percentage of net assets:

	Percentage of net assets (%)	
	June 30, 2018	December 31, 2017
Conventional Mortgages	85.8	92.7

Fair Value Classification (note 2)

The tables below illustrate the classification of the Fund's financial instruments within the fair value hierarchy.

June 30, 2018	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Conventional Mortgages	–	94,267,100	–	94,267,100
	–	94,267,100	–	94,267,100

December 31, 2017	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Conventional Mortgages	–	113,997,554	–	113,997,554
	–	113,997,554	–	113,997,554

Transfers between levels

During the periods ended June 30, 2018 and December 31, 2017, there were no significant transfers between Level 1 and Level 2.

Offsetting of financial assets and liabilities (note 2)

As at June 30, 2018 and December 31, 2017, the Fund did not enter into any agreement whereby the financial instruments were eligible for offset.

Interest in Underlying Funds (note 2)

The Fund did not hold any interest in Underlying Funds as at June 30, 2018 or December 31, 2017.

Comparison of net asset value per unit and net assets per unit (note 2)

As at June 30, 2018 or December 31, 2017, there were no differences between the net asset value per unit and the net assets per unit for any series of the Fund.

Scotia Floating Rate Income Fund (Unaudited)

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	June 30, 2018	December 31, 2017
ASSETS		
Current assets		
Financial assets at fair value through profit or loss (note 2)		
Non-derivative financial assets	1,290,011,202	1,264,636,333
Derivatives	24,808,593	23,454,914
Cash	28,226,600	7,153,601
Cash collateral deposited on derivatives	190,000	6,170,000
Receivable for securities sold	14,813,172	—
Subscriptions receivable	1,158,456	1,034,001
Accrued investment income and other	8,051,934	7,375,991
	<u>1,367,259,957</u>	<u>1,309,824,840</u>
LIABILITIES		
Current liabilities		
Financial liabilities at fair value through profit or loss (note 2)		
Derivatives	5,913,639	984,515
Margin payable on derivatives	—	3,720,000
Management fee payable	33,334	—
Payable for securities purchased	30,224,999	—
Redemptions payable	1,025,452	934,181
Accrued expenses	47,150	8
Distributions payable	1,473,936	—
	<u>38,718,510</u>	<u>5,638,704</u>
Net assets attributable to holders of redeemable units	<u>1,328,541,447</u>	<u>1,304,186,136</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series I	758,922,917	761,968,521
Series K	29,673,780	22,975,702
Series M	<u>539,944,750</u>	<u>519,241,913</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series I	9.84	9.92
Series K	10.01	10.07
Series M	<u>9.83</u>	<u>9.91</u>

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended June 30 (note 1),

(in dollars except average units)	2018	2017
INCOME		
Net gain (loss) on financial assets and liabilities at fair value through profit or loss		
Interest for distribution purposes	17,709,563	16,179,534
Net realized gain (loss) on non-derivative financial assets	(4,846,770)	967,157
Change in unrealized gain (loss) on non-derivative financial assets	2,447,859	(9,395,491)
Net realized gain (loss) on derivatives	(2,643,170)	(4,512,760)
Change in unrealized gain (loss) on derivatives	(3,575,445)	14,570,956
Net gain (loss) on financial assets and liabilities at fair value through profit or loss	9,092,037	17,809,396
Securities lending (note 11)	6,482	42,543
Net realized and unrealized foreign currency translation gain (loss)	643,784	(260,486)
Total income (loss), net	<u>9,742,303</u>	<u>17,591,453</u>
EXPENSES		
Management fees (note 5)	183,944	177,129
Fixed administration fees (note 6)	259,353	242,178
Independent Review Committee fees	587	576
Interest expense and bank overdraft charges	22,650	2,492
Harmonized Sales Tax/Goods and Services Tax	46,884	44,844
Total expenses	<u>513,418</u>	<u>467,219</u>
Increase (decrease) in net assets attributable to holders of redeemable units from operations	<u>9,228,885</u>	<u>17,124,234</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series I	5,363,853	10,058,106
Series K	194,998	72,597
Series M	<u>3,670,034</u>	<u>6,993,531</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT[†]		
Series I	0.07	0.13
Series K	0.07	0.07
Series M	<u>0.07</u>	<u>0.14</u>
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series I	76,742,022	74,904,230
Series K	2,600,264	982,540
Series M	<u>53,315,714</u>	<u>51,607,730</u>

[†] The increase (decrease) in net assets attributable to holders of redeemable units from operations per unit is calculated by dividing the increase (decrease) in net assets attributable to holders of redeemable units from operations per series by the weighted average number of units per series.

Scotia Floating Rate Income Fund (Unaudited – Continued)

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the periods ended June 30 (note 1),

(in dollars)	2018	2017
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series I	761,968,521	719,903,327
Series K	22,975,702	4,140,889
Series M	519,241,913	495,982,718
	<u>1,304,186,136</u>	<u>1,220,026,934</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series I	5,363,853	10,058,106
Series K	194,998	72,597
Series M	3,670,034	6,993,531
	<u>9,228,885</u>	<u>17,124,234</u>
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net investment income		
Series I	(11,355,033)	(8,256,006)
Series K	(387,870)	(111,978)
Series M	(7,627,080)	(5,406,235)
	<u>(19,369,983)</u>	<u>(13,774,219)</u>
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series I	30,099,493	42,916,832
Series K	9,109,958	11,961,786
Series M	74,636,222	67,731,730
Reinvested distributions		
Series I	11,355,033	8,106,896
Series K	387,870	111,978
Payments on redemption		
Series I	(38,508,950)	(10,616,799)
Series K	(2,606,878)	(478,218)
Series M	(49,976,339)	(45,609,914)
	<u>34,496,409</u>	<u>74,124,291</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series I	(3,045,604)	42,209,029
Series K	6,698,078	11,556,165
Series M	20,702,837	23,709,112
	<u>24,355,311</u>	<u>77,474,306</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series I	758,922,917	762,112,356
Series K	29,673,780	15,697,054
Series M	539,944,750	519,691,830
	<u>1,328,541,447</u>	<u>1,297,501,240</u>

STATEMENTS OF CASH FLOWS

For the periods ended June 30 (note 1),

(in dollars)	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	9,228,885	17,124,234
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	4,846,770	(967,157)
Unrealized foreign currency translation (gain) loss	23,406	425,277
Change in unrealized (gain) loss on non-derivative financial assets	(2,447,859)	9,395,491
Change in unrealized (gain) loss on derivatives	3,575,445	(14,570,956)
Purchases of portfolio investments	(528,213,119)	(677,695,806)
Proceeds from sale of portfolio investments	515,851,167	591,338,442
Margin payable on derivatives	(3,720,000)	–
Accrued investment income and other	(675,943)	(104,415)
Accrued expenses and other payables	80,476	76,913
Net cash provided by (used in) operating activities	<u>(1,450,772)</u>	<u>(74,977,977)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	113,633,285	120,350,671
Amounts paid on redemption of redeemable units	(90,912,963)	(55,659,808)
Distributions to unitholders of redeemable units	(6,153,145)	(4,559,733)
Net cash provided by (used in) financing activities	<u>16,567,177</u>	<u>60,131,130</u>
Unrealized foreign currency translation gain (loss)	(23,406)	(425,277)
Net increase (decrease) in cash	15,116,405	(14,846,847)
Cash (bank overdraft), beginning of period	13,323,601	52,387,585
CASH (BANK OVERDRAFT), END OF PERIOD	<u>28,416,600</u>	<u>37,115,461</u>
Interest paid ⁽¹⁾	22,650	2,492
Interest received, net of withholding taxes ⁽¹⁾	17,016,610	16,075,119

⁽¹⁾ Classified as operating items.

Scotia Floating Rate Income Fund (Unaudited – Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at June 30, 2018

Issuer	Face Value (\$)	Average Cost (\$)	Carrying Value (\$)	Issuer	Face Value (\$)	Average Cost (\$)	Carrying Value (\$)
BONDS AND DEBENTURES – 97.1%				BONDS AND DEBENTURES (cont'd)			
Corporate Bonds – 91.4%				Corporate Bonds (cont'd)			
Algonquin Power & Utilities Corporation 4.65% Feb 15, 2022	2,500,000	2,680,041	2,626,160	Enbridge Inc. (Callable) 3.50% Mar 10, 2024	USD 550,000	680,965	700,162
Algonquin Power & Utilities Corporation 4.82% Feb 15, 2021	3,400,000	3,634,365	3,556,733	Enbridge Inc. 3.19% Dec 05, 2022	15,125,000	15,467,371	15,158,161
Alimentation Couche-Tard Inc. 3.32% Nov 01, 2019	9,500,000	9,931,680	9,606,779	Enbridge Income Fund 4.85% Nov 12, 2020	4,183,000	4,572,354	4,370,372
Alimentation Couche-Tard Inc. 3.90% Nov 01, 2022	4,500,000	4,882,500	4,650,504	Fairfax Financial Holdings Limited 4.50% Mar 22, 2023	28,475,000	29,166,696	29,730,678
AltaGas Ltd. (Callable) 3.57% Mar 12, 2023	3,120,000	3,185,801	3,150,342	Fairfax Financial Holdings Limited 5.84% Oct 14, 2022	4,375,000	4,877,119	4,798,981
AltaGas Ltd. 3.72% Sep 28, 2021	4,715,000	4,976,635	4,809,674	First Capital Realty Inc. 3.95% Dec 05, 2022	3,555,000	3,650,345	3,644,712
American Express Company (Callable) 3.40% Jan 27, 2023	USD 5,350,000	6,887,432	6,978,804	Ford Credit Canada Company 2.71% Feb 23, 2022	9,250,000	9,250,000	9,045,443
Anheuser-Busch InBev Finance Inc. (Callable) 2.60% Mar 15, 2024	5,800,000	5,798,550	5,604,116	Ford Credit Canada Company 3.35% Sep 19, 2022	8,700,000	8,700,000	8,655,492
Anheuser-Busch InBev Finance Inc. (Callable) 2.65% Jan 01, 2021	USD 2,500,000	3,574,753	3,256,701	Ford Credit Canada Company 3.74% May 08, 2023	5,710,000	5,710,000	5,738,384
AT&T Inc. 3.60% Feb 17, 2023	USD 10,875,000	14,176,829	14,091,059	Ford Credit Canada Ltd. 2.45% May 07, 2020	7,700,000	7,675,050	7,634,761
AT&T Inc. 3.83% Nov 25, 2020	27,584,000	29,334,409	28,221,213	Ford Credit Canada Ltd. 2.92% Sep 16, 2020	11,325,000	11,325,178	11,297,754
Ball Corporation 4.00% Nov 15, 2023	USD 1,275,000	1,606,928	1,636,536	Ford Credit Canada Ltd. 3.28% Jul 02, 2021	8,000,000	8,090,320	8,011,214
Bank of Montreal 1.61% Oct 28, 2021	21,145,000	21,009,786	20,388,837	Fortified Trust 1.67% Jul 23, 2021	9,050,000	9,050,000	8,764,883
Bank of Montreal 1.88% Mar 31, 2021	18,200,000	18,106,090	17,814,953	General Motors Financial of Canada Ltd. 3.08% May 22, 2020	14,000,000	14,277,842	14,048,575
Bank of Montreal 2.10% Oct 06, 2020	32,000,000	31,940,015	31,636,853	Genesis Trust II 1.70% Apr 15, 2020	6,000,000	6,000,000	5,916,620
Bank of Montreal 2.27% Jul 11, 2022	7,050,000	7,049,648	6,900,329	Genesis Trust II 2.43% May 15, 2019	8,000,000	8,133,200	8,014,406
Bank of Montreal 2.70% Sep 11, 2024	7,325,000	7,324,048	7,198,797	Goldman Sachs Group Inc., The (Callable) 2.43% Apr 26, 2022	8,000,000	8,000,000	7,779,605
Bank of Nova Scotia, The 1.83% Apr 27, 2022 ¹	10,000,000	9,633,900	9,639,230	Goldman Sachs Group Inc., The (Callable) 3.20% Jan 23, 2023	USD 4,100,000	5,203,221	5,264,392
Bank of Nova Scotia, The 1.90% Dec 02, 2021 ¹	2,000,000	1,942,860	1,942,272	Goldman Sachs Group Inc., The (Callable) 3.31% Oct 31, 2024	5,000,000	5,000,000	4,927,953
Bank of Nova Scotia, The 2.09% Sep 09, 2020 ¹	30,000,000	29,889,600	29,662,133	Grande REIT Holdings LP (Callable) 3.87% Sep 30, 2023	6,250,000	6,250,125	6,283,012
Bank of Nova Scotia, The 2.29% Jun 28, 2024 ¹	1,750,000	1,689,730	1,680,848	H&R Real Estate Investment Trust (Callable) 3.42% Dec 23, 2022	1,400,000	1,400,000	1,395,093
Bank of Nova Scotia, The 2.36% Nov 08, 2022 ¹	18,125,000	17,944,163	17,736,176	H&R Real Estate Investment Trust 2.92% May 06, 2022	6,175,000	6,132,418	6,072,065
Bank of Nova Scotia, The 2.98% Apr 17, 2023 ¹	3,925,000	3,923,901	3,932,407	H&R Real Estate Investment Trust 4.45% Mar 02, 2020	4,000,000	4,168,560	4,104,440
bdlMC Realty Corporation (Callable) 2.15% Jul 11, 2022	11,000,000	10,996,810	10,712,514	HCA Inc. 4.75% May 01, 2023	USD 300,000	381,547	394,694
bdlMC Realty Corporation 2.10% Jun 03, 2021	14,000,000	13,994,540	13,765,949	HCA Inc. 6.50% Feb 15, 2020	USD 4,200,000	6,097,266	5,769,545
Bell Canada (Callable) 3.00% Sep 03, 2022	43,300,000	43,982,297	43,258,691	Hollis Receivables Term Trust II 1.79% Feb 26, 2020	1,800,000	1,800,000	1,778,431
Bell Canada (Callable) 3.15% Aug 29, 2021	7,160,000	7,545,369	7,219,835	Honda Canada Finance Inc. 2.27% Jul 15, 2022	3,100,000	3,100,000	3,029,462
Bell Canada (Callable) 3.35% Dec 22, 2022	4,450,000	4,725,989	4,500,272	Honda Canada Finance Inc. 2.54% Mar 01, 2023	915,000	914,405	898,679
Bell Canada 2.00% Oct 01, 2021	11,500,000	11,477,460	11,186,613	Intact Financial Corporation 5.41% Sep 03, 2019	1,500,000	1,696,305	1,552,099
BMW Canada Inc. 1.88% Dec 11, 2020	5,600,000	5,600,000	5,495,574	Ivanhoe Cambridge II Inc. (Callable) 2.91% May 27, 2023	750,000	750,000	748,280
Brookfield Asset Management Inc. 3.95% Apr 09, 2019	12,200,000	12,682,340	12,347,706	JPMorgan Chase & Co. (Callable) 2.25% Dec 23, 2019	USD 1,500,000	1,795,053	1,951,416
Brookfield Infrastructure Finance ULC (Callable) 3.32% Dec 22, 2023	6,000,000	6,042,955	5,950,289	JPMorgan Chase & Co. 3.19% Mar 05, 2021	4,000,000	3,998,520	4,046,095
Brookfield Infrastructure Finance ULC 3.54% Oct 30, 2020	5,500,000	5,500,000	5,592,448	Lennar Corporation (Callable) 4.50% Jan 31, 2024	USD 4,500,000	5,696,563	5,733,751
Brookfield Property Finance ULC (Callable) 4.35% Jun 03, 2023	9,300,000	9,300,000	9,300,000	Lennar Corporation 4.88% Dec 15, 2023	USD 600,000	767,970	787,148
Cadillac Fairview Finance Trust (Callable) 3.13% Feb 20, 2022	USD 6,300,000	8,572,064	8,183,976	Manulife Bank of Canada 1.92% Sep 01, 2021	12,990,000	12,990,000	12,645,465
Canadian Imperial Bank of Commerce 1.64% Jul 12, 2021	5,025,000	5,022,839	4,868,676	Manulife Bank of Canada 2.08% May 26, 2022	4,750,000	4,750,000	4,612,514
Canadian Imperial Bank of Commerce 1.90% Apr 26, 2021	10,745,000	10,877,353	10,523,211	OMERS Realty Corporation (Callable) 1.82% Apr 09, 2022	3,500,000	3,500,000	3,376,656
Canadian Imperial Bank of Commerce 2.04% Mar 21, 2022	15,300,000	15,164,616	14,898,282	OMERS Realty Corporation (Callable) 2.86% Jan 23, 2024	6,150,000	6,248,585	6,111,846
Canadian Imperial Bank of Commerce 2.30% Jul 11, 2022	17,000,000	16,672,670	16,662,637	OMERS Realty Corporation 3.36% Jun 05, 2023	20,500,000	20,719,135	20,918,808
Canadian Imperial Bank of Commerce 2.47% Dec 05, 2022	15,729,000	15,686,753	15,480,391	Pembina Pipeline Corporation (Callable) 2.99% Nov 22, 2023	8,302,000	8,139,553	8,158,577
Canadian Natural Resources Ltd. 3.31% Feb 11, 2022	5,835,000	5,873,620	5,889,942	Pembina Pipeline Corporation 3.77% Oct 24, 2022	2,250,000	2,305,620	2,305,122
Canadian Oil Sands Ltd. 4.50% Apr 01, 2022	USD 9,650,000	13,260,040	12,925,979	Penske Truck Leasing Company LP/PTL Finance Corporation (Callable) 3.05% Dec 09, 2019	USD 2,600,000	3,002,673	3,408,974
CARDS II Trust 2.16% Oct 15, 2020	23,250,000	23,143,635	23,000,127	Race Point VIII CLO Ltd., Series 13-8A 0.00% Feb 20, 2030	USD 17,500,000	22,989,714	23,089,362
Choice Properties LP (Callable) 3.60% Jan 20, 2020	19,600,000	20,099,250	19,872,631	RioCan Real Estate Investment Trust 2.19% Apr 09, 2021	12,500,000	12,545,212	12,258,998
Choice Properties LP (Callable) 3.60% Jun 20, 2021	1,000,000	1,060,900	1,016,380	RioCan Real Estate Investment Trust 2.83% Oct 03, 2022	2,200,000	2,160,444	2,168,179
Choice Properties LP (Callable) 3.60% Jun 20, 2022	4,510,000	4,744,295	4,578,085	Royal Bank of Canada 1.58% Sep 13, 2021	22,750,000	22,495,398	21,955,924
Choice Properties Real Estate Investment Trust (Callable) 3.20% Feb 07, 2023	4,700,000	4,837,663	4,679,492	Royal Bank of Canada 1.65% Jul 15, 2021	8,050,000	8,047,666	7,799,885
Choice Properties Real Estate Investment Trust 3.50% Feb 08, 2021	4,650,000	4,826,484	4,716,761	Royal Bank of Canada 1.92% Jul 17, 2020	4,750,000	4,750,000	4,690,310
CI Financial Corporation 2.65% Dec 07, 2020	13,840,000	13,839,560	13,797,698	Royal Bank of Canada 2.00% Mar 21, 2022	16,725,000	16,704,198	16,262,539
CIT Group Inc. 5.00% Aug 01, 2023	USD 200,000	259,518	266,529	Royal Bank of Canada 2.03% Mar 15, 2021	3,500,000	3,498,670	3,440,693
CIT Group Inc. 5.00% Aug 15, 2022	USD 2,365,000	3,213,889	3,153,748	Royal Bank of Canada 2.36% Dec 05, 2022	5,550,000	5,543,264	5,435,659
Citigroup Inc. 2.40% Feb 18, 2020	USD 3,500,000	4,391,063	4,548,196	Royal Bank of Canada 2.95% May 01, 2023	21,500,000	21,500,000	21,541,666
Citigroup Inc. 2.55% Apr 08, 2019	USD 1,600,000	1,762,487	2,101,302	Sabine Pass Liquefaction LLC 5.63% Apr 15, 2023	USD 975,000	1,364,691	1,359,818
Cominar Real Estate Investment Trust 3.62% Jun 21, 2019	17,791,000	17,878,339	17,873,681	Saputo Inc. 2.20% Jun 23, 2021	9,500,000	9,500,000	9,344,478
CVS Health Corporation (Callable) 3.70% Feb 09, 2023	USD 3,450,000	4,356,980	4,506,975	Saputo Inc. 2.65% Nov 26, 2019	5,125,000	5,167,000	5,137,890
Daimler Canada Finance Inc. 1.57% May 25, 2020	9,000,000	9,000,000	8,814,240	Shaw Communications Inc. 3.15% Feb 19, 2021	7,500,000	7,491,750	7,556,097
Daimler Canada Finance Inc. 1.91% Jul 08, 2021	7,950,000	7,827,411	7,725,130	Sirius XM Radio Inc. (Callable) 3.88% Aug 01, 2020	USD 1,779,000	2,214,654	2,263,233
Daimler Canada Finance Inc. 2.30% Nov 23, 2020	3,900,000	3,900,000	3,853,164	Smart Real Estate Investment Trust 2.88% Mar 21, 2022	2,100,000	2,070,411	2,073,124
Daimler Canada Finance Inc. 3.05% May 16, 2022	11,640,000	11,638,254	11,661,514	Smart Real Estate Investment Trust 3.75% Feb 11, 2021	5,000,000	5,003,950	5,094,450
Dell International LLC / EMC Corporation (Callable) 5.45% Apr 15, 2023	USD 1,250,000	1,723,968	1,723,785	Sprint Spectrum Co LLC / Sprint Spectrum Co II LLC / Sprint Spectrum Co III LLC 3.36% Sep 20, 2021	USD 4,996,875	6,631,466	6,506,430
Dollarama Inc. (Callable) 2.20% Oct 10, 2022	7,650,000	7,690,604	7,391,388	Sprint Spectrum Company LLC / Sprint Spectrum Company II LLC / Sprint Spectrum Company III LLC 4.74% Mar 20, 2025	USD 850,000	1,100,153	1,112,108
Dollarama Inc. 2.34% Jul 22, 2021	8,425,000	8,425,000	8,300,798				

The accompanying notes are an integral part of the financial statements.

Scotia Floating Rate Income Fund (Unaudited – Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at June 30, 2018

Issuer	Face Value (\$)	Average Cost (\$)	Carrying Value (\$)	Issuer	Face Value (\$)	Average Cost (\$)	Carrying Value (\$)
BONDS AND DEBENTURES (cont'd)				BONDS AND DEBENTURES (cont'd)			
Corporate Bonds (cont'd)				Federal Bonds (cont'd)			
TD Capital Trust IV (Callable) 6.63% Jun 30, 2021	5,435,000	6,325,513	5,977,306	Government of Canada 3.50% Jun 01, 2020	3,450,000	3,554,535	3,551,327
TELUS Corporation (Callable) 2.35% Feb 28, 2022	13,750,000	13,828,300	13,466,921	United States Treasury Notes 1.88% Feb 28, 2022	USD 50,000	66,393	63,961
Toll Brothers Finance Corporation (Callable) 4.38% Jan 15, 2023	USD 2,485,000	3,194,282	3,193,644	United States Treasury Notes 2.25% Mar 31, 2020	USD 1,160,000	1,477,729	1,519,119
Toronto-Dominion Bank, The (Callable) 2.98% Sep 30, 2020	7,000,000	7,000,000	7,010,836	United States Treasury Notes 2.63% Feb 28, 2023	USD 1,646,000	2,117,750	2,156,930
Toronto-Dominion Bank, The 1.68% Jun 08, 2021	2,075,000	2,029,558	2,027,202				
Toronto-Dominion Bank, The 1.99% Mar 23, 2022	7,950,000	7,950,000	7,734,541			24,010,897	24,060,445
Toronto-Dominion Bank, The 2.05% Mar 08, 2021	2,500,000	2,500,000	2,461,669	Mortgage-Backed Securities – 3.9%			
Toronto-Dominion Bank, The 2.62% Dec 22, 2021	13,550,000	13,517,480	13,506,556	Magnetite VII Ltd. 2.62% Jan 15, 2028	USD 11,950,000	14,736,712	15,698,093
Toronto-Dominion Bank, The 3.01% May 30, 2023	8,275,000	8,275,000	8,321,470	Octagon Investment Partners 24 Ltd. 0.00% May 21, 2027	USD 11,000,000	13,447,433	14,466,753
Toyota Credit Canada Inc. 1.80% Feb 19, 2020	13,450,000	13,432,107	13,302,284	Octagon Investment Partners 30 Ltd. 2.35% Mar 17, 2030	USD 8,750,000	11,377,674	11,563,215
Toyota Credit Canada Inc. 2.05% May 20, 2020	11,300,000	11,288,907	11,197,574	OPB Finance Trust 1.88% Feb 24, 2022	10,650,000	10,394,015	10,402,624
Toyota Credit Canada Inc. 2.35% Jul 18, 2022	3,600,000	3,599,676	3,530,775			49,955,834	52,130,685
Toyota Credit Canada Inc. 2.62% Oct 11, 2022	14,200,000	14,164,504	14,055,348	TOTAL INVESTMENT PORTFOLIO			
Toyota Credit Canada Inc. 2.70% Jan 25, 2023	9,000,000	8,994,150	8,928,404			1,303,806,665	1,290,011,202
TransAlta Corporation (Callable) 4.50% Aug 15, 2022	USD 350,000	471,098	463,163	Unrealized Gain (Loss) on Derivatives – 1.4%			
TransAlta Corporation 5.00% Nov 25, 2020	10,142,000	10,615,729	10,519,972	OTHER ASSETS, LESS LIABILITIES – 1.5%			
Wells Fargo & Company 2.09% Apr 25, 2022	36,500,000	36,276,797	35,295,720	NET ASSETS – 100.0%			
Wells Fargo & Company 2.22% Mar 15, 2021	5,000,000	5,000,000	4,920,216				18,894,954
Wells Fargo Canada Corporation 2.94% Jul 25, 2019	10,100,000	10,443,554	10,164,843				19,635,291
		1,229,839,934	1,213,820,072				1,328,541,447
Federal Bonds – 1.8%				† These securities are investments in related parties (note 10).			
Canada Housing Trust No. 1 2.35% Jun 15, 2023	13,260,000	13,263,452	13,242,099				
Government of Canada 1.50% Jun 01, 2023	260,000	253,534	253,019				
Government of Canada 1.75% Mar 01, 2023	3,320,000	3,277,504	3,273,990				

SCHEDULE OF DERIVATIVE INSTRUMENTS

UNREALIZED GAIN ON CURRENCY FORWARD CONTRACTS

Counterparty	Credit Rating	Settlement Date	Currency To Be Received	Contractual Amount	Currency To Be Delivered	Contractual Amount	Contract Price	Market Price	Unrealized Gain (\$)
Bank of Montreal	A-1	Aug. 23, 2018	Canadian Dollar	36,474,757	US Dollar	27,440,000	0.752	0.762	451,967
									451,967

UNREALIZED LOSS ON CURRENCY FORWARD CONTRACTS

Counterparty	Credit Rating	Settlement Date	Currency To Be Received	Contractual Amount	Currency To Be Delivered	Contractual Amount	Contract Price	Market Price	Unrealized Loss (\$)
Canadian Imperial Bank of Commerce	A-1	Jul. 18, 2018	Canadian Dollar	35,674,099	US Dollar	27,890,000	0.782	0.761	(974,084)
Bank of Montreal	A-1	Jul. 18, 2018	Canadian Dollar	7,533,480	US Dollar	6,000,000	0.796	0.761	(350,675)
Bank of Montreal	A-1	Oct. 17, 2018	Canadian Dollar	27,387,227	US Dollar	21,850,000	0.798	0.762	(1,270,014)
Canadian Imperial Bank of Commerce	A-1	Oct. 17, 2018	Canadian Dollar	34,869,588	US Dollar	27,820,000	0.798	0.762	(1,617,572)
Bank of Montreal	A-1	Nov. 20, 2018	Canadian Dollar	35,839,722	US Dollar	27,980,000	0.781	0.763	(834,197)
									(5,046,542)

UNREALIZED GAIN ON INTEREST RATE SWAP CONTRACTS

Description	Counterparty	Currency	Termination Date	Notional Amount	Interest Rate %	Unrealized Gain (\$)
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	Bank of Nova Scotia, The	CAD	Oct. 27, 2018	(5,000,000)	0.850%	–
Fixed to Floating Interest Rate Swap – CAD-BA-CDOR Variable Rate Coupon	Bank of Nova Scotia, The	CAD	Oct. 27, 2018	5,000,000	1.735%	23,943
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	Bank of Nova Scotia, The	CAD	Mar. 5, 2019	(4,500,000)	1.244%	–
Fixed to Floating Interest Rate Swap – CAD-BA-CDOR Variable Rate Coupon	Bank of Nova Scotia, The	CAD	Mar. 5, 2019	4,500,000	1.753%	27,729
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	Bank of Nova Scotia, The	CAD	Oct. 21, 2019	(2,500,000)	1.808%	–
Fixed to Floating Interest Rate Swap – CAD-BA-CDOR Variable Rate Coupon	Bank of Nova Scotia, The	CAD	Oct. 21, 2019	2,500,000	1.736%	9,890
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	Bank of Nova Scotia, The	CAD	Oct. 24, 2019	(2,750,000)	1.876%	–
Fixed to Floating Interest Rate Swap – CAD-BA-CDOR Variable Rate Coupon	Bank of Nova Scotia, The	CAD	Oct. 24, 2019	2,750,000	1.736%	8,229
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	Bank of Nova Scotia, The	CAD	Dec. 3, 2019	(2,500,000)	1.889%	–
Fixed to Floating Interest Rate Swap – CAD-BA-CDOR Variable Rate Coupon	Bank of Nova Scotia, The	CAD	Dec. 3, 2019	2,500,000	1.753%	9,002
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	Bank of Nova Scotia, The	CAD	Apr. 16, 2020	(6,500,000)	1.250%	–
Fixed to Floating Interest Rate Swap – CAD-BA-CDOR Variable Rate Coupon	Bank of Nova Scotia, The	CAD	Apr. 16, 2020	6,500,000	1.748%	117,623
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	Bank of Nova Scotia, The	CAD	Mar. 22, 2021	(24,500,000)	1.403%	–
Fixed to Floating Interest Rate Swap – CAD-BA-CDOR Variable Rate Coupon	Bank of Nova Scotia, The	CAD	Mar. 22, 2021	24,500,000	1.746%	620,920

The accompanying notes are an integral part of the financial statements.

Scotia Floating Rate Income Fund (Unaudited – Continued)

SCHEDULE OF DERIVATIVE INSTRUMENTS

UNREALIZED GAIN ON INTEREST RATE SWAP CONTRACTS

Description	Counterparty	Currency	Termination Date	Notional Amount	Interest Rate %	Unrealized Gain (\$)
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	Bank of Nova Scotia, The	CAD	Dec. 3, 2021	(1,500,000)	2.133%	–
Fixed to Floating Interest Rate Swap – CAD-BA-CDOR Variable Rate Coupon	Bank of Nova Scotia, The	CAD	Dec. 3, 2021	1,500,000	1.753%	12,084
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	Bank of Nova Scotia, The	CAD	Jan. 6, 2022	(22,000,000)	1.450%	–
Fixed to Floating Interest Rate Swap – CAD-BA-CDOR Variable Rate Coupon	Bank of Nova Scotia, The	CAD	Jan. 6, 2022	22,000,000	1.735%	720,597
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	Bank of Nova Scotia, The	CAD	May. 24, 2022	(23,500,000)	1.324%	–
Fixed to Floating Interest Rate Swap – CAD-BA-CDOR Variable Rate Coupon	Bank of Nova Scotia, The	CAD	May. 24, 2022	23,500,000	1.746%	958,758
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	Bank of Nova Scotia, The	CAD	Aug. 2, 2022	(20,000,000)	1.898%	–
Fixed to Floating Interest Rate Swap – CAD-BA-CDOR Variable Rate Coupon	Bank of Nova Scotia, The	CAD	Aug. 2, 2022	20,000,000	1.741%	389,940
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	Bank of Nova Scotia, The	CAD	Sep. 27, 2022	(23,500,000)	2.156%	–
Fixed to Floating Interest Rate Swap – CAD-BA-CDOR Variable Rate Coupon	Bank of Nova Scotia, The	CAD	Sep. 27, 2022	23,500,000	1.745%	225,057
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	Bank of Nova Scotia, The	USD	Nov. 1, 2022	(22,000,000)	2.089%	–
Fixed to Floating Interest Rate Swap – USD-LIBOR-BBA Variable Rate Coupon	Bank of Nova Scotia, The	USD	Nov. 1, 2022	22,000,000	2.358%	940,985
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	Canadian Imperial Bank of Commerce	CAD	Nov. 4, 2020	(20,000,000)	1.310%	–
Fixed to Floating Interest Rate Swap – CAD-BA-CDOR Variable Rate Coupon	Canadian Imperial Bank of Commerce	CAD	Nov. 4, 2020	20,000,000	1.741%	464,995
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	Canadian Imperial Bank of Commerce	CAD	Nov. 5, 2020	(25,000,000)	1.306%	–
Fixed to Floating Interest Rate Swap – CAD-BA-CDOR Variable Rate Coupon	Canadian Imperial Bank of Commerce	CAD	Nov. 5, 2020	25,000,000	1.741%	583,491
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	Canadian Imperial Bank of Commerce	CAD	Nov. 18, 2020	(25,000,000)	1.304%	–
Fixed to Floating Interest Rate Swap – CAD-BA-CDOR Variable Rate Coupon	Canadian Imperial Bank of Commerce	CAD	Nov. 18, 2020	25,000,000	1.748%	592,493
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	Canadian Imperial Bank of Commerce	CAD	Nov. 20, 2020	(25,000,000)	1.240%	–
Fixed to Floating Interest Rate Swap – CAD-BA-CDOR Variable Rate Coupon	Canadian Imperial Bank of Commerce	CAD	Nov. 20, 2020	25,000,000	1.746%	631,479
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	Canadian Imperial Bank of Commerce	CAD	Nov. 25, 2020	(25,000,000)	1.231%	–
Fixed to Floating Interest Rate Swap – CAD-BA-CDOR Variable Rate Coupon	Canadian Imperial Bank of Commerce	CAD	Nov. 25, 2020	25,000,000	1.745%	640,385
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	Canadian Imperial Bank of Commerce	CAD	Dec. 21, 2020	(25,000,000)	1.148%	–
Fixed to Floating Interest Rate Swap – CAD-BA-CDOR Variable Rate Coupon	Canadian Imperial Bank of Commerce	CAD	Dec. 21, 2020	25,000,000	1.753%	700,566
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	Canadian Imperial Bank of Commerce	CAD	Mar. 29, 2021	(25,000,000)	0.960%	–
Fixed to Floating Interest Rate Swap – CAD-BA-CDOR Variable Rate Coupon	Canadian Imperial Bank of Commerce	CAD	Mar. 29, 2021	25,000,000	1.734%	961,316
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	Canadian Imperial Bank of Commerce	CAD	Jun. 30, 2021	(5,000,000)	0.935%	–
Fixed to Floating Interest Rate Swap – CAD-BA-CDOR Variable Rate Coupon	Canadian Imperial Bank of Commerce	CAD	Jun. 30, 2021	5,000,000	1.734%	205,220
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	Canadian Imperial Bank of Commerce	CAD	Jul. 12, 2021	(14,000,000)	0.930%	–
Fixed to Floating Interest Rate Swap – CAD-BA-CDOR Variable Rate Coupon	Canadian Imperial Bank of Commerce	CAD	Jul. 12, 2021	14,000,000	1.740%	633,347
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	Canadian Imperial Bank of Commerce	CAD	Jul. 19, 2021	(25,000,000)	0.968%	–
Fixed to Floating Interest Rate Swap – CAD-BA-CDOR Variable Rate Coupon	Canadian Imperial Bank of Commerce	CAD	Jul. 19, 2021	25,000,000	1.745%	1,103,733
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	Canadian Imperial Bank of Commerce	CAD	Aug. 23, 2021	(25,000,000)	0.935%	–
Fixed to Floating Interest Rate Swap – CAD-BA-CDOR Variable Rate Coupon	Canadian Imperial Bank of Commerce	CAD	Aug. 23, 2021	25,000,000	1.746%	1,149,639
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	Canadian Imperial Bank of Commerce	CAD	Aug. 25, 2021	(25,000,000)	0.968%	–
Fixed to Floating Interest Rate Swap – CAD-BA-CDOR Variable Rate Coupon	Canadian Imperial Bank of Commerce	CAD	Aug. 25, 2021	25,000,000	1.745%	1,121,747
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	Canadian Imperial Bank of Commerce	CAD	Sep. 30, 2021	(21,500,000)	0.939%	–
Fixed to Floating Interest Rate Swap – CAD-BA-CDOR Variable Rate Coupon	Canadian Imperial Bank of Commerce	CAD	Sep. 30, 2021	21,500,000	1.734%	1,006,409
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	Canadian Imperial Bank of Commerce	CAD	Dec. 7, 2021	(20,000,000)	1.364%	–
Fixed to Floating Interest Rate Swap – CAD-BA-CDOR Variable Rate Coupon	Canadian Imperial Bank of Commerce	CAD	Dec. 7, 2021	20,000,000	1.753%	678,443
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	Canadian Imperial Bank of Commerce	CAD	Mar. 7, 2022	(15,000,000)	1.507%	–
Fixed to Floating Interest Rate Swap – CAD-BA-CDOR Variable Rate Coupon	Canadian Imperial Bank of Commerce	CAD	Mar. 7, 2022	15,000,000	1.753%	480,421
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	Canadian Imperial Bank of Commerce	CAD	Mar. 20, 2022	(22,500,000)	1.535%	–
Fixed to Floating Interest Rate Swap – CAD-BA-CDOR Variable Rate Coupon	Canadian Imperial Bank of Commerce	CAD	Mar. 20, 2022	22,500,000	1.756%	703,242
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	Canadian Imperial Bank of Commerce	CAD	Apr. 18, 2022	(25,000,000)	1.309%	–
Fixed to Floating Interest Rate Swap – CAD-BA-CDOR Variable Rate Coupon	Canadian Imperial Bank of Commerce	CAD	Apr. 18, 2022	25,000,000	1.745%	1,015,747
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	Canadian Imperial Bank of Commerce	CAD	Apr. 19, 2022	(20,000,000)	1.326%	–
Fixed to Floating Interest Rate Swap – CAD-BA-CDOR Variable Rate Coupon	Canadian Imperial Bank of Commerce	CAD	Apr. 19, 2022	20,000,000	1.745%	799,695
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	Canadian Imperial Bank of Commerce	CAD	Jun. 5, 2022	(23,000,000)	1.310%	–
Fixed to Floating Interest Rate Swap – CAD-BA-CDOR Variable Rate Coupon	Canadian Imperial Bank of Commerce	CAD	Jun. 5, 2022	23,000,000	1.753%	956,466
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	Canadian Imperial Bank of Commerce	CAD	Jul. 26, 2022	(48,000,000)	1.945%	–
Fixed to Floating Interest Rate Swap – CAD-BA-CDOR Variable Rate Coupon	Canadian Imperial Bank of Commerce	CAD	Jul. 26, 2022	48,000,000	1.735%	829,353
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	Canadian Imperial Bank of Commerce	CAD	Oct. 6, 2022	(18,500,000)	2.148%	–
Fixed to Floating Interest Rate Swap – CAD-BA-CDOR Variable Rate Coupon	Canadian Imperial Bank of Commerce	CAD	Oct. 6, 2022	18,500,000	1.735%	189,554
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	Canadian Imperial Bank of Commerce	CAD	Nov. 16, 2022	(25,000,000)	2.044%	–
Fixed to Floating Interest Rate Swap – CAD-BA-CDOR Variable Rate Coupon	Canadian Imperial Bank of Commerce	CAD	Nov. 16, 2022	25,000,000	1.751%	392,236
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	Canadian Imperial Bank of Commerce	CAD	Dec. 11, 2022	(26,000,000)	2.050%	–
Fixed to Floating Interest Rate Swap – CAD-BA-CDOR Variable Rate Coupon	Canadian Imperial Bank of Commerce	CAD	Dec. 11, 2022	26,000,000	1.754%	414,272
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	Canadian Imperial Bank of Commerce	CAD	Jan. 11, 2023	(15,000,000)	2.321%	–
Fixed to Floating Interest Rate Swap – CAD-BA-CDOR Variable Rate Coupon	Canadian Imperial Bank of Commerce	CAD	Jan. 11, 2023	15,000,000	1.735%	28,418
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	Canadian Imperial Bank of Commerce	CAD	Jun. 29, 2023	(7,000,000)	2.424%	–
Fixed to Floating Interest Rate Swap – CAD-BA-CDOR Variable Rate Coupon	Canadian Imperial Bank of Commerce	CAD	Jun. 29, 2023	7,000,000	1.774%	7,562
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	Merrill Lynch International	USD	Mar. 7, 2019	(20,000,000)	1.623%	–
Fixed to Floating Interest Rate Swap – USD-LIBOR-BBA Variable Rate Coupon	Merrill Lynch International	USD	Mar. 7, 2019	20,000,000	2.319%	61,493
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	Merrill Lynch International	CAD	Jun. 3, 2019	(3,000,000)	1.993%	–
Fixed to Floating Interest Rate Swap – CAD-BA-CDOR Variable Rate Coupon	Merrill Lynch International	CAD	Jun. 3, 2019	3,000,000	1.753%	328
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	Merrill Lynch International	CAD	Jun. 11, 2019	(8,500,000)	1.995%	–
Fixed to Floating Interest Rate Swap – CAD-BA-CDOR Variable Rate Coupon	Merrill Lynch International	CAD	Jun. 11, 2019	8,500,000	1.754%	1,392
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	Merrill Lynch International	CAD	Sep. 24, 2019	(4,000,000)	2.025%	–
Fixed to Floating Interest Rate Swap – CAD-BA-CDOR Variable Rate Coupon	Merrill Lynch International	CAD	Sep. 24, 2019	4,000,000	1.744%	418
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	Merrill Lynch International	CAD	Nov. 14, 2019	(3,000,000)	1.898%	–
Fixed to Floating Interest Rate Swap – CAD-BA-CDOR Variable Rate Coupon	Merrill Lynch International	CAD	Nov. 14, 2019	3,000,000	1.748%	9,366
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	Merrill Lynch International	CAD	Nov. 21, 2019	(2,500,000)	1.910%	–
Fixed to Floating Interest Rate Swap – CAD-BA-CDOR Variable Rate Coupon	Merrill Lynch International	CAD	Nov. 21, 2019	2,500,000	1.746%	7,680
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	Merrill Lynch International	USD	Dec. 10, 2019	(4,450,000)	1.806%	–
Fixed to Floating Interest Rate Swap – USD-LIBOR-BBA Variable Rate Coupon	Merrill Lynch International	USD	Dec. 10, 2019	4,450,000	2.327%	75,835
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	Merrill Lynch International	CAD	Feb. 11, 2020	(4,600,000)	1.215%	–
Fixed to Floating Interest Rate Swap – CAD-BA-CDOR Variable Rate Coupon	Merrill Lynch International	CAD	Feb. 11, 2020	4,600,000	1.745%	79,650
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	Merrill Lynch International	USD	Feb. 12, 2020	(3,500,000)	1.680%	–
Fixed to Floating Interest Rate Swap – USD-LIBOR-BBA Variable Rate Coupon	Merrill Lynch International	USD	Feb. 12, 2020	3,500,000	2.355%	61,633

The accompanying notes are an integral part of the financial statements.

Scotia Floating Rate Income Fund (Unaudited – Continued)

SCHEDULE OF DERIVATIVE INSTRUMENTS

UNREALIZED GAIN ON INTEREST RATE SWAP CONTRACTS

Description	Counterparty	Currency	Termination Date	Notional Amount	Interest Rate %	Unrealized Gain (\$)
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	Merrill Lynch International	CAD	May. 7, 2020	(20,000,000)	2.195%	–
Fixed to Floating Interest Rate Swap – CAD-BA-CDOR Variable Rate Coupon	Merrill Lynch International	CAD	May. 7, 2020	20,000,000	1.741%	789
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	Merrill Lynch International	CAD	Jun. 1, 2020	(13,000,000)	1.385%	–
Fixed to Floating Interest Rate Swap – CAD-BA-CDOR Variable Rate Coupon	Merrill Lynch International	CAD	Jun. 1, 2020	13,000,000	1.753%	213,311
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	Merrill Lynch International	CAD	May. 31, 2021	(14,000,000)	1.498%	–
Fixed to Floating Interest Rate Swap – CAD-BA-CDOR Variable Rate Coupon	Merrill Lynch International	CAD	May. 31, 2021	14,000,000	1.753%	339,076
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	Merrill Lynch International	CAD	Oct. 4, 2021	(23,100,000)	0.959%	–
Fixed to Floating Interest Rate Swap – CAD-BA-CDOR Variable Rate Coupon	Merrill Lynch International	CAD	Oct. 4, 2021	23,100,000	1.738%	1,067,079
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	Merrill Lynch International	CAD	Dec. 6, 2021	(20,000,000)	1.380%	–
Fixed to Floating Interest Rate Swap – CAD-BA-CDOR Variable Rate Coupon	Merrill Lynch International	CAD	Dec. 6, 2021	20,000,000	1.753%	667,293
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	Merrill Lynch International	CAD	Dec. 13, 2021	(20,000,000)	1.470%	–
Fixed to Floating Interest Rate Swap – CAD-BA-CDOR Variable Rate Coupon	Merrill Lynch International	CAD	Dec. 13, 2021	20,000,000	1.756%	609,007
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	Merrill Lynch International	CAD	Sep. 26, 2022	(22,500,000)	2.169%	–
Fixed to Floating Interest Rate Swap – CAD-BA-CDOR Variable Rate Coupon	Merrill Lynch International	CAD	Sep. 26, 2022	22,500,000	1.745%	202,642
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	Merrill Lynch International	CAD	Mar. 15, 2023	(11,000,000)	1.240%	–
Fixed to Floating Interest Rate Swap – CAD-BA-CDOR Variable Rate Coupon	Merrill Lynch International	CAD	Mar. 15, 2023	11,000,000	1.759%	600,298
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	TD Securities Inc.	CAD	May. 15, 2019	(4,000,000)	1.888%	–
Fixed to Floating Interest Rate Swap – CAD-BA-CDOR Variable Rate Coupon	TD Securities Inc.	CAD	May. 15, 2019	4,000,000	1.749%	3,538
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	TD Securities Inc.	CAD	May. 22, 2019	(5,000,000)	1.970%	–
Fixed to Floating Interest Rate Swap – CAD-BA-CDOR Variable Rate Coupon	TD Securities Inc.	CAD	May. 22, 2019	5,000,000	1.746%	812
						<u>24,356,626</u>

UNREALIZED LOSS ON INTEREST RATE SWAP CONTRACTS

Description	Counterparty	Currency	Termination Date	Notional Amount	Interest Rate %	Unrealized Loss (\$)
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	Bank of Nova Scotia, The	USD	Mar. 15, 2023	(9,000,000)	2.785%	–
Fixed to Floating Interest Rate Swap – USD-LIBOR-BBA Variable Rate Coupon	Bank of Nova Scotia, The	USD	Mar. 15, 2023	9,000,000	2.341%	(36,196)
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	Bank of Nova Scotia, The	CAD	Apr. 17, 2023	(20,000,000)	2.512%	–
Fixed to Floating Interest Rate Swap – CAD-BA-CDOR Variable Rate Coupon	Bank of Nova Scotia, The	CAD	Apr. 17, 2023	20,000,000	1.748%	(93,554)
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	Bank of Nova Scotia, The	CAD	May. 25, 2023	(21,500,000)	2.568%	–
Fixed to Floating Interest Rate Swap – CAD-BA-CDOR Variable Rate Coupon	Bank of Nova Scotia, The	CAD	May. 25, 2023	21,500,000	1.745%	(138,097)
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	Bank of Nova Scotia, The	CAD	Jun. 5, 2023	(15,000,000)	2.518%	–
Fixed to Floating Interest Rate Swap – CAD-BA-CDOR Variable Rate Coupon	Bank of Nova Scotia, The	CAD	Jun. 5, 2023	15,000,000	1.753%	(57,324)
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	Canadian Imperial Bank of Commerce	USD	Mar. 27, 2023	(6,250,000)	2.777%	–
Fixed to Floating Interest Rate Swap – USD-LIBOR-BBA Variable Rate Coupon	Canadian Imperial Bank of Commerce	USD	Mar. 27, 2023	6,250,000	2.337%	(20,898)
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	Canadian Imperial Bank of Commerce	CAD	Apr. 26, 2023	(20,000,000)	2.547%	–
Fixed to Floating Interest Rate Swap – CAD-BA-CDOR Variable Rate Coupon	Canadian Imperial Bank of Commerce	CAD	Apr. 26, 2023	20,000,000	1.735%	(122,868)
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	Canadian Imperial Bank of Commerce	CAD	May. 17, 2023	(20,250,000)	2.717%	–
Fixed to Floating Interest Rate Swap – CAD-BA-CDOR Variable Rate Coupon	Canadian Imperial Bank of Commerce	CAD	May. 17, 2023	20,250,000	1.751%	(275,559)
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	Merrill Lynch International	CAD	Jul. 11, 2019	(10,000,000)	1.958%	–
Fixed to Floating Interest Rate Swap – CAD-BA-CDOR Variable Rate Coupon	Merrill Lynch International	CAD	Jul. 11, 2019	10,000,000	1.735%	(3,340)
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	Merrill Lynch International	CAD	Feb. 6, 2020	(10,000,000)	2.208%	–
Fixed to Floating Interest Rate Swap – CAD-BA-CDOR Variable Rate Coupon	Merrill Lynch International	CAD	Feb. 6, 2020	10,000,000	1.741%	(22,673)
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	Merrill Lynch International	CAD	Feb. 7, 2020	(10,000,000)	2.188%	–
Fixed to Floating Interest Rate Swap – CAD-BA-CDOR Variable Rate Coupon	Merrill Lynch International	CAD	Feb. 7, 2020	10,000,000	1.741%	(18,592)
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	Merrill Lynch International	CAD	Mar. 6, 2020	(5,000,000)	2.240%	–
Fixed to Floating Interest Rate Swap – CAD-BA-CDOR Variable Rate Coupon	Merrill Lynch International	CAD	Mar. 6, 2020	5,000,000	1.753%	(11,537)
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	Merrill Lynch International	CAD	Mar. 26, 2021	(3,000,000)	2.423%	–
Fixed to Floating Interest Rate Swap – CAD-BA-CDOR Variable Rate Coupon	Merrill Lynch International	CAD	Mar. 26, 2021	3,000,000	1.745%	(12,666)
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	TD Securities Inc.	CAD	Feb. 4, 2019	(1,000,000)	1.906%	–
Fixed to Floating Interest Rate Swap – CAD-BA-CDOR Variable Rate Coupon	TD Securities Inc.	CAD	Feb. 4, 2019	1,000,000	1.741%	(703)
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	TD Securities Inc.	CAD	Feb. 4, 2019	(5,000,000)	1.933%	–
Fixed to Floating Interest Rate Swap – CAD-BA-CDOR Variable Rate Coupon	TD Securities Inc.	CAD	Feb. 4, 2019	5,000,000	1.741%	(4,850)
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	TD Securities Inc.	CAD	Feb. 5, 2019	(25,000,000)	1.970%	–
Fixed to Floating Interest Rate Swap – CAD-BA-CDOR Variable Rate Coupon	TD Securities Inc.	CAD	Feb. 5, 2019	25,000,000	1.741%	(33,503)
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	TD Securities Inc.	CAD	Sep. 17, 2019	(5,000,000)	2.053%	–
Fixed to Floating Interest Rate Swap – CAD-BA-CDOR Variable Rate Coupon	TD Securities Inc.	CAD	Sep. 17, 2019	5,000,000	1.759%	(2,090)
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	TD Securities Inc.	CAD	Feb. 26, 2021	(5,000,000)	2.342%	–
Fixed to Floating Interest Rate Swap – CAD-BA-CDOR Variable Rate Coupon	TD Securities Inc.	CAD	Feb. 26, 2021	5,000,000	1.743%	(12,647)
						<u>(867,097)</u>

The swap contracts outstanding at June 30, 2018 are placed with a financial institution with a minimum credit rating of A-1 by S&P.

Scotia Floating Rate Income Fund (Unaudited – Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

The Fund (note 1)

The Fund's investment objective is to generate income consistent with prevailing short-term corporate bond yields while stabilizing market value from the effects of interest rate fluctuations.

Risks associated with financial instruments (note 4)

Interest rate risk

The table below summarizes the Fund's exposure to interest rate risk by the remaining term to maturity of the Fund's portfolio, excluding underlying funds, preferred shares, cash and overdrafts, as applicable.

Interest rate exposure	June 30, 2018 (\$)	December 31, 2017 (\$)
Less than 1 year	63,826,624	13,122,433
1-3 years	417,812,404	414,430,931
3-5 years	695,615,302	670,153,154
5-10 years	95,616,518	148,875,928
> 10 years	40,629,883	39,258,568
	1,313,500,731	1,285,841,014

As at June 30, 2018, had the prevailing interest rates increased or decreased by 0.25%, assuming a parallel shift in the yield curve and all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by \$8,065,515 or approximately 0.6% (December 31, 2017 – \$9,814,377 or approximately 0.8%).

Currency risk

The Fund's exposure to currency risk is summarized in the tables below. Amounts shown are based on the carrying value of monetary and non-monetary assets and liabilities of the Fund net of currency contracts, as applicable.

Currency	June 30, 2018			
	Gross currency exposure (\$)	Currency contracts (\$)	Net exposure (\$)	Percentage of net assets (%)
US Dollar	204,450,814	(182,373,448)	22,077,366	1.7
	204,450,814	(182,373,448)	22,077,366	1.7

Currency	December 31, 2017			
	Gross currency exposure (\$)	Currency contracts (\$)	Net exposure (\$)	Percentage of net assets (%)
US Dollar	135,838,121	(137,098,164)	(1,260,043)	(0.1)
	135,838,121	(137,098,164)	(1,260,043)	(0.1)

If the Canadian dollar strengthened or weakened by 10% in relation to all other currencies, with all other variables held constant, net assets of the Fund would have decreased or increased, respectively, by \$2,207,737 or 0.2% of net assets (December 31, 2017 – \$126,004 or 0.0%). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Price risk

Price risk is the risk that the carrying value of financial instruments will fluctuate as a result of changes in market prices (other than those

arising from interest rate risk or currency risk) caused by factors specific to a security, its issuer or all factors affecting a market or a market segment. Exposure to price risk is mainly in equities, underlying funds, derivatives and commodities, as applicable. As at June 30, 2018, approximately 1.8% (December 31, 2017 – 0.0%) of the Fund's net assets were exposed to price risk. If prices of these instruments had decreased or increased by 10%, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by approximately \$2,348,953 (December 31, 2017 – nil). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Credit risk

The table below summarizes the credit ratings of bonds and debentures, money market instruments and preferred shares held by the Fund, as applicable.

	June 30, 2018		December 31, 2017	
	Percentage of total credit rated instruments (%)	Percentage of net assets (%)	Percentage of total credit rated instruments (%)	Percentage of net assets (%)
Credit ratings				
AAA	10.7	10.4	13.8	13.4
AA	26.3	25.5	28.3	27.4
A	21.9	21.2	19.4	18.8
BBB	38.4	37.3	36.2	35.2
BB	2.7	2.7	2.3	2.2
	100.0	97.1	100.0	97.0

Concentration risk

Concentration risk arises as a result of the concentration of financial instruments within the same category, geographical location, asset type or industry sector, as applicable. The table below is a summary of the Fund's concentration risk by carrying value as a percentage of net assets:

	Percentage of net assets (%)	
	June 30, 2018	December 31, 2017
Corporate Bonds	91.4	84.9
Federal Bonds	1.8	2.0
Mortgage-Backed Securities	3.9	6.2
Provincial Bonds	–	3.9

Fair Value Classification (note 2)

The tables below illustrate the classification of the Fund's financial instruments within the fair value hierarchy.

June 30, 2018	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Bonds and debentures	–	1,290,011,202	–	1,290,011,202
Unrealized gain on currency forward contracts	–	451,967	–	451,967
Unrealized gain on swap contracts	–	24,356,626	–	24,356,626
	–	1,314,819,795	–	1,314,819,795
Unrealized loss on currency forward contracts	–	(5,046,542)	–	(5,046,542)
Unrealized loss on swap contracts	–	(867,097)	–	(867,097)
	–	1,308,906,156	–	1,308,906,156

The accompanying notes are an integral part of the financial statements.

Scotia Floating Rate Income Fund (Unaudited – Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

December 31, 2017	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Bonds and debentures	-	1,264,636,333	-	1,264,636,333
Unrealized gain on currency forward contracts	-	1,560,613	-	1,560,613
Unrealized gain on swap contracts	-	21,894,301	-	21,894,301
	-	1,288,091,247	-	1,288,091,247
Unrealized loss on currency forward contracts	-	(294,895)	-	(294,895)
Unrealized loss on swap contracts	-	(689,620)	-	(689,620)
	-	1,287,106,732	-	1,287,106,732

Transfers between levels

During the periods ended June 30, 2018 and December 31, 2017, there were no significant transfers between Level 1 and Level 2.

Offsetting of financial assets and liabilities (note 2)

The following table presents offsetting of financial assets and liabilities and collateral amounts that would occur if future events, such as bankruptcy or termination of contracts, were to arise. No amounts were offset in the financial statements.

June 30, 2018				
Financial assets – by type	Gross amount of assets (\$)	Master netting offset (\$)	Collateral pledged/ received (\$)	Net Amount (\$)
Currency forward contracts	451,967	(451,967)	-	-
Options contracts – OTC	-	-	-	-
Swap contracts – OTC	24,356,626	(817,654)	-	23,538,972
	24,808,593	(1,269,621)	-	23,538,972

Financial liabilities – by type	Gross amount of liabilities (\$)	Master netting offset (\$)	Collateral pledged/ received (\$)	Net Amount (\$)
Currency forward contracts	5,046,542	(451,967)	-	4,594,575
Options contracts – OTC	-	-	-	-
Swap contracts – OTC	867,097	(817,654)	(190,000)	-
	5,913,639	(1,269,621)	(190,000)	4,594,575

December 31, 2017				
Financial assets – by type	Gross amount of assets (\$)	Master netting offset (\$)	Collateral pledged/ received (\$)	Net Amount (\$)
Currency forward contracts	1,560,613	(277,068)	-	1,283,545
Options contracts – OTC	-	-	-	-
Swap contracts – OTC	21,894,301	(516,163)	-	21,378,138
	23,454,914	(793,231)	-	22,661,683

Financial liabilities – by type	Gross amount of liabilities (\$)	Master netting offset (\$)	Collateral pledged/ received (\$)	Net Amount (\$)
Currency forward contracts	294,895	(277,068)	-	17,827
Options contracts – OTC	-	-	-	-
Swap contracts – OTC	689,620	(516,163)	-	173,457
	984,515	(793,231)	-	191,284

Interest in Underlying Funds (note 2)

The Fund did not hold any interest in Underlying Funds as at June 30, 2018 or December 31, 2017.

Comparison of net asset value per unit and net assets per unit (note 2)

As at June 30, 2018 or December 31, 2017, there were no differences between the net asset value per unit and the net assets per unit for any series of the Fund.

The accompanying notes are an integral part of the financial statements.

Scotia Conservative Income Fund (Unaudited)

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	June 30, 2018	December 31, 2017
ASSETS		
Current assets		
Financial assets at fair value through profit or loss (note 2)		
Non-derivative financial assets	2,820,267	3,495,202
Cash	13,234	13,622
Subscriptions receivable	900	1,375
Accrued investment income and other	13	11
	<u>2,834,414</u>	<u>3,510,210</u>
LIABILITIES		
Current liabilities		
Management fee payable	2,815	–
Accrued expenses	843	9
Distributions payable	125	13
	<u>3,783</u>	<u>22</u>
Net assets attributable to holders of redeemable units	<u>2,830,631</u>	<u>3,510,188</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series A	<u>2,830,631</u>	<u>3,510,188</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series A	<u>9.52</u>	<u>9.58</u>

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended June 30 (note 1),

(in dollars except average units)	2018	2017
INCOME		
Net gain (loss) on financial assets and liabilities at fair value through profit or loss		
Dividends	–	149
Interest for distribution purposes	44,248	49,718
Net realized gain (loss) on non-derivative financial assets	(18,168)	(3,276)
Change in unrealized gain (loss) on non-derivative financial assets	(4,420)	(5,427)
Net gain (loss) on financial assets and liabilities at fair value through profit or loss	21,660	41,164
Other income	228	70
Total income (loss), net	<u>21,888</u>	<u>41,234</u>
EXPENSES		
Management fees (note 5)	17,076	21,647
Fixed administration fees (note 6)	1,552	1,968
Independent Review Committee fees	587	576
Interest expense and bank overdraft charges	119	41
Harmonized Sales Tax/Goods and Services Tax	2,070	2,567
Total expenses	<u>21,404</u>	<u>26,799</u>
Increase (decrease) in net assets attributable to holders of redeemable units from operations	<u>484</u>	<u>14,435</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A	<u>484</u>	<u>14,435</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT[†]		
Series A	<u>0.00</u>	<u>0.04</u>
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series A	325,064	410,449

[†] The increase (decrease) in net assets attributable to holders of redeemable units from operations per unit is calculated by dividing the increase (decrease) in net assets attributable to holders of redeemable units from operations per series by the weighted average number of units per series.

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the periods ended June 30 (note 1),

(in dollars)	2018	2017
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series A	3,510,188	4,115,417
	<u>3,510,188</u>	<u>4,115,417</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A	484	14,435
	<u>484</u>	<u>14,435</u>
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net investment income		
Series A	(21,214)	(20,725)
	<u>(21,214)</u>	<u>(20,725)</u>
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A	309,715	384,457
Reinvested distributions		
Series A	21,031	20,266
Payments on redemption		
Series A	(989,573)	(677,805)
	<u>(658,827)</u>	<u>(273,082)</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A	<u>(679,557)</u>	<u>(279,372)</u>
	<u>(679,557)</u>	<u>(279,372)</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series A	2,830,631	3,836,045
	<u>2,830,631</u>	<u>3,836,045</u>

STATEMENTS OF CASH FLOWS

For the periods ended June 30 (note 1),

(in dollars)	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	484	14,435
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	18,168	3,276
Change in unrealized (gain) loss on non-derivative financial assets	4,420	5,427
Non-cash transactions	(44,156)	(49,774)
Purchases of portfolio investments	(193,449)	(109,000)
Proceeds from sale of portfolio investments	889,952	458,580
Accrued investment income and other	(2)	(12)
Accrued expenses and other payables	3,649	4,627
Net cash provided by (used in) operating activities	<u>679,066</u>	<u>327,559</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	310,190	385,409
Amounts paid on redemption of redeemable units	(989,573)	(681,213)
Distributions to unitholders of redeemable units	(71)	(356)
Net cash provided by (used in) financing activities	<u>(679,454)</u>	<u>(296,160)</u>
Net increase (decrease) in cash	(388)	31,399
Cash (bank overdraft), beginning of period	13,622	23,240
CASH (BANK OVERDRAFT), END OF PERIOD	<u>13,234</u>	<u>54,639</u>
Interest paid ⁽¹⁾	119	41
Interest received, net of withholding taxes ⁽¹⁾	90	82

⁽¹⁾ Classified as operating items.

The accompanying notes are an integral part of the financial statements.

Scotia Conservative Income Fund (Unaudited – Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at June 30, 2018

Issuer	Number of Units	Average Cost (\$)	Carrying Value (\$)
FIXED INCOME FUNDS – 99.6%			
Scotia Floating Rate Income Fund Series I [†]	83,911	837,310	825,723
Scotia Mortgage Income Fund Series I [†]	75,979	806,298	799,203
Scotia Private American Core-Plus Bond Pool Series I [†]	15,076	143,099	138,430
Scotia Short Term Bond Fund Series I [†]	110,464	1,091,808	1,056,911
		2,878,515	2,820,267
TOTAL INVESTMENT PORTFOLIO		2,878,515	2,820,267
OTHER ASSETS, LESS LIABILITIES – 0.4%			10,364
NET ASSETS – 100.0%			2,830,631

[†] These securities are investments in related parties (note 10).

Scotia Conservative Income Fund (Unaudited – Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

The Fund (note 1)

The Fund's objective is to provide income by investing primarily in fixed income securities. It invests primarily in a diversified mix of income mutual funds managed by us or by other mutual fund managers.

The Fund invests primarily in funds managed by the Manager and/or by the third party investment managers (the "Underlying Funds"). To ensure the Fund's composition meets the investment objectives of the Fund, the portfolio advisor monitors the Underlying Funds on an ongoing basis and rebalances the Fund's assets among the Underlying Funds.

Risk associated with financial instruments (note 4)

Interest rate risk

The Fund could be exposed to indirect interest rate risk to the extent that the Underlying Funds held financial instruments that were subject to interest rate risk.

Currency risk

The Fund could be exposed to indirect currency risk to the extent that the Underlying Funds held financial instruments that were denominated in a currency other than its functional currency.

Price risk

Price risk is the risk that the carrying value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) caused by factors specific to a security, its issuer or all factors affecting a market or a market segment. Exposure to price risk is mainly in equities, underlying funds, derivatives and commodities, as applicable. As at June 30, 2018, approximately 99.6% (December 31, 2017 – 99.6%) of the Fund's net assets were exposed to price risk. If prices of these instruments had decreased or increased by 10%, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by approximately \$282,027 (December 31, 2017 – \$349,520). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Credit risk

The Fund could be exposed to indirect credit risk to the extent that the Underlying Funds invested in bonds and debentures, derivatives, money market instruments or preferred shares.

Concentration risk

Concentration risk arises as a result of the concentration of financial instruments within the same category, geographical location, asset type or industry sector, as applicable. The table below is a summary of the Fund's concentration risk by carrying value as a percentage of net assets:

	Percentage of net assets (%)	
	June 30, 2018	December 31, 2017
Fixed Income Funds	99.6	99.6

Fair Value Classification (note 2)

The tables below illustrate the classification of the Fund's financial instruments within the fair value hierarchy.

June 30, 2018	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Underlying funds	2,820,267	–	–	2,820,267
	2,820,267	–	–	2,820,267

December 31, 2017	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Underlying funds	3,495,202	–	–	3,495,202
	3,495,202	–	–	3,495,202

Transfers between levels

During the periods ended June 30, 2018 and December 31, 2017, there were no significant transfers between Level 1 and Level 2.

Offsetting of financial assets and liabilities (note 2)

As at June 30, 2018 and December 31, 2017, the Fund did not enter into any agreement whereby the financial instruments were eligible for offset.

Interest in Underlying Funds (note 2)

The following tables present the percentage of the Underlying Funds owned by the Fund.

Underlying Fund	June 30, 2018	
	Carrying value of the Underlying Fund (\$)	Ownership percentage in Underlying Fund (%)
Scotia Mortgage Income Fund Series I	799,203	0.7
Scotia Short Term Bond Fund Series I	1,056,911	0.3
Scotia Floating Rate Income Fund Series I	825,723	0.1
Scotia Private American Core-Plus Bond Pool Series I	138,430	0.0
	2,820,267	

Underlying Fund	December 31, 2017	
	Carrying value of the Underlying Fund (\$)	Ownership percentage in Underlying Fund (%)
Scotia Mortgage Income Fund Series I	973,576	0.8
Scotia Short Term Bond Fund Series I	1,290,868	0.4
Scotia Floating Rate Income Fund Series I	969,161	0.1
Scotia Private American Core-Plus Bond Pool Series I	175,045	0.0
Scotia Private High Yield Income Pool Series I	86,552	0.0
	3,495,202	

Comparison of net asset value and net assets per unit (note 2)

As at June 30, 2018 or December 31, 2017, there were no differences between the net asset value per unit and the net assets per unit for any series of the Fund.

The accompanying notes are an integral part of the financial statements.

Scotia Bond Fund (Unaudited)

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	June 30, 2018	December 31, 2017
ASSETS		
Current assets		
Financial assets at fair value through profit or loss (note 2)		
Non-derivative financial assets	55,272,315	63,717,312
Derivatives	—	125,716
Cash	3,313	184,502
Margin deposited on derivatives	220,606	44,297
Receivable for securities sold	10,638,889	—
Subscriptions receivable	7,871	18,218
Accrued investment income and other	236,944	370,658
	<u>66,379,938</u>	<u>64,460,703</u>
LIABILITIES		
Current liabilities		
Financial liabilities at fair value through profit or loss (note 2)		
Derivatives	136,823	—
Management fee payable	54,302	—
Payable for securities purchased	10,596,018	—
Redemptions payable	208,635	76,466
Accrued expenses	4,045	—
Distributions payable	2,179	9
	<u>11,002,002</u>	<u>76,475</u>
Net assets attributable to holders of redeemable units	<u>55,377,936</u>	<u>64,384,228</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series A	55,224,949	64,287,911
Series I	151,956	95,294
Series M	1,031	1,023
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series A	10.02	10.16
Series I	10.03	10.17
Series M	9.63	9.76

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended June 30 (note 1),

(in dollars except average units)	2018	2017
INCOME		
Net gain (loss) on financial assets and liabilities at fair value through profit or loss		
Interest for distribution purposes	1,129,580	1,351,616
Net realized gain (loss) on non-derivative financial assets	(1,310,721)	186,710
Change in unrealized gain (loss) on non-derivative financial assets	370,464	493,343
Net realized gain (loss) on derivatives	401,775	—
Change in unrealized gain (loss) on derivatives	(262,539)	—
Net gain (loss) on financial assets and liabilities at fair value through profit or loss	<u>328,559</u>	<u>2,031,669</u>
Securities lending (note 11)	98	299
Other income	674	575
Total income (loss), net	<u>329,331</u>	<u>2,032,543</u>
EXPENSES		
Management fees (note 5)	325,271	409,600
Fixed administration fees (note 6)	20,711	26,068
Independent Review Committee fees	587	576
Interest expense and bank overdraft charges	—	30
Harmonized Sales Tax/Goods and Services Tax	38,059	47,836
Transaction costs	824	—
Total expenses	<u>385,452</u>	<u>484,110</u>
Increase (decrease) in net assets attributable to holders of redeemable units from operations	<u>(56,121)</u>	<u>1,548,433</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A	(57,404)	1,547,838
Series I	1,275	571
Series M	8	24
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT[†]		
Series A	(0.01)	0.21
Series I	0.11	0.26
Series M	0.08	0.24
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series A	5,905,024	7,252,216
Series I	11,692	2,206
Series M	106	102

[†] The increase (decrease) in net assets attributable to holders of redeemable units from operations per unit is calculated by dividing the increase (decrease) in net assets attributable to holders of redeemable units from operations per series by the weighted average number of units per series.

Scotia Bond Fund (Unaudited – Continued)

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the periods ended June 30 (note 1),

(in dollars)	2018	2017
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series A	64,287,911	78,190,764
Series I	95,294	1,133
Series M	1,023	996
	<u>64,384,228</u>	<u>78,192,893</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A	(57,404)	1,547,838
Series I	1,275	571
Series M	8	24
	<u>(56,121)</u>	<u>1,548,433</u>
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net investment income		
Series A	(803,435)	(944,562)
Series I	(2,468)	(514)
Series M	(21)	(20)
	<u>(805,924)</u>	<u>(945,096)</u>
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A	3,536,609	4,782,531
Series I	79,048	41,454
Reinvested distributions		
Series A	788,112	921,569
Series I	2,468	514
Series M	21	20
Payments on redemption		
Series A	(12,526,844)	(12,938,672)
Series I	(23,661)	(11,397)
	<u>(8,144,247)</u>	<u>(7,203,981)</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A	(9,062,962)	(6,631,296)
Series I	56,662	30,628
Series M	8	24
	<u>(9,006,292)</u>	<u>(6,600,644)</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series A	55,224,949	71,559,468
Series I	151,956	31,761
Series M	1,031	1,020
	<u>55,377,936</u>	<u>71,592,249</u>

STATEMENTS OF CASH FLOWS

For the periods ended June 30 (note 1),

(in dollars)	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	(56,121)	1,548,433
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	1,310,721	(186,710)
Change in unrealized (gain) loss on non-derivative financial assets	(370,464)	(493,343)
Change in unrealized (gain) loss on derivatives	262,539	–
Purchases of portfolio investments	(23,886,890)	(43,300,354)
Proceeds from sale of portfolio investments	31,348,758	50,346,936
Margin deposited on derivatives	(176,309)	–
Accrued investment income and other	133,714	194,679
Accrued expenses and other payables	58,347	76,467
Net cash provided by (used in) operating activities	<u>8,624,295</u>	<u>8,186,108</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	3,626,004	4,801,835
Amounts paid on redemption of redeemable units	(12,418,336)	(12,987,848)
Distributions to unitholders of redeemable units	(13,152)	(17,893)
Net cash provided by (used in) financing activities	<u>(8,805,484)</u>	<u>(8,203,906)</u>
Net increase (decrease) in cash	(181,189)	(17,798)
Cash (bank overdraft), beginning of period	184,502	22,147
CASH (BANK OVERDRAFT), END OF PERIOD	<u>3,313</u>	<u>4,349</u>
Interest paid ⁽¹⁾	–	30
Interest received, net of withholding taxes ⁽¹⁾	1,263,293	1,546,295

⁽¹⁾ Classified as operating items.

Scotia Bond Fund (Unaudited – Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at June 30, 2018

Issuer	Face Value (\$)	Average Cost (\$)	Carrying Value (\$)
BONDS AND DEBENTURES – 99.8%			
Corporate Bonds – 32.1%			
407 International Inc. (Callable) 3.60% Nov 21, 2046	700,000	735,399	708,428
Apple Inc. 2.51% Aug 19, 2024	700,000	700,000	682,450
Bank of Montreal 2.89% Jun 20, 2023	700,000	699,874	698,799
Bank of Nova Scotia, The 3.10% Feb 02, 2028†	700,000	699,762	696,691
Brookfield Renewable Energy Partners ULC 5.14% Oct 13, 2020	650,000	649,747	683,523
Canadian Imperial Bank of Commerce 3.30% May 26, 2025	525,000	525,000	532,936
Canadian National Railway Company (Callable) 2.80% Jun 22, 2025	650,000	647,920	644,904
Canadian Natural Resources Ltd. (Callable) 3.55% Mar 03, 2024	295,000	293,917	297,680
Canadian Natural Resources Ltd. 3.31% Feb 11, 2022	550,000	549,918	555,179
Enbridge Pipelines Inc. (Callable) 4.13% Feb 09, 2046	700,000	699,762	701,466
Greater Toronto Airports Authority 3.26% Jun 01, 2037	500,000	499,660	501,818
Great-West Lifeco Inc. 6.67% Mar 21, 2033	450,000	478,122	602,731
Honda Canada Finance Inc. 2.27% Jul 15, 2022	700,000	700,000	684,072
HSBC Bank of Canada 2.94% Jan 14, 2020	650,000	650,000	653,789
John Deere Canada Funding Inc. 2.05% May 13, 2022	625,000	624,500	607,843
McDonald's Corporation 3.13% Mar 04, 2025	600,000	598,668	595,416
Nissan Canada Financial Services Inc. 1.58% Oct 07, 2019	450,000	450,000	444,986
Pepsi Co., Inc. (Callable) 2.15% Mar 06, 2024	500,000	499,675	478,802
Rogers Communications Inc. 4.00% Jun 06, 2022	655,000	652,380	680,877
Royal Bank of Canada 2.36% Dec 05, 2022	700,000	699,937	685,579
Suncor Energy Inc. (Callable) 3.00% Jun 14, 2026	700,000	698,257	685,329
TELUS Corporation (Callable) 3.35% Jan 02, 2024	650,000	646,328	653,699
Teranet Holdings LP 5.75% Dec 17, 2040	650,000	650,000	693,157
Toronto Hydro Corporation 3.54% Nov 18, 2021	525,000	524,738	542,160
Toronto-Dominion Bank, The 3.23% Jul 24, 2024	700,000	700,000	710,212
Toyota Credit Canada Inc. 2.70% Jan 25, 2023	525,000	524,659	520,824
VW Credit Canada Inc. 3.25% Mar 29, 2023	500,000	499,405	500,722
Walt Disney Co, The 2.76% Oct 07, 2024	700,000	700,000	690,274
Wells Fargo & Company 2.51% Oct 27, 2023	690,000	690,000	666,122
		<u>17,687,628</u>	<u>17,800,468</u>
Federal Bonds – 32.1%			
Government of Canada 0.75% Aug 01, 2019	1,650,000	1,632,285	1,632,143
Government of Canada 5.00% Jun 01, 2037	1,200,000	1,679,616	1,715,975
Government of Canada 5.75% Jun 01, 2033	9,965,000	14,948,299	14,433,597
		<u>18,260,200</u>	<u>17,781,715</u>
Provincial Bonds – 35.6%			
Province of British Columbia 5.70% Jun 18, 2029	3,120,000	4,039,756	3,974,337
Province of Ontario 4.20% Jun 02, 2020	9,300,000	9,669,302	9,659,900
Province of Ontario 5.60% Jun 02, 2035	4,500,000	5,957,505	6,055,895
		<u>19,666,563</u>	<u>19,690,132</u>
TOTAL INVESTMENT PORTFOLIO		<u>55,614,391</u>	<u>55,272,315</u>
Unrealized Gain (Loss) on Derivatives – (0.2%)			(136,823)
OTHER ASSETS, LESS LIABILITIES – 0.4%			242,444
NET ASSETS – 100.0%			<u>55,377,936</u>

† These securities are investments in related parties (note 10).

SCHEDULE OF DERIVATIVE INSTRUMENTS

UNREALIZED LOSS ON FUTURES CONTRACTS

Expiry Date	Number of Contracts	Futures Contracts	Counterparty	Credit Risk	Contractual Value Canadian (\$)	Fair Value Canadian (\$)	Unrealized Loss (\$)
BOND FUTURES CONTRACTS							
Sep. 2018	(46)	Canada 10 Year Bond Future	BMO Capital Markets	A-1	(6,151,837)	(6,288,660)	(136,823)
							<u>(136,823)</u>

With respect to the above bond future contracts, \$100,000 of the June 1, 2033 Government of Canada Federal Bonds 5.75% are held on margin.

The accompanying notes are an integral part of the financial statements.

Scotia Bond Fund (Unaudited – Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

The Fund (note 1)

The Fund's objective is to provide a steady flow of income and modest capital gains. It invests primarily in high-quality fixed-income securities issued by Canadian federal, provincial and municipal governments and Canadian corporations.

Risks associated with financial instruments (note 4)

Interest rate risk

The table below summarizes the Fund's exposure to interest rate risk by the remaining term to maturity of the Fund's portfolio, excluding underlying funds, preferred shares, cash and overdrafts, as applicable.

Interest rate exposure	June 30, 2018 (\$)	December 31, 2017 (\$)
Less than 1 year	–	215,008
1-3 years	13,074,341	12,056,520
3-5 years	5,476,055	5,175,194
5-10 years	7,197,692	7,030,776
> 10 years	29,387,404	39,365,530
	55,135,492	63,843,028

As at June 30, 2018, had the prevailing interest rates increased or decreased by 0.25%, assuming a parallel shift in the yield curve and all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by \$1,048,785 or approximately 1.9% (December 31, 2017 – \$1,240,185 or approximately 1.9%).

Currency risk

The Fund did not have significant currency risk exposure as at June 30, 2018 or December 31, 2017.

Price risk

The Fund did not have significant price risk exposure to equities, underlying funds, derivatives or commodities, if applicable, as at June 30, 2018 and December 31, 2017.

Credit risk

The table below summarizes the credit ratings of bonds and debentures, money market instruments and preferred shares held by the Fund, as applicable.

	June 30, 2018		December 31, 2017	
	Percentage of total credit rated instruments (%)	Percentage of net assets (%)	Percentage of total credit rated instruments (%)	Percentage of net assets (%)
Credit ratings				
AAA	39.3	39.3	43.1	42.6
AA	7.2	7.1	5.5	5.4
A	43.8	43.7	41.5	41.2
BBB	9.7	9.7	9.9	9.8
	100.0	99.8	100.0	99.0

Concentration risk

Concentration risk arises as a result of the concentration of financial instruments within the same category, geographical location, asset type or industry sector, as applicable. The table below is a summary of the Fund's concentration risk by carrying value as a percentage of net assets:

	Percentage of net assets (%)	
	June 30, 2018	December 31, 2017
Corporate Bonds	32.1	30.5
Federal Bonds	32.1	36.4
Provincial Bonds	35.6	32.1

Fair Value Classification (note 2)

The tables below illustrate the classification of the Fund's financial instruments within the fair value hierarchy.

June 30, 2018	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Bonds and debentures	–	55,272,315	–	55,272,315
	–	55,272,315	–	55,272,315
Unrealized loss on futures contracts	(136,823)	–	–	(136,823)
	(136,823)	55,272,315	–	55,135,492

December 31, 2017	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Bonds and debentures	–	63,717,312	–	63,717,312
Unrealized gain on futures contracts	125,716	–	–	125,716
	125,716	63,717,312	–	63,843,028

Transfers between levels

During the periods ended June 30, 2018 and December 31, 2017, there were no significant transfers between Level 1 and Level 2.

Offsetting of financial assets and liabilities (note 2)

As at June 30, 2018 and December 31, 2017, the Fund did not enter into any agreement whereby the financial instruments were eligible for offset.

Interest in Underlying Funds (note 2)

The Fund did not hold any interest in Underlying Funds as at June 30, 2018 or December 31, 2017.

Comparison of net asset value per unit and net assets per unit (note 2)

As at June 30, 2018 or December 31, 2017, there were no differences between the net asset value per unit and the net assets per unit for any series of the Fund.

Scotia Canadian Income Fund (Unaudited)

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	June 30, 2018	December 31, 2017
ASSETS		
Current assets		
Financial assets at fair value through profit or loss (note 2)		
Non-derivative financial assets	5,981,358,475	5,921,811,420
Derivatives	—	21,148,954
Cash	287,926	38,709,130
Margin deposited on derivatives	61,904,113	9,047,796
Subscriptions receivable	1,526,166	2,421,896
Accrued investment income and other	35,923,834	32,420,983
	<u>6,081,000,514</u>	<u>6,025,560,179</u>
LIABILITIES		
Current liabilities		
Financial liabilities at fair value through profit or loss (note 2)		
Derivatives	40,793,976	—
Management fee payable	668,471	—
Redemptions payable	6,686,308	1,801,587
Accrued expenses	137,815	—
Distributions payable	2,040,519	314
	<u>50,327,089</u>	<u>1,801,901</u>
Net assets attributable to holders of redeemable units	<u>6,030,673,425</u>	<u>6,023,758,278</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series A	628,219,791	707,860,582
Advisor Series	1,408,595	1,707,715
Series F	612,577	887,626
Series I	4,538,509,427	4,542,188,794
Series K	41,019,821	29,024,148
Series M	820,903,214	742,089,413
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series A	13.32	13.46
Advisor Series	13.30	13.44
Series F	13.29	13.43
Series I	13.26	13.41
Series K	9.29	9.37
Series M	13.27	13.39

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended June 30 (note 1),

(in dollars except average units)	2018	2017
INCOME		
Net gain (loss) on financial assets and liabilities at fair value through profit or loss		
Interest for distribution purposes	103,360,056	107,295,628
Net realized gain (loss) on non-derivative financial assets	(26,452,298)	18,772,335
Change in unrealized gain (loss) on non-derivative financial assets	(47,375,472)	33,193,314
Net realized gain (loss) on derivatives	77,571,744	2,126,059
Change in unrealized gain (loss) on derivatives	(61,942,930)	2,345,691
Net gain (loss) on financial assets and liabilities at fair value through profit or loss	45,161,100	163,733,027
Securities lending (note 11)	105,536	72,970
Net realized and unrealized foreign currency translation gain (loss)	31,138	(224,320)
Other income	2,386	9,755
Total income (loss), net	<u>45,300,160</u>	<u>163,591,432</u>
EXPENSES		
Management fees (note 5)	3,931,221	4,764,796
Fixed administration fees and operating expense (note 6)	783,384	822,906
Independent Review Committee fees	587	576
Interest expense and bank overdraft charges	10,612	20,749
Harmonized Sales Tax/Goods and Services Tax	527,100	623,043
Transaction costs	343,580	89,830
Total expenses	5,596,484	6,321,900
Expenses absorbed by the Manager	—	(5,016)
Net expenses	<u>5,596,484</u>	<u>6,316,884</u>
Increase (decrease) in net assets attributable to holders of redeemable units from operations	<u>39,703,676</u>	<u>157,274,548</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A	94,821	17,571,529
Advisor Series	389	70,988
Series F	1,652	14,181
Series I	32,450,019	120,071,859
Series K	351,457	124,752
Series M	6,805,338	19,421,239
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT[†]		
Series A	0.00	0.30
Advisor Series	0.00	0.47
Series F	0.03	0.34
Series I	0.09	0.36
Series K	0.09	0.10
Series M	0.12	0.32
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series A	49,748,226	59,307,078
Advisor Series	111,678	152,123
Series F	60,039	41,328
Series I	341,853,948	329,007,985
Series K	3,803,571	1,261,074
Series M	58,748,479	61,603,389

[†] The increase (decrease) in net assets attributable to holders of redeemable units from operations per unit is calculated by dividing the increase (decrease) in net assets attributable to holders of redeemable units from operations per series by the weighted average number of units per series.

Scotia Canadian Income Fund (Unaudited – Continued)

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the periods ended June 30 (note 1),

(in dollars)	2018	2017
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series A	707,860,582	839,983,193
Advisor Series	1,707,715	2,247,983
Series F	887,626	572,810
Series I	4,542,188,794	4,352,388,323
Series K	29,024,148	5,396,576
Series M	742,089,413	1,051,037,837
	<u>6,023,758,278</u>	<u>6,251,626,722</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A	94,821	17,571,529
Advisor Series	389	70,988
Series F	1,652	14,181
Series I	32,450,019	120,071,859
Series K	351,457	124,752
Series M	6,805,338	19,421,239
	<u>39,703,676</u>	<u>157,274,548</u>
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net investment income		
Series A	(7,282,343)	(6,136,908)
Advisor Series	(16,318)	(15,674)
Series F	(10,787)	(6,070)
Series I	(81,858,314)	(64,766,263)
Series K	(628,020)	(231,474)
Series M	(13,813,601)	(11,416,266)
From return of capital		
Series A	–	(2,743,476)
Advisor Series	–	(6,705)
Series F	–	(2,112)
Series I	–	(16,663,785)
Series M	–	(3,108,383)
	<u>(103,609,383)</u>	<u>(105,097,116)</u>
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A	16,052,342	25,571,268
Series F	180,172	215,942
Series I	101,482,484	134,260,944
Series K	14,622,736	14,931,230
Series M	159,306,688	115,696,085
Reinvested distributions		
Series A	7,121,964	8,667,502
Advisor Series	4,612	7,992
Series F	6,085	4,279
Series I	69,093,494	67,211,698
Series K	628,009	231,474
Series M	12,114,660	12,644,203
Payments on redemption		
Series A	(95,627,575)	(102,347,453)
Advisor Series	(287,803)	(298,847)
Series F	(452,171)	(224,303)
Series I	(124,847,050)	(22,155,899)
Series K	(2,978,509)	(1,134,501)
Series M	(85,599,284)	(410,735,625)
	<u>70,820,854</u>	<u>(157,454,011)</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A	(79,640,791)	(59,417,538)
Advisor Series	(299,120)	(242,246)
Series F	(275,049)	1,917
Series I	(3,679,367)	217,958,554
Series K	11,995,673	13,921,481
Series M	78,813,801	(277,498,747)
	<u>6,915,147</u>	<u>(105,276,579)</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series A	628,219,791	780,565,655
Advisor Series	1,408,595	2,005,737
Series F	612,577	574,727
Series I	4,538,509,427	4,570,346,877
Series K	41,019,821	19,318,057
Series M	820,903,214	773,539,090
	<u>6,030,673,425</u>	<u>6,146,350,143</u>

STATEMENTS OF CASH FLOWS

For the periods ended June 30 (note 1),

(in dollars)	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	39,703,676	157,274,548
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	26,452,298	(18,772,335)
Unrealized foreign currency translation (gain) loss	(1,536)	6,052
Change in unrealized (gain) loss on non-derivative financial assets	47,375,472	(33,193,314)
Change in unrealized (gain) loss on derivatives	61,942,930	(2,345,691)
Purchases of portfolio investments	(1,368,534,303)	(4,580,556,645)
Proceeds from sale of portfolio investments	1,235,159,478	4,675,160,090
Margin deposited on derivatives	(52,856,317)	18,551,221
Accrued investment income and other	(3,502,851)	9,126,572
Accrued expenses and other payables	806,286	967,473
Net cash provided by (used in) operating activities	(13,454,867)	226,217,971
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	291,997,608	286,218,934
Amounts paid on redemption of redeemable units	(304,365,126)	(536,569,306)
Distributions to unitholders of redeemable units	(12,600,355)	(12,733,994)
Net cash provided by (used in) financing activities	(24,967,873)	(263,084,366)
Unrealized foreign currency translation gain (loss)	1,536	(6,052)
Net increase (decrease) in cash	(38,422,740)	(36,866,395)
Cash (bank overdraft), beginning of period	38,709,130	40,390,582
CASH (BANK OVERDRAFT), END OF PERIOD	<u>287,926</u>	<u>3,518,135</u>
Interest paid ⁽¹⁾	10,612	20,749
Interest received, net of withholding taxes ⁽¹⁾	99,857,204	116,422,200

⁽¹⁾ Classified as operating items.

The accompanying notes are an integral part of the financial statements.

Scotia Canadian Income Fund (Unaudited – Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at June 30, 2018

Issuer	Face Value (\$)	Average Cost (\$)	Carrying Value (\$)	Issuer	Face Value (\$)	Average Cost (\$)	Carrying Value (\$)
BONDS AND DEBENTURES – 99.2%				BONDS AND DEBENTURES (cont'd)			
Corporate Bonds – 31.6%				Corporate Bonds (cont'd)			
407 International Inc. (Callable) 3.60% Nov 21, 2046	44,400,000	46,645,308	44,934,603	Royal Bank of Canada 2.36% Dec 05, 2022	60,000,000	59,994,600	58,763,876
407 International Inc. (Callable) 4.30% Feb 26, 2021	15,000,000	15,433,280	15,670,627	Suncor Energy Inc. (Callable) 3.00% Jun 14, 2026	53,630,000	53,365,361	52,505,997
AltaLink LP (Callable) 3.40% Mar 06, 2024	31,000,000	31,000,000	31,918,933	TELUS Corporation (Callable) 3.35% Jan 02, 2024	41,465,000	41,057,823	41,700,969
Apple Inc. 2.51% Aug 19, 2024	45,000,000	45,000,000	43,871,812	TELUS Corporation (Callable) 3.75% Dec 10, 2025	30,000,000	30,028,200	30,529,276
Bank of Montreal 2.70% Dec 09, 2026	30,000,000	29,994,900	29,157,055	Teranet Holdings LP 5.75% Dec 17, 2040	45,500,000	46,170,815	48,520,979
Bank of Montreal 2.89% Jun 20, 2023	41,130,000	41,122,597	41,059,459	Thomson Reuters Corporation 4.35% Sep 30, 2020	24,600,000	24,518,430	25,493,250
Bank of Nova Scotia, The (Callable) 2.58% Mar 30, 2022 [†]	30,000,000	29,992,500	29,236,210	Toronto Hydro Corporation 3.54% Nov 18, 2021	22,000,000	22,062,673	22,719,088
Bank of Nova Scotia, The 2.62% Dec 02, 2026 [†]	30,000,000	29,734,500	28,980,863	Toronto-Dominion Bank, The 3.23% Jul 24, 2024	60,000,000	60,661,310	60,875,305
Bank of Nova Scotia, The 3.10% Feb 02, 2028 [†]	52,500,000	52,482,150	52,251,858	Toyota Credit Canada Inc. 2.70% Jan 25, 2023	29,885,000	29,865,575	29,647,261
Bell Canada (Callable) 4.70% Jun 11, 2023	19,975,000	19,954,426	21,374,843	TransCanada Pipelines Ltd. (Callable) 3.30% Apr 17, 2025	25,000,000	25,782,250	25,143,897
Brookfield Renewable Energy Partners ULC 5.14% Oct 13, 2020	44,000,000	44,687,049	46,269,230	VW Credit Canada Inc. 3.25% Mar 29, 2023	27,000,000	26,967,870	27,038,970
Canadian Imperial Bank of Commerce 3.30% May 26, 2025	59,475,000	59,475,000	60,374,073	Walt Disney Co, The 2.76% Oct 07, 2024	55,000,000	55,000,000	54,235,836
Canadian National Railway Company (Callable) 3.95% Mar 22, 2045	60,000,000	62,814,480	64,807,883	Wells Fargo & Company 2.09% Apr 25, 2022	29,300,000	29,300,000	28,333,277
Canadian Natural Resources Ltd. (Callable) 3.55% Mar 03, 2024	26,000,000	25,904,580	26,236,168	Wells Fargo & Company 2.98% May 19, 2026	55,500,000	55,500,000	53,229,238
Canadian Natural Resources Ltd. 3.31% Feb 11, 2022	40,000,000	39,994,000	40,376,641			1,909,693,220	1,903,098,473
CU Inc. 4.80% Nov 22, 2021	27,750,000	28,864,916	29,750,239	Federal Bonds – 56.2%			
Enbridge Gas Distribution Inc. (Callable) 3.51% May 29, 2047	29,000,000	29,000,000	28,745,115	Canada Housing Trust No 1 2.35% Jun 15, 2027	252,360,000	251,273,350	248,423,320
Enbridge Pipelines Inc. (Callable) 4.13% Feb 09, 2046	12,310,000	12,374,152	12,335,787	Canada Housing Trust No. 1 2.35% Mar 15, 2028	19,565,000	18,943,225	19,211,083
Ford Credit Canada Company 2.71% Feb 23, 2022	30,000,000	30,000,000	29,336,573	Canada Housing Trust No. 1 2.65% Mar 15, 2028	378,460,000	378,663,976	381,342,968
Ford Credit Canada Ltd. 2.58% May 10, 2021	39,255,000	39,255,000	38,614,204	Government of Canada 0.75% Aug 01, 2019	400,920,000	395,861,834	396,581,183
Fortified Trust 1.67% Jul 23, 2021	45,570,000	45,570,000	44,134,335	Government of Canada 5.75% Jun 01, 2029	665,950,000	942,239,180	895,602,448
Genesis Trust II 1.70% Apr 15, 2020	25,000,000	25,000,000	24,652,585	Government of Canada 5.75% Jun 01, 2033	903,460,000	1,340,045,802	1,308,597,851
Greater Toronto Airports Authority 3.26% Jun 01, 2037	47,450,000	47,417,734	47,622,547	Government of Canada Bonds 0.50% Nov 01, 2018	141,485,000	140,324,996	141,042,238
Great-West Lifeco Inc. 6.67% Mar 21, 2033	38,790,000	42,165,238	51,955,420			3,467,352,363	3,390,801,091
Honda Canada Finance Inc. 2.27% Jul 15, 2022	51,000,000	51,000,000	49,839,531	Provincial Bonds – 11.4%			
HSBC Bank of Canada 2.94% Jan 14, 2020	44,000,000	44,000,000	44,256,513	Province of British Columbia 5.70% Jun 18, 2029	32,185,000	41,910,789	40,998,088
Husky Energy Inc. (Callable) 3.55% Dec 12, 2024	36,000,000	35,888,760	36,346,496	Province of Ontario 6.50% Mar 08, 2029	486,390,000	682,606,130	646,460,823
Husky Energy Inc. (Callable) 3.60% Dec 10, 2026	31,000,000	30,933,040	30,790,517			724,516,919	687,458,911
Hydro-Quebec 11.00% Aug 15, 2020	34,350,000	54,597,660	40,609,167	TOTAL INVESTMENT PORTFOLIO			
John Deere Canada Funding Inc. 2.05% May 13, 2022	24,900,000	24,880,080	24,216,475			6,101,562,502	5,981,358,475
John Deere Canada Funding Inc. 2.70% Jan 17, 2023	40,000,000	39,992,400	39,696,289	Unrealized Gain (Loss) on Derivatives – (0.7%)			
McDonald's Corporation 3.13% Mar 04, 2025	40,000,000	39,911,200	39,694,402				(40,793,976)
NAV Canada (Callable) 3.29% Sep 30, 2047	13,000,000	13,000,000	13,167,592	OTHER ASSETS, LESS LIABILITIES – 1.5%			
Nissan Canada Financial Services Inc. 1.58% Oct 07, 2019	35,100,000	35,100,000	34,708,911				90,108,926
Pepsi Co., Inc. (Callable) 2.15% Mar 06, 2024	25,775,000	25,758,246	24,682,233	NET ASSETS – 100.0%			
Rogers Communications Inc. 4.00% Jun 06, 2022	55,000,000	54,780,000	57,172,839				6,030,673,425
Royal Bank of Canada (Callable) 2.48% Jun 04, 2020	25,700,000	25,695,117	25,513,226	† These securities are investments in related parties (note 10).			

SCHEDULE OF DERIVATIVE INSTRUMENTS

UNREALIZED LOSS ON FUTURES CONTRACTS

Expiry Date	Number of Contracts	Futures Contracts	Counterparty	Credit Risk	Contractual Value Canadian (\$)	Fair Value Canadian (\$)	Unrealized Loss (\$)
BOND FUTURES CONTRACTS							
Sep. 2018	(17,845)	Canada 10 Year Bond Future	BMO Capital Markets	A-1	(2,398,795,974)	(2,439,589,950)	(40,793,976)
							(40,793,976)

With respect to the above bond future contracts, \$43,000,000 of the June 1, 2029 Government of Canada Federal Bonds 5.75% is held on margin.

Scotia Canadian Income Fund (Unaudited – Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

The Fund (note 1)

The Fund's objective is to provide a high level of regular interest income and modest capital gains. It invests primarily in:

- bonds and treasury bills issued by Canadian federal, provincial and municipal governments and Canadian corporations
- money market instruments issued by Canadian corporations. These include commercial paper, bankers' acceptances, mortgage-backed securities and guaranteed investment certificates
- high-quality dividend-paying shares of Canadian corporations

Risks associated with financial instruments (note 4)

Interest rate risk

The table below summarizes the Fund's exposure to interest rate risk by the remaining term to maturity of the Fund's portfolio, excluding underlying funds, preferred shares, cash and overdrafts, as applicable.

Interest rate exposure	June 30, 2018 (\$)	December 31, 2017 (\$)
Less than 1 year	100,248,262	439,018,561
1-3 years	692,368,896	484,648,683
3-5 years	551,321,063	545,327,049
5-10 years	1,392,877,142	930,261,362
> 10 years	3,203,749,136	3,543,704,719
	5,940,564,499	5,942,960,374

As at June 30, 2018, had the prevailing interest rates increased or decreased by 0.25%, assuming a parallel shift in the yield curve and all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by \$113,085,298 or approximately 1.9% (December 31, 2017 – \$113,654,254 or approximately 1.9%).

Currency risk

The Fund's exposure to currency risk is summarized in the tables below. Amounts shown are based on the carrying value of monetary and non-monetary assets and liabilities of the Fund net of currency contracts, as applicable.

Currency	June 30, 2018			
	Gross currency exposure (\$)	Currency contracts (\$)	Net exposure (\$)	Percentage of net assets (%)
US Dollar	(562,884)	–	(562,884)	0.0
	(562,884)	–	(562,884)	0.0

Currency	December 31, 2017			
	Gross currency exposure (\$)	Currency contracts (\$)	Net exposure (\$)	Percentage of net assets (%)
US Dollar	54,559	–	54,559	0.0
	54,559	–	54,559	0.0

If the Canadian dollar strengthened or weakened by 10% in relation to all other currencies, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by \$56,288 or 0.0% (December 31, 2017 – \$5,456 or 0.0%). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Price risk

The Fund did not have significant price risk exposure to equities, underlying funds, derivatives or commodities, if applicable, as at June 30, 2018 and December 31, 2017.

Credit risk

The table below summarizes the credit ratings of bonds and debentures, money market instruments and preferred shares held by the Fund, as applicable.

	June 30, 2018		December 31, 2017	
	Percentage of total credit rated instruments (%)	Percentage of net assets (%)	Percentage of total credit rated instruments (%)	Percentage of net assets (%)
Credit ratings				
AAA	58.6	58.2	58.8	57.9
AA	5.5	5.5	4.7	4.5
A	25.8	25.5	26.4	26.0
BBB	10.1	10.0	10.1	9.9
	100.0	99.2	100.0	98.3

Concentration risk

Concentration risk arises as a result of the concentration of financial instruments within the same category, geographical location, asset type or industry sector, as applicable. The table below is a summary of the Fund's concentration risk by carrying value as a percentage of net assets:

	Percentage of net assets (%)	
	June 30, 2018	December 31, 2017
Corporate Bonds	31.6	30.6
Federal Bonds	56.2	55.6
Municipal Bonds	–	0.4
Provincial Bonds	11.4	11.7

Fair Value Classification (note 2)

The tables below illustrate the classification of the Fund's financial instruments within the fair value hierarchy.

June 30, 2018	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Bonds and debentures	–	5,981,358,475	–	5,981,358,475
	–	5,981,358,475	–	5,981,358,475
Unrealized loss on futures contracts	(40,793,976)	–	–	(40,793,976)
	(40,793,976)	5,981,358,475	–	5,940,564,499

The accompanying notes are an integral part of the financial statements.

Scotia Canadian Income Fund (Unaudited – Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

December 31, 2017	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Bonds and debentures	-	5,921,811,420	-	5,921,811,420
Unrealized gain on futures contracts	21,148,954	-	-	21,148,954
	21,148,954	5,921,811,420	-	5,942,960,374

Transfers between levels

During the periods ended June 30, 2018 and December 31, 2017, there were no significant transfers between Level 1 and Level 2.

Offsetting of financial assets and liabilities (note 2)

As at June 30, 2018 and December 31, 2017, the Fund did not enter into any agreement whereby the financial instruments were eligible for offset.

Interest in Underlying Funds (note 2)

The Fund did not hold any interest in Underlying Funds as at June 30, 2018 or December 31, 2017.

Comparison of net asset value per unit and net assets per unit (note 2)

As at June 30, 2018 or December 31, 2017, there were no differences between the net asset value per unit and the net assets per unit for any series of the Fund.

Scotia Private Total Return Bond Pool (Unaudited)

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	June 30, 2018	December 31, 2017
ASSETS		
Current assets		
Financial assets at fair value through profit or loss (note 2)		
Non-derivative financial assets	520,882,322	446,108,033
Derivatives	2,035,142	1,325,998
Cash	20,465,333	25,121,140
Margin deposited on derivatives	5,048,070	939,442
Receivable for securities sold	1,883,102	–
Subscriptions receivable	824,770	1,676,055
Accrued investment income and other	2,798,928	2,255,824
	<u>553,937,667</u>	<u>477,426,492</u>
LIABILITIES		
Current liabilities		
Financial liabilities at fair value through profit or loss (note 2)		
Derivatives	355,283	380,985
Management fee payable	32,026	–
Payable for securities purchased	11,498,282	–
Redemptions payable	595,718	276,792
Accrued expenses	9,737	8
Distributions payable	54,243	3,283
	<u>12,545,289</u>	<u>661,068</u>
Net assets attributable to holders of redeemable units	<u>541,392,378</u>	<u>476,765,424</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series M	541,392,378	476,765,424
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series M	9.85	9.97

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended June 30 (note 1),

(in dollars except average units)	2018	2017
INCOME		
Net gain (loss) on financial assets and liabilities at fair value through profit or loss		
Interest for distribution purposes	6,542,956	3,496,737
Net realized gain (loss) on non-derivative financial assets	(6,182,040)	3,736,556
Change in unrealized gain (loss) on non-derivative financial assets	2,640,731	(3,314,098)
Net realized gain (loss) on derivatives	(3,161,225)	(1,061,550)
Change in unrealized gain (loss) on derivatives	734,846	4,961,755
Net gain (loss) on financial assets and liabilities at fair value through profit or loss	575,268	7,819,400
Securities lending (note 11)	32,481	–
Net realized and unrealized foreign currency translation gain (loss)	533,824	1,298,641
Total income (loss), net	<u>1,141,573</u>	<u>9,118,041</u>
EXPENSES		
Management fees (note 5)	177,897	112,925
Fixed administration fees (note 6)	50,828	32,264
Independent Review Committee fees	587	576
Interest expense and bank overdraft charges	6,968	4,460
Foreign withholding taxes/tax reclaims	7,372	31,493
Harmonized Sales Tax/Goods and Services Tax	20,722	13,343
Transaction costs	84,692	–
Total expenses	<u>349,066</u>	<u>195,061</u>
Increase (decrease) in net assets attributable to holders of redeemable units from operations	<u>792,507</u>	<u>8,922,980</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series M	792,507	8,922,980
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT[†]		
Series M	0.02	0.28
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series M	51,778,756	32,320,365

[†] The increase (decrease) in net assets attributable to holders of redeemable units from operations per unit is calculated by dividing the increase (decrease) in net assets attributable to holders of redeemable units from operations per series by the weighted average number of units per series.

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the periods ended June 30 (note 1),

(in dollars)	2018	2017
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series M	476,765,424	150,082
	<u>476,765,424</u>	<u>150,082</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series M	792,507	8,922,980
	<u>792,507</u>	<u>8,922,980</u>
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net investment income		
Series M	(6,595,559)	(3,303,009)
	<u>(6,595,559)</u>	<u>(3,303,009)</u>
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series M	124,078,800	486,499,455
Reinvested distributions		
Series M	6,344,942	3,267,803
Payments on redemption		
Series M	(59,993,736)	(37,524,291)
	<u>70,430,006</u>	<u>452,242,967</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series M	64,626,954	457,862,938
	<u>64,626,954</u>	<u>457,862,938</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series M	541,392,378	458,013,020
	<u>541,392,378</u>	<u>458,013,020</u>

STATEMENTS OF CASH FLOWS

For the periods ended June 30 (note 1),

(in dollars)	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	792,507	8,922,980
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	6,182,040	(3,736,556)
Unrealized foreign currency translation (gain) loss	3,594	38,893
Change in unrealized (gain) loss on non-derivative financial assets	(2,640,731)	3,314,098
Change in unrealized (gain) loss on derivatives	(734,846)	(4,961,755)
Purchases of portfolio investments	(1,011,136,668)	(671,065,741)
Proceeds from sale of portfolio investments	942,436,250	268,559,166
Margin deposited on derivatives	(4,108,628)	–
Accrued investment income and other	(543,104)	(2,174,388)
Accrued expenses and other payables	41,755	37,320
Net cash provided by (used in) operating activities	<u>(69,707,831)</u>	<u>(401,065,983)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	124,930,085	482,447,351
Amounts paid on redemption of redeemable units	(59,674,810)	(36,069,728)
Distributions to unitholders of redeemable units	(199,657)	(25,371)
Net cash provided by (used in) financing activities	65,055,618	446,352,252
Unrealized foreign currency translation gain (loss)	(3,594)	(38,893)
Net increase (decrease) in cash	(4,652,213)	45,286,269
Cash (bank overdraft), beginning of period	25,121,140	150,027
CASH (BANK OVERDRAFT), END OF PERIOD	<u>20,465,333</u>	<u>45,397,403</u>
Interest paid ⁽¹⁾	6,968	4,460
Interest received, net of withholding taxes ⁽¹⁾	5,992,479	1,290,857

⁽¹⁾ Classified as operating items.

The accompanying notes are an integral part of the financial statements.

Scotia Private Total Return Bond Pool (Unaudited – Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at June 30, 2018

Issuer	Face Value (\$)	Average Cost (\$)	Carrying Value (\$)	Issuer	Face Value (\$)	Average Cost (\$)	Carrying Value (\$)
BONDS AND DEBENTURES – 96.2%				BONDS AND DEBENTURES (cont'd)			
Corporate Bonds – 35.9%				Corporate Bonds (cont'd)			
Aetna Inc. (Callable) 2.75% Aug 15, 2022	USD 313,000	384,274	395,873	Morgan Stanley 3.13% Aug 05, 2021	3,451,000	3,494,754	3,473,201
Algonquin Power & Utilities Corporation 4.82% Feb 15, 2021	2,000,000	2,185,020	2,092,196	National Hockey League Inc. 3.33% Aug 10, 2024*	USD 940,000	1,190,039	1,236,289
Algonquin Power Company (Callable) 4.09% Nov 17, 2026	82,000	83,435	83,307	North West Redwater Partnership / NWR Financing Co., Ltd. (Callable) 3.20% Apr 23, 2024	3,121,000	3,204,859	3,139,368
Alimentation Couche-Tard Inc. (Callable) 3.06% May 26, 2024	1,590,000	1,587,355	1,559,792	OMERS Realty Corporation (Callable) 3.24% Jul 04, 2027	203,000	204,216	203,788
Alimentation Couche-Tard Inc. (Callable) 3.60% Mar 02, 2025	2,200,000	2,258,493	2,211,655	OMERS Realty Corporation (Callable) 3.33% Apr 05, 2025	3,516,000	3,516,000	3,571,649
Allied Properties Real Estate Investment Trust (Callable) 3.64% Feb 21, 2025	1,270,000	1,272,299	1,238,953	Pembina Pipeline Corporation (Callable) 2.99% Nov 22, 2023	1,183,000	1,158,961	1,162,563
Allied Properties Real Estate Investment Trust 3.93% Nov 14, 2022	2,000,000	2,059,140	2,029,018	Pembina Pipeline Corporation (Callable) 3.54% Nov 03, 2024	1,039,000	1,058,874	1,041,780
AltaGas Ltd. (Callable) 3.84% Oct 15, 2024	823,000	829,029	833,507	Royal Bank of Canada (Callable) 3.04% Jul 17, 2019	1,068,000	1,074,910	1,072,777
AltaLink Investments LP (Callable) 2.24% Dec 07, 2021	497,000	488,054	486,779	Royal Bank of Canada (Callable) 3.31% Jan 20, 2021	1,665,000	1,677,987	1,675,840
AltaLink LP (Callable) 3.40% Mar 06, 2024	838,000	863,534	862,841	Royal Bank of Canada 1.65% Jul 15, 2021	9,744,000	9,435,112	9,441,252
Anheuser-Busch InBev Finance Inc. (Callable) 2.60% Mar 15, 2024	1,744,000	1,704,626	1,685,100	Royal Bank of Canada 2.36% Dec 05, 2022	4,711,000	4,668,879	4,613,944
Anheuser-Busch InBev Finance Inc. (Callable) 3.65% Nov 01, 2025	USD 3,000,000	3,985,690	3,872,353	Royal Bank of Canada 2.86% Mar 04, 2021	162,000	164,025	162,770
Anheuser-Busch InBev Finance Inc. 3.38% Jan 25, 2023	747,000	766,116	756,774	Royal Bank of Canada 2.95% May 01, 2023	934,000	934,000	935,810
Apple Inc. 2.51% Aug 19, 2024	2,154,000	2,088,912	2,099,997	ServiceMaster Company LLC, The 7.45% Aug 15, 2027	USD 1,342,000	1,878,658	1,864,934
APT Pipelines Ltd. (Callable) 4.20% Dec 23, 2024	USD 2,706,000	3,587,589	3,541,478	TELLUS Corporation (Callable) 3.75% Oct 17, 2024	2,500,000	2,643,125	2,557,343
APT Pipelines Ltd. 4.25% Jul 24, 2019	957,000	1,002,649	972,615	TMX Group Ltd. 3.00% Dec 11, 2024	1,349,000	1,349,000	1,338,334
Bank of America Corporation (Callable) 2.60% Mar 15, 2022	397,000	390,144	390,585	Toronto-Dominion Bank, The (Callable) 3.22% Jul 25, 2024	2,000,000	1,995,680	1,956,688
Bank of America Corporation (Callable) 3.37% Jan 23, 2025	USD 1,032,000	1,281,637	1,304,869	Toronto-Dominion Bank, The 1.91% Jul 18, 2023	6,000,000	5,916,600	5,726,220
Bank of America Corporation 3.23% Jun 22, 2022	2,437,000	2,502,250	2,457,039	Toronto-Dominion Bank, The 2.62% Dec 22, 2021	1,100,000	1,116,085	1,096,473
Bank of America Corporation 4.10% Jul 24, 2023	USD 278,000	373,929	372,050	Toronto-Dominion Bank, The 3.01% May 30, 2023	2,187,000	2,187,000	2,199,281
Bank of Montreal (Callable) 2.57% Jun 01, 2022	2,295,000	2,269,242	2,233,698	Toronto-Dominion Bank, The 3.23% Jul 24, 2024	1,443,000	1,484,847	1,464,051
Bank of Montreal (Callable) 3.12% Sep 19, 2019	490,000	495,895	492,532	Toyota Credit Canada Inc. (Floating Rate) 1.78% Jul 24, 2020	569,000	569,000	568,220
Bank of Montreal 1.61% Oct 28, 2021	4,239,000	4,140,640	4,087,410	Toyota Credit Canada Inc. 2.80% Nov 21, 2018	3,000,000	3,074,130	3,009,749
Bank of Montreal 2.10% Oct 06, 2020	1,918,000	1,906,366	1,896,234	United Parcel Service Inc. (Callable) 2.13% Mar 21, 2024	2,594,000	2,521,958	2,477,275
Bank of Montreal 2.89% Jun 20, 2023	1,435,000	1,434,742	1,432,539	Universal Health Services Inc. (Callable) 5.00% Jun 01, 2021	USD 770,000	1,049,552	994,861
Bank of Nova Scotia, The 1.90% Dec 02, 2021†	8,306,000	8,307,412	8,066,253	Ventas Canada Finance Ltd. (Callable) 2.55% Feb 15, 2023	362,000	352,950	352,696
Bank of Nova Scotia, The 2.13% Jun 15, 2020†	18,000	17,850	17,849	Ventas Canada Finance Ltd. (Callable) 4.13% Jun 30, 2024	676,000	705,571	702,270
Bank of Nova Scotia, The 2.98% Apr 17, 2023†	1,196,000	1,195,665	1,198,257	Walt Disney Co, The 2.76% Oct 07, 2024	615,000	615,000	606,455
bdIMC Realty Corporation 3.51% Jun 29, 2022	749,000	780,342	768,692	Wells Fargo & Company 2.09% Apr 25, 2022	4,947,000	4,851,791	4,783,779
Bell Canada (Callable) 3.35% Dec 22, 2022	1,366,000	1,401,702	1,381,432	Wells Fargo & Company 2.51% Oct 27, 2023	344,000	331,355	332,095
Bell Canada (Callable) 4.70% Jun 11, 2023	2,884,000	3,115,711	3,086,110				
Bow Centre Street LP 3.80% Jun 13, 2023	998,000	967,561	966,911				
BP Capital Markets PLC 3.47% May 15, 2025	1,679,000	1,680,622	1,694,996	Federal Bonds – 36.6%			
Brookfield Asset Management Inc. (Callable) 4.82% Oct 28, 2025	2,550,000	2,783,784	2,722,311	Government of Canada 1.50% Mar 01, 2020	20,206,000	20,054,545	20,076,610
Brookfield Asset Management Inc. (Callable) 5.04% Dec 08, 2023	2,303,000	2,580,648	2,479,185	Government of Canada 2.00% Jun 01, 2028	44,711,000	44,029,759	44,051,016
Brookfield Infrastructure Finance ULC (Callable) 3.32% Dec 22, 2023	624,000	617,885	618,830	Government of Canada 2.75% Dec 01, 2048	44,602,000	48,703,816	49,996,612
Brookfield Renewable Energy Partners ULC 4.79% Feb 07, 2022	1,509,000	1,628,697	1,596,183	Government of Canada Bonds 1.00% Jun 01, 2027	32,209,000	28,978,109	29,203,855
Canadian Imperial Bank of Commerce (Callable) 3.45% Apr 04, 2023	990,000	989,683	983,554	Government of New Zealand 4.50% Apr 15, 2027	NZD 2,130,000	2,055,841	2,044,997
Canadian Imperial Bank of Commerce 1.66% Jan 20, 2020	9,036,000	8,913,291	8,930,177	Mexican Bonos 6.50% Jun 10, 2021	MXN 135,720,000	9,192,926	8,718,420
Canadian Imperial Bank of Commerce 2.30% Jul 11, 2022	1,872,000	1,839,427	1,834,850	New Zealand Local Government Funding Agency 2.75% Apr 15, 2025	NZD 8,051,000	7,279,282	6,946,603
Choice Properties Real Estate Investment Trust (Callable) 3.56% Jul 09, 2024	5,380,000	5,380,699	5,361,830	United States Treasury Notes 2.88% May 15, 2028	USD 28,164,000	37,375,893	37,157,448
CI Financial Corporation 2.65% Dec 07, 2020	277,000	277,139	276,153				
CI Financial Corporation 3.90% Sep 27, 2027	1,644,000	1,644,000	1,667,889				
Cominar Real Estate Investment Trust 4.25% Dec 08, 2021	880,000	908,582	882,632	Mortgage-Backed Securities – 0.4%			
Co-operators Financial Services Ltd. 5.78% Mar 10, 2020	1,158,000	1,249,598	1,202,741	Canadian Credit Card Trust II 1.83% Mar 24, 2020	2,336,000	2,346,908	2,308,907
Daimler Canada Finance Inc. 1.91% Jul 08, 2021	3,000,000	2,977,020	2,915,143				
Dollarama Inc. 2.34% Jul 22, 2021	1,115,000	1,123,246	1,098,563	Provincial Bonds – 23.3%			
Enbridge Inc. 3.19% Dec 05, 2022	1,355,000	1,358,604	1,357,971	Province of Alberta 2.55% Jun 01, 2027	14,344,000	14,316,229	14,072,876
Enbridge Income Fund 3.94% Jan 13, 2023	149,000	153,932	153,106	Province of Alberta 3.05% Dec 01, 2048	1,636,000	1,569,627	1,658,690
Enbridge Southern Lights LP 4.01% Jun 30, 2040	588,015	590,720	577,931	Province of Manitoba 2.60% Jun 02, 2027	6,585,000	6,341,618	6,453,678
Enercare Solutions Inc. 4.60% Feb 03, 2020	2,000,000	2,121,640	2,057,740	Province of Manitoba 3.40% Sep 05, 2048	3,135,000	3,264,091	3,327,573
First Capital Realty Inc. 3.95% Dec 05, 2022	3,000,000	3,189,630	3,075,706	Province of Manitoba 4.10% Mar 05, 2041	2,550,000	2,904,680	2,961,753
First Capital Realty Inc. 4.32% Jul 31, 2025	298,000	312,629	307,683	Province of Ontario 2.10% Sep 08, 2019	20,874,000	20,918,291	20,915,627
Fortis Inc. (Callable) 2.85% Oct 12, 2023	3,286,000	3,306,021	3,239,824	Province of Ontario 2.80% Jun 02, 2048	27,563,000	25,694,725	26,473,446
Goldman Sachs Group Inc., The (Callable) 3.31% Oct 31, 2024	1,000,000	1,004,700	985,591	Province of Ontario 2.90% Jun 02, 2049	5,111,000	4,807,607	5,011,783
Heathrow Funding Ltd. 3.00% Jun 17, 2021	2,385,000	2,461,752	2,402,432	Province of Ontario 4.25% Aug 22, 2024	AUD 825,000	896,767	857,995
Heathrow Funding Ltd. 3.25% May 21, 2025	1,287,000	1,297,282	1,294,582	Province of Quebec 2.60% Jul 06, 2025	772,000	770,332	770,348
HSBC Bank Canada 2.54% Jan 31, 2023	2,271,000	2,271,000	2,221,558	Province of Quebec 3.00% Sep 01, 2023	18,439,000	19,431,462	18,862,328
HSBC Bank of Canada 2.91% Sep 29, 2021	1,500,000	1,518,450	1,500,841	Province of Quebec 3.50% Dec 01, 2045	8,410,000	9,056,729	9,235,253
Intact Financial Corporation (Callable) 3.77% Dec 02, 2025	913,000	955,969	941,528	Queensland Treasury Corporation 2.75% Aug 20, 2027	AUD 16,231,000	15,630,370	15,419,008
Inter Pipeline Ltd. 4.97% Feb 02, 2021	981,000	1,054,673	1,030,429				
International Bank for Reconstruction & Development 3.50% Jan 22, 2021	NZD 4,464,000	4,104,364	4,079,198	TOTAL INVESTMENT PORTFOLIO		522,636,143	520,882,322
JPMorgan Chase & Co. (Callable) 3.20% Mar 15, 2026	USD 2,100,000	2,670,554	2,605,377	Unrealized Gain (Loss) on Derivatives – 0.3%			1,679,859
Loblaws Companies Limited (Callable) 4.86% Jun 12, 2023	4,310,000	4,734,731	4,635,183	OTHER ASSETS, LESS LIABILITIES – 3.5%			18,830,197
Manufacturers Life Insurance Company, The (Callable) 2.81% Feb 21, 2019	3,000,000	3,065,460	3,012,052	NET ASSETS – 100.0%			541,392,378
McDonald's Corporation 3.13% Mar 04, 2025	2,010,000	2,021,385	1,994,644				
Molson Coors International LP 2.75% Sep 18, 2020	3,995,000	4,076,498	3,982,630				

* These securities have no quoted values and are classified as Level 3 securities.

† These securities are investments in related parties (note 10).

The accompanying notes are an integral part of the financial statements.

Scotia Private Total Return Bond Pool (Unaudited – Continued)

SCHEDULE OF DERIVATIVE INSTRUMENTS

UNREALIZED GAIN ON CURRENCY FORWARD CONTRACTS

Counterparty	Credit Rating	Settlement Date	Currency To Be Received	Contractual Amount	Currency To Be Delivered	Contractual Amount	Contract Price	Market Price	Unrealized Gain (\$)
Canadian Imperial Bank of Commerce	A-1	Jul. 18, 2018	Canadian Dollar	37,485,171	US Dollar	28,136,000	0.751	0.761	513,738
Toronto-Dominion Bank, The	A-1+	Aug. 23, 2018	Canadian Dollar	13,836,767	US Dollar	10,412,705	0.753	0.762	167,135
Bank of Nova Scotia, The	A-1	Aug. 23, 2018	Canadian Dollar	6,858,079	US Dollar	5,160,000	0.752	0.762	84,114
Royal Bank of Canada	A-1+	Aug. 23, 2018	Canadian Dollar	5,462,498	US Dollar	4,110,000	0.752	0.762	66,956
Bank of Nova Scotia, The	A-1	Sep. 14, 2018	Canadian Dollar	12,655,965	Australian Dollar	12,850,000	1.015	1.029	172,116
Bank of Nova Scotia, The	A-1	Sep. 14, 2018	Canadian Dollar	13,397,972	New Zealand Dollar	14,640,000	1.093	1.124	372,249
Canadian Imperial Bank of Commerce	A-1	Sep. 14, 2018	Canadian Dollar	8,757,547	Mexican Peso	134,311,000	15.337	15.365	16,369
Toronto-Dominion Bank, The	A-1+	Sep. 14, 2018	Canadian Dollar	3,661,634	Australian Dollar	3,719,000	1.016	1.029	48,605
									<u>1,441,282</u>

UNREALIZED LOSS ON CURRENCY FORWARD CONTRACTS

Counterparty	Credit Rating	Settlement Date	Currency To Be Received	Contractual Amount	Currency To Be Delivered	Contractual Amount	Contract Price	Market Price	Unrealized Loss (\$)
Toronto-Dominion Bank, The	A-1+	Jul. 18, 2018	Canadian Dollar	3,534,177	US Dollar	2,756,295	0.78	0.761	(87,666)
Bank of Nova Scotia, The	A-1	Jul. 18, 2018	Canadian Dollar	448,928	US Dollar	350,000	0.78	0.761	(10,982)
Canadian Imperial Bank of Commerce	A-1	Jul. 18, 2018	Canadian Dollar	4,437,108	US Dollar	3,420,000	0.771	0.761	(56,861)
Royal Bank of Canada	A-1+	Jul. 18, 2018	Canadian Dollar	7,259,634	US Dollar	5,585,000	0.769	0.761	(79,200)
Toronto-Dominion Bank, The	A-1+	Jul. 18, 2018	US Dollar	970,000	Canadian Dollar	1,278,489	1.318	1.314	(3,893)
Toronto-Dominion Bank, The	A-1+	Jul. 18, 2018	US Dollar	17,260,000	Canadian Dollar	22,749,198	1.318	1.314	(69,275)
Canadian Imperial Bank of Commerce	A-1	Sep. 14, 2018	Mexican Peso	2,911,000	Canadian Dollar	189,807	0.065	0.065	(306)
									<u>(308,183)</u>

UNREALIZED GAIN ON FUTURES CONTRACTS

Expiry Date	Number of Contracts	Futures Contracts	Counterparty	Credit Risk	Contractual Value Canadian (\$)	Fair Value Canadian (\$)	Unrealized Gain (\$)
BOND FUTURES CONTRACTS							
Sep. 2018	16	Ultra 10-Year U.S. Treasury Note Future	RBC Dominion Securities Inc.	A-1+	2,685,784	2,698,464	12,680
Sep. 2018	76	CME Ultra Long Term U.S. Treasury Bond Future	RBC Dominion Securities Inc.	A-1+	15,725,454	15,949,115	223,661
Sep. 2018	(1,208)	Canada 10 Year Bond Future	RBC Dominion Securities Inc.	A-1+	(165,588,769)	(165,145,680)	357,519
							<u>593,860</u>

UNREALIZED LOSS ON FUTURES CONTRACTS

Expiry Date	Number of Contracts	Futures Contracts	Counterparty	Credit Risk	Contractual Value Canadian (\$)	Fair Value Canadian (\$)	Unrealized Loss (\$)
BOND FUTURES CONTRACTS							
Sep. 2018	(63)	U.S. 5 Year Treasury Note Futures	RBC Dominion Securities Inc.	A-1+	(9,373,921)	(9,414,055)	(40,134)
Sep. 2018	(113)	U.S. 10 Year Treasury Note Futures	RBC Dominion Securities Inc.	A-1+	(17,855,026)	(17,861,993)	(6,966)
							<u>(47,100)</u>

The accompanying notes are an integral part of the financial statements.

Scotia Private Total Return Bond Pool (Unaudited – Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

The Fund (note 1)

The Fund's objective is to provide income and capital gains from an actively managed diversified portfolio of primarily Canadian fixed income securities.

Risks associated with financial instruments (note 4)

Interest rate risk

The table below summarizes the Fund's exposure to interest rate risk by the remaining term to maturity of the Fund's portfolio, excluding underlying funds, preferred shares, cash and overdrafts, as applicable.

Interest rate exposure	June 30, 2018 (\$)	December 31, 2017 (\$)
Less than 1 year	6,528,320	4,411,015
1-3 years	83,256,257	33,481,053
3-5 years	67,950,551	67,753,799
5-10 years	262,453,984	305,072,156
> 10 years	101,199,729	35,292,159
	521,388,841	446,010,182

As at June 30, 2018, had the prevailing interest rates increased or decreased by 0.25%, assuming a parallel shift in the yield curve and all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by \$10,678,901 or approximately 2.0% (December 31, 2017 – \$8,007,454 or approximately 1.7%).

Currency risk

The Fund's exposure to currency risk is summarized in the tables below. Amounts shown are based on the carrying value of monetary and non-monetary assets and liabilities of the Fund net of currency contracts, as applicable.

Currency	June 30, 2018			
	Gross currency exposure (\$)	Currency contracts (\$)	Net exposure (\$)	Percentage of net assets (%)
US Dollar	55,063,107	(54,675,843)	387,264	0.1
Australian Dollar	16,445,263	(16,096,879)	348,384	0.1
Mexican Peso	8,736,042	(8,548,109)	187,933	0.0
New Zealand Dollar	13,190,607	(13,025,722)	164,885	0.0
	93,435,019	(92,346,553)	1,088,466	0.2

Currency	December 31, 2017			
	Gross currency exposure (\$)	Currency contracts (\$)	Net exposure (\$)	Percentage of net assets (%)
New Zealand Dollar	13,887,854	–	13,887,854	2.9
US Dollar	47,459,940	(46,904,196)	555,744	0.1
Australian Dollar	17,106,952	(16,914,418)	192,534	0.0
	78,454,746	(63,818,614)	14,636,132	3.0

If the Canadian dollar strengthened or weakened by 10% in relation to all other currencies, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by \$108,847 or 0.0% (December 31, 2017 – \$1,463,612 or 0.3%). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Price risk

The Fund did not have significant price risk exposure to equities, underlying funds, derivatives or commodities, if applicable, as at June 30, 2018 and December 31, 2017.

Credit risk

The table below summarizes the credit ratings of bonds and debentures, money market instruments and preferred shares held by the Fund, as applicable.

Credit ratings	June 30, 2018		December 31, 2017	
	Percentage of total credit rated instruments (%)	Percentage of net assets (%)	Percentage of total credit rated instruments (%)	Percentage of net assets (%)
AAA	35.6	34.6	28.1	26.2
AA	18.5	17.7	22.6	21.2
A	31.2	30.0	33.3	31.1
BBB	14.0	13.3	14.7	13.8
BB	0.2	0.2	0.5	0.5
B	0.4	0.3	0.4	0.4
NOT RATED	0.1	0.1	0.4	0.4
	100.0	96.2	100.0	93.6

Concentration risk

Concentration risk arises as a result of the concentration of financial instruments within the same category, geographical location, asset type or industry sector, as applicable. The table below is a summary of the Fund's concentration risk by carrying value as a percentage of net assets:

	Percentage of net assets (%)	
	June 30, 2018	December 31, 2017
Corporate Bonds	35.9	39.2
Federal Bonds	36.6	25.3
Mortgage-Backed Securities	0.4	1.5
Provincial Bonds	23.3	27.6

Fair Value Classification (note 2)

The tables below illustrate the classification of the Fund's financial instruments within the fair value hierarchy.

June 30, 2018	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Bonds and debentures	–	519,646,033	1,236,289	520,882,322
Unrealized gain on currency forward contracts	–	1,441,282	–	1,441,282
Unrealized gain on futures contracts	593,860	–	–	593,860
	593,860	521,087,315	1,236,289	522,917,464
Unrealized loss on currency forward contracts	–	(308,183)	–	(308,183)
Unrealized loss on futures contracts	(47,100)	–	–	(47,100)
	546,760	520,779,132	1,236,289	522,562,181

Scotia Private Total Return Bond Pool (Unaudited – Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

December 31, 2017	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Bonds and debentures	-	444,927,484	1,180,549	446,108,033
Unrealized gain on currency forward contracts	-	1,325,998	-	1,325,998
	-	446,253,482	1,180,549	447,434,031
Unrealized loss on currency forward contracts	-	(283,134)	-	(283,134)
Unrealized loss on futures contracts	(97,851)	-	-	(97,851)
	(97,851)	445,970,348	1,180,549	447,053,046

Transfers between levels

During the periods ended June 30, 2018 and December 31, 2017, there were no significant transfers between Level 1 and Level 2.

Reconciliation of Level 3 financial instruments

The following table presents the movement in the Fund's Level 3 financial instruments for the periods ended:

	June 30, 2018 (\$)	December 31, 2017 (\$)
Beginning of period	1,180,549	-
Purchases	-	1,190,039
Sales	-	-
Transfers into Level 3	-	-
Transfers out of Level 3	-	-
Net realized gains (losses)	-	-
Net change in unrealized gain (loss)*	55,740	(9,490)
End of period	1,236,289	1,180,549

* Net change in unrealized gain (loss) for Level 3 financial instruments held as at June 30, 2018 and December 31, 2017 was \$55,740 and \$(9,490), respectively.

Level 3 valuation techniques

The tables below summarize the significant unobservable inputs used in the fair value measurement of Level 3 financial instruments. The significant unobservable inputs in the valuation techniques to estimate the fair values of level 3 investments can vary considerably over time to time depending on company specific factors and economic or market conditions. The tables also illustrate the potential impact on the Fund if the significant unobservable inputs used in the valuation techniques had increased or decreased by 5%, with all other variables held constant. Certain significant unobservable inputs used in the valuation techniques are not reasonably expected to shift and are indicated in the tables below as "n/a". Securities where the reasonable possible shift in the significant unobservable input did not result in a material impact on the Fund are indicated in the table below as nil.

Security	Valuation technique	Significant unobservable input	Carrying value as at June 30, 2018 (\$)	Reasonable possible shift (+/-) (\$)
Debt	Fair value based on transaction price	Transaction price	1,236,289	n/a
			1,236,289	

Security	Valuation technique	Significant unobservable input	Carrying value as at December 31, 2017 (\$)	Reasonable possible shift (+/-) (\$)
Debt	Fair value based on transaction price	Transaction price	1,180,549	n/a
			1,180,549	

Offsetting of financial assets and liabilities (note 2)

The following table presents offsetting of financial assets and liabilities and collateral amounts that would occur if future events, such as bankruptcy or termination of contracts, were to arise. No amounts were offset in the financial statements.

Financial assets – by type	June 30, 2018			
	Gross amount of assets (\$)	Master netting offset (\$)	Collateral pledged/received (\$)	Net Amount (\$)
Currency forward contracts	1,441,282	(295,939)	-	1,145,343
Options contracts – OTC	-	-	-	-
Swap contracts – OTC	-	-	-	-
	1,441,282	(295,939)	-	1,145,343

Financial liabilities – by type	June 30, 2018			
	Gross amount of liabilities (\$)	Master netting offset (\$)	Collateral pledged/received (\$)	Net Amount (\$)
Currency forward contracts	308,183	(295,939)	-	12,244
Options contracts – OTC	-	-	-	-
Swap contracts – OTC	-	-	-	-
	308,183	(295,939)	-	12,244

Financial assets – by type	December 31, 2017			
	Gross amount of assets (\$)	Master netting offset (\$)	Collateral pledged/received (\$)	Net Amount (\$)
Currency forward contracts	1,325,998	(283,134)	-	1,042,864
Options contracts – OTC	-	-	-	-
Swap contracts – OTC	-	-	-	-
	1,325,998	(283,134)	-	1,042,864

Financial liabilities – by type	December 31, 2017			
	Gross amount of liabilities (\$)	Master netting offset (\$)	Collateral pledged/received (\$)	Net Amount (\$)
Currency forward contracts	283,134	(283,134)	-	-
Options contracts – OTC	-	-	-	-
Swap contracts – OTC	-	-	-	-
	283,134	(283,134)	-	-

Interest in Underlying Funds (note 2)

The Fund did not hold any interest in Underlying Funds as at June 30, 2018 or December 31, 2017.

Comparison of net asset value per unit and net assets per unit (note 2)

As at June 30, 2018 or December 31, 2017, there were no differences between the net asset value per unit and the net assets per unit for any series of the Fund.

Scotia Private Canadian Corporate Bond Pool (Unaudited)

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	June 30, 2018	December 31, 2017
ASSETS		
Current assets		
Financial assets at fair value through profit or loss (note 2)		
Non-derivative financial assets	5,720,634,796	5,881,960,772
Derivatives	—	3,854,952
Cash	65,187,908	4,720,757
Cash collateral deposited on derivatives	—	3,318,346
Subscriptions receivable	4,172,518	3,380,150
Accrued investment income and other	44,832,621	44,126,117
	<u>5,834,827,843</u>	<u>5,941,361,094</u>
LIABILITIES		
Current liabilities		
Management fee payable	151,043	—
Payable for securities purchased	49,037,801	—
Redemptions payable	4,323,341	2,615,512
Accrued expenses	109,772	—
Distributions payable	1,467,303	847
	<u>55,089,260</u>	<u>2,616,359</u>
Net assets attributable to holders of redeemable units	<u>5,779,738,583</u>	<u>5,938,744,735</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series I	3,250,477,570	3,206,176,277
Series K	93,096,883	73,154,527
Series M	2,436,164,130	2,659,413,931
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series I	10.57	10.68
Series K	9.66	9.73
Series M	10.57	10.68

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended June 30 (note 1),

(in dollars except average units)	2018	2017
INCOME		
Net gain (loss) on financial assets and liabilities at fair value through profit or loss		
Dividends	2,171,627	1,683,563
Interest for distribution purposes	84,874,250	82,746,295
Net realized gain (loss) on non-derivative financial assets	(14,508,860)	10,957,406
Change in unrealized gain (loss) on non-derivative financial assets	(54,189,516)	2,969,364
Net realized gain (loss) on derivatives	21,498,662	596,100
Change in unrealized gain (loss) on derivatives	(3,854,952)	(3,453,250)
Net gain (loss) on financial assets and liabilities at fair value through profit or loss	<u>35,991,211</u>	<u>95,499,478</u>
Securities lending (note 11)	9,901	72,672
Net realized and unrealized foreign currency translation gain (loss)	34,957	184
Total income (loss), net	<u>36,036,069</u>	<u>95,572,334</u>
EXPENSES		
Management fees (note 5)	874,502	892,501
Fixed administration fees (note 6)	617,638	584,658
Independent Review Committee fees	587	576
Interest expense and bank overdraft charges	10,001	7,137
Harmonized Sales Tax/Goods and Services Tax	155,749	154,587
Transaction costs	28,431	7,350
Total expenses	<u>1,686,908</u>	<u>1,646,809</u>
Increase (decrease) in net assets attributable to holders of redeemable units from operations	<u>34,349,161</u>	<u>93,925,525</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series I	20,005,581	53,311,965
Series K	736,637	41,356
Series M	13,606,943	40,572,204
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT[†]		
Series I	0.07	0.18
Series K	0.09	0.01
Series M	0.06	0.17
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series I	305,063,509	289,351,940
Series K	8,582,392	3,090,741
Series M	236,071,102	235,773,840

[†] The increase (decrease) in net assets attributable to holders of redeemable units from operations per unit is calculated by dividing the increase (decrease) in net assets attributable to holders of redeemable units from operations per series by the weighted average number of units per series.

Scotia Private Canadian Corporate Bond Pool (Unaudited – Continued)

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the periods ended June 30 (note 1),

(in dollars)	2018	2017
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series I	3,206,176,277	3,112,695,230
Series K	73,154,527	11,218,029
Series M	2,659,413,931	2,362,248,460
	<u>5,938,744,735</u>	<u>5,486,161,719</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series I	20,005,581	53,311,965
Series K	736,637	41,356
Series M	13,606,943	40,572,204
	<u>34,349,161</u>	<u>93,925,525</u>
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net investment income		
Series I	(51,734,706)	(50,011,329)
Series K	(1,301,588)	(497,434)
Series M	(38,694,382)	(39,677,911)
	<u>(91,730,676)</u>	<u>(90,186,674)</u>
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series I	124,757,240	107,050,563
Series K	28,897,619	40,294,154
Series M	210,115,379	499,108,863
Reinvested distributions		
Series I	46,064,857	41,987,397
Series K	1,301,588	497,434
Series M	34,062,473	34,159,766
Payments on redemption		
Series I	(94,791,679)	(98,157,323)
Series K	(9,691,900)	(1,273,887)
Series M	(442,340,214)	(270,573,466)
	<u>(101,624,637)</u>	<u>353,093,501</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series I	44,301,293	54,181,273
Series K	19,942,356	39,061,623
Series M	(223,249,801)	263,589,456
	<u>(159,006,152)</u>	<u>356,832,352</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series I	3,250,477,570	3,166,876,503
Series K	93,096,883	50,279,652
Series M	2,436,164,130	2,625,837,916
	<u>5,779,738,583</u>	<u>5,842,994,071</u>

STATEMENTS OF CASH FLOWS

For the periods ended June 30 (note 1),

(in dollars)	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	34,349,161	93,925,525
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	14,508,860	(10,957,406)
Unrealized foreign currency translation (gain) loss	5,409	–
Change in unrealized (gain) loss on non-derivative financial assets	54,189,516	(2,969,364)
Change in unrealized (gain) loss on derivatives	3,854,952	3,453,250
Purchases of portfolio investments	(1,010,250,684)	(1,781,942,211)
Proceeds from sale of portfolio investments	1,151,916,085	1,423,388,945
Cash collateral deposited on derivatives	3,318,346	17,315,742
Accrued investment income and other	(706,504)	4,186,020
Accrued expenses and other payables	260,815	272,112
Net cash provided by (used in) operating activities	<u>251,445,956</u>	<u>(253,327,387)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	362,695,775	636,587,546
Amounts paid on redemption of redeemable units	(544,833,869)	(369,504,005)
Distributions to unitholders of redeemable units	(8,835,302)	(10,299,987)
Net cash provided by (used in) financing activities	<u>(190,973,396)</u>	<u>256,783,554</u>
Unrealized foreign currency translation gain (loss)	(5,409)	–
Net increase (decrease) in cash	60,472,560	3,456,167
Cash (bank overdraft), beginning of period	4,720,757	11,589,940
CASH (BANK OVERDRAFT), END OF PERIOD	<u>65,187,908</u>	<u>15,046,107</u>
Interest paid ⁽¹⁾	10,001	7,137
Interest received, net of withholding taxes ⁽¹⁾	84,252,120	86,932,315
Dividends received, net of withholding taxes ⁽¹⁾	2,087,252	1,683,563

⁽¹⁾ Classified as operating items.

Scotia Private Canadian Corporate Bond Pool (Unaudited – Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at June 30, 2018

Issuer	Face Value (\$)	Average Cost (\$)	Carrying Value (\$)	Issuer	Face Value (\$)/ Number of Shares	Average Cost (\$)	Carrying Value (\$)
BONDS AND DEBENTURES – 97.1%				BONDS AND DEBENTURES (cont'd)			
Corporate Bonds – 95.0%				Corporate Bonds (cont'd)			
407 International Inc. (Callable) 2.43% Feb 04, 2027	41,000,000	40,666,630	39,181,517	Manulife Bank of Canada 2.84% Jan 12, 2023	21,000,000	21,000,000	20,894,494
407 International Inc. (Callable) 3.35% Feb 16, 2024	20,000,000	20,182,261	20,553,866	McDonald's Corporation 3.13% Mar 04, 2025	80,000,000	79,822,400	79,388,805
AltaGas Ltd. (Callable) 3.84% Oct 15, 2024	50,000,000	49,985,500	50,638,316	Morgan Stanley 3.00% Feb 07, 2024	75,000,000	74,985,750	73,757,773
AltaLink LP (Callable) 3.40% Mar 06, 2024	60,000,000	60,000,000	61,778,581	National Bank of Canada 1.81% Jul 26, 2021	55,000,000	54,698,750	53,522,908
Anheuser-Busch InBev Finance Inc. (Callable) 2.60% Mar 15, 2024	110,000,000	109,541,150	106,284,960	National Bank of Canada 1.96% Jun 30, 2022	40,000,000	40,064,500	38,684,644
Apple Inc. 2.51% Aug 19, 2024	100,000,000	99,866,800	97,492,153	Nissan Canada Financial Services Inc. 1.75% Apr 09, 2020	80,000,000	79,816,900	78,761,242
Bank of Montreal (Callable) 2.57% Jun 01, 2022	50,000,000	50,000,000	48,664,455	North West Redwater Partnership / NWR Financing Co., Ltd. (Callable) 2.80% Mar 01, 2027	30,000,000	29,921,700	28,785,269
Bank of Montreal 2.27% Jul 11, 2022	90,000,000	89,995,500	88,089,305	North West Redwater Partnership / NWR Financing Co., Ltd. (Callable) 3.20% Jan 24, 2026	80,000,000	79,829,600	79,693,647
Bank of Montreal 2.70% Dec 09, 2026	70,000,000	70,290,650	68,033,128	OMERS Realty Corporation (Callable) 3.33% Apr 05, 2025	35,000,000	35,000,000	35,553,963
Bank of Montreal 2.70% Sep 11, 2024	76,000,000	75,990,120	74,690,587	Pembina Pipeline Corporation (Callable) 4.02% Dec 27, 2027	24,000,000	23,998,080	24,305,039
Bank of Nova Scotia, The (Callable) 2.58% Mar 30, 2022 ¹	30,000,000	29,657,738	29,236,210	Pepsi Co., Inc. (Callable) 2.15% Mar 06, 2024	100,000,000	99,752,300	95,760,362
Bank of Nova Scotia, The 2.62% Dec 02, 2026 ¹	128,000,000	127,520,669	123,651,681	RioCan Real Estate Investment Trust 3.29% Feb 12, 2024	56,500,000	56,447,075	56,038,342
Bank of Nova Scotia, The 3.10% Feb 02, 2028 ¹	130,000,000	129,772,500	129,385,549	Rogers Communications Inc. (Callable) 4.00% Dec 13, 2023	50,000,000	53,643,350	52,165,687
bdcMC Realty Corporation (Callable) 3.00% Dec 31, 2026	50,000,000	50,000,000	49,406,428	Rogers Communications Inc. 4.00% Jun 06, 2022	12,500,000	12,470,068	12,993,827
Bell Canada (Callable) 2.70% Dec 27, 2023	90,000,000	90,343,700	87,502,836	Rogers Communications Inc. 5.34% Mar 22, 2021	75,000,000	79,450,920	80,005,270
Bell Canada (Callable) 3.55% Dec 02, 2025	85,000,000	85,616,800	85,522,512	Royal Bank of Canada (Callable) 2.48% Jun 04, 2020	110,000,000	109,602,300	109,200,578
Bell Canada (Callable) 4.70% Jun 11, 2023	40,000,000	42,042,222	42,803,187	Royal Bank of Canada 2.33% Dec 05, 2023	85,000,000	85,000,000	82,373,651
BMW Canada Inc. 1.88% Dec 11, 2020	27,000,000	27,000,000	26,496,519	Royal Bank of Canada 2.36% Dec 05, 2022	76,000,000	75,993,160	74,434,243
Brookfield Renewable Energy Partners ULC (Callable) 3.63% Oct 15, 2026	28,000,000	27,958,560	27,669,290	Shaw Communications Inc. (Callable) 4.35% Oct 31, 2023	17,000,000	17,687,058	17,797,166
Brookfield Renewable Energy Partners ULC 5.14% Oct 13, 2020	47,000,000	47,055,200	49,423,950	Suncor Energy Inc. (Callable) 3.00% Jun 14, 2026	115,000,000	114,774,200	112,589,776
Bruce Power LP (Callable) 4.01% Mar 21, 2029	35,000,000	35,112,400	35,850,613	TELUS Corporation (Callable) 3.35% Jan 02, 2024	60,000,000	59,488,100	60,341,449
Canadian Imperial Bank of Commerce (Callable) 3.42% Jan 26, 2021	61,000,000	61,693,000	61,474,977	TELUS Corporation (Callable) 3.63% Dec 01, 2027	40,000,000	39,579,600	39,967,774
Canadian Imperial Bank of Commerce 2.30% Jul 11, 2022	100,000,000	99,355,160	98,015,514	TELUS Corporation (Callable) 3.75% Dec 10, 2025	75,000,000	75,218,710	76,323,190
Canadian Imperial Bank of Commerce 3.30% May 26, 2025	103,000,000	103,099,200	104,557,029	Teranet Holdings LP (Callable) 3.65% Oct 18, 2022	44,000,000	44,599,500	43,965,972
Canadian National Railway Company (Callable) 2.80% Jun 22, 2025	85,000,000	84,728,000	84,333,535	Thomson Reuters Corporation 4.35% Sep 30, 2020	60,500,000	64,134,120	62,696,814
Canadian Natural Resources Ltd. (Callable) 3.55% Mar 03, 2024	39,000,000	38,856,870	39,354,252	Toronto Hydro Corporation (Callable) 2.91% Jan 10, 2023	25,000,000	24,169,750	25,230,679
Canadian Natural Resources Ltd. 3.31% Feb 11, 2022	41,500,000	41,497,475	41,890,765	Toronto Hydro Corporation 3.54% Nov 18, 2021	10,000,000	10,088,223	10,326,858
Canadian Tire Corporation Ltd. (Callable) 3.17% Jun 06, 2023	49,000,000	49,059,000	49,218,772	Toronto-Dominion Bank, The (Callable) 3.22% Jul 25, 2024	63,500,000	63,500,000	62,124,854
Daimler Canada Finance Inc. 2.23% Dec 16, 2021	40,000,000	39,996,400	39,067,729	Toronto-Dominion Bank, The 1.91% Jul 18, 2023	85,000,000	84,909,200	81,121,444
Enbridge Gas Distribution Inc. (Callable) 3.15% May 22, 2024	35,000,000	34,901,650	35,435,258	Toronto-Dominion Bank, The 3.23% Jul 24, 2024	105,000,000	107,777,502	106,531,783
Enbridge Gas Distribution Inc. (Callable) 3.31% Jun 11, 2025	26,500,000	27,504,085	27,021,302	Toyota Credit Canada Inc. 2.62% Oct 11, 2022	60,000,000	60,000,000	59,388,795
Enbridge Gas Distribution Inc. 4.04% Nov 23, 2020	66,000,000	69,089,923	68,314,848	Toyota Credit Canada Inc. 2.70% Jan 25, 2023	40,000,000	39,974,000	39,681,794
Enbridge Pipelines Inc. (Callable) 3.79% May 17, 2023	32,000,000	32,890,360	33,144,723	TransCanada Pipelines Ltd. (Callable) 3.30% Apr 17, 2025	75,000,000	74,904,750	75,431,691
Enbridge Pipelines Inc. 4.45% Apr 06, 2020	36,000,000	40,627,168	37,149,065	United Parcel Service Inc. (Callable) 2.13% Mar 21, 2024	90,000,000	89,830,800	85,950,166
ENMAX Corporation (Callable) 3.84% Mar 05, 2028	30,000,000	30,000,000	30,374,950	VW Credit Canada Inc. 2.15% Jun 24, 2020	25,000,000	24,955,250	24,701,971
First Capital Realty Inc. (Callable) 3.75% Apr 12, 2027	65,000,000	64,746,800	63,759,099	VW Credit Canada Inc. 3.25% Mar 29, 2023	39,000,000	38,953,590	39,056,289
First Capital Realty Inc. 4.79% Aug 30, 2024	36,000,000	38,517,642	38,270,953	Walt Disney Co, The 2.76% Oct 07, 2024	88,000,000	88,000,000	86,777,338
Ford Credit Canada Company 2.71% Feb 23, 2022	30,000,000	30,000,000	29,336,573	Wells Fargo & Company 2.09% Apr 25, 2022	60,000,000	60,000,000	58,020,362
Ford Credit Canada Company 3.35% Sep 19, 2022	35,000,000	35,000,000	34,820,944	Wells Fargo & Company 2.51% Oct 27, 2023	24,500,000	24,500,000	23,652,140
Ford Credit Canada Ltd. 3.28% Jul 02, 2021	35,000,000	35,000,000	35,049,063	Wells Fargo & Company 3.87% May 21, 2025	50,000,000	50,115,350	50,342,161
Fortified Trust 1.67% Jul 23, 2021	46,000,000	46,000,000	44,550,788			5,553,334,223	5,491,910,991
Great-West Lifeco Inc. 3.34% Feb 28, 2028	54,000,000	54,025,200	54,522,681	Federal Bonds – 1.7%			
Great-West Lifeco Inc. 4.65% Aug 13, 2020	48,000,000	50,168,150	50,038,889	Canada Housing Trust No. 1 2.65% Mar 15, 2028	100,000,000	100,365,135	100,761,763
Honda Canada Finance Inc. 2.27% Jul 15, 2022	36,000,000	36,084,370	35,180,845	Mortgage-Backed Securities – 0.4%			
Honda Canada Finance Inc. 2.54% Mar 01, 2023	61,500,000	61,500,000	60,402,993	Institutional Mortgage Securities Canada Inc. 3.33% Dec 12, 2022	25,000,000	25,000,000	25,083,192
HSBC Bank Canada 2.54% Jan 31, 2023	120,000,000	119,608,770	117,387,480				
HSBC Bank Canada 3.25% Sep 15, 2023	47,500,000	47,500,000	47,730,302	TOTAL BONDS AND DEBENTURES		5,678,699,358	5,617,755,946
Husky Energy Inc. (Callable) 3.55% Dec 12, 2024	53,000,000	52,868,180	53,510,120	EQUITIES – 1.8%			
Husky Energy Inc. (Callable) 3.60% Dec 10, 2026	62,000,000	61,904,240	61,581,034	Financials – 1.8%			
Inter Pipeline Ltd. (Callable) 2.73% Feb 18, 2024	23,500,000	23,623,500	22,669,589	Bank of Montreal, 3.80%, Preferred, Series 33	550,000	13,534,416	13,519,000
Inter Pipeline Ltd. (Callable) 3.48% Sep 16, 2026	35,000,000	35,075,750	34,369,121	Bank of Montreal, 4.50%, Preferred, Series 40	250,000	6,250,000	6,302,500
Inter Pipeline Ltd. 3.45% Jul 20, 2020	37,000,000	36,881,996	37,538,457	Canadian Imperial Bank of Commerce, 3.60%, Preferred, Series 43	550,000	12,929,755	13,282,500
John Deere Canada Funding Inc. 2.05% May 13, 2022	35,000,000	34,972,000	34,039,221	Canadian Imperial Bank of Commerce, 4.50%, Preferred, Series 47	300,000	7,500,000	7,209,000
John Deere Canada Funding Inc. 2.63% Sep 21, 2022	60,000,000	60,023,660	59,456,454	Royal Bank of Canada, 3.60%, Preferred, Series BD	400,000	10,061,029	9,728,000
John Deere Canada Funding Inc. 2.70% Jan 17, 2023	25,000,000	24,995,250	24,810,181	Royal Bank of Canada, 3.60%, Preferred, Series BF	400,000	9,304,903	9,700,000
JPMorgan Chase & Co. 3.19% Mar 05, 2021	25,000,000	25,126,208	25,288,091	Royal Bank of Canada, 5.50%, Preferred, Series BK	475,000	11,875,000	12,563,750
Loblaws Companies Limited (Callable) 4.86% Jun 12, 2023	26,000,000	29,159,260	27,961,662	Toronto-Dominion Bank, The, 3.60%, Preferred, Series 7	510,000	11,914,943	12,500,100
Manufacturers Life Insurance Company, The (Callable) 3.18% Nov 22, 2022	60,000,000	60,000,000	60,455,453	Toronto-Dominion Bank, The, 4.50%, Preferred, Series 16	300,000	7,500,000	7,560,000
Manulife Bank of Canada 2.08% May 26, 2022	30,000,000	30,000,000	29,131,667	Toronto-Dominion Bank, The, 4.85%, Preferred, Series 14	200,000	5,000,000	5,214,000

The accompanying notes are an integral part of the financial statements.

Scotia Private Canadian Corporate Bond Pool (Unaudited – Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at June 30, 2018

Issuer	Number of Shares	Average Cost (\$)	Carrying Value (\$)
EQUITIES (cont'd)			
Financials (cont'd)			
Toronto-Dominion Bank, The, 5.50%, Preferred, Series 12	200,000	5,000,000	5,300,000
		<u>100,870,046</u>	<u>102,878,850</u>
TOTAL EQUITIES		<u>100,870,046</u>	<u>102,878,850</u>
Transaction Costs		<u>(57,400)</u>	
TOTAL INVESTMENT PORTFOLIO		<u>5,779,512,004</u>	5,720,634,796
OTHER ASSETS, LESS LIABILITIES – 1.1%			<u>59,103,787</u>
NET ASSETS – 100.0%			<u>5,779,738,583</u>

† These securities are investments in related parties (note 10).

Scotia Private Canadian Corporate Bond Pool (Unaudited – Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

The Fund (note 1)

The Fund's objective is to provide a high level of regular interest income and modest capital gains. It invests primarily in bonds issued by Canadian corporations.

Risks associated with financial instruments (note 4)

Interest rate risk

The table below summarizes the Fund's exposure to interest rate risk by the remaining term to maturity of the Fund's portfolio, excluding underlying funds, preferred shares, cash and overdrafts, as applicable.

Interest rate exposure	June 30, 2018 (\$)	December 31, 2017 (\$)
Less than 1 year	–	42,195,920
1-3 years	649,615,694	770,693,752
3-5 years	1,362,205,242	1,518,890,156
5-10 years	3,507,959,543	3,361,712,271
> 10 years	97,975,467	94,756,625
	5,617,755,946	5,788,248,724

As at June 30, 2018, had the prevailing interest rates increased or decreased by 0.25%, assuming a parallel shift in the yield curve and all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by \$70,828,239 or approximately 1.2% (December 31, 2017 – \$72,897,863 or approximately 1.2%).

Currency risk

The Fund's exposure to currency risk is summarized in the tables below. Amounts shown are based on the carrying value of monetary and non-monetary assets and liabilities of the Fund net of currency contracts, as applicable.

Currency	June 30, 2018			
	Gross currency exposure (\$)	Currency contracts (\$)	Net exposure (\$)	Percentage of net assets (%)
US Dollar	2,139,800	–	2,139,800	0.0
British Pound	84,375	–	84,375	0.0
	2,224,175	–	2,224,175	0.8

Currency	December 31, 2017			
	Gross currency exposure (\$)	Currency contracts (\$)	Net exposure (\$)	Percentage of net assets (%)
US Dollar	5,668,275	–	5,668,275	0.1
	5,668,275	–	5,668,275	0.1

If the Canadian dollar strengthened or weakened by 10% in relation to all other currencies, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by \$222,418 or 0.0% (December 31, 2017 – \$566,828 or 0.0%). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Price risk

Price risk is the risk that the carrying value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) caused by factors specific to a security, its issuer or all factors affecting a market or a market segment. Exposure to price risk is mainly in equities, underlying funds, derivatives and commodities, as applicable. As at June 30, 2018, approximately 1.8% (December 31, 2017 – 1.6%) of the Fund's net assets were exposed to price risk. If prices of these instruments had decreased or increased by 10%, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by approximately \$10,287,885 (December 31, 2017 – \$9,756,700). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Credit risk

The table below summarizes the credit ratings of bonds and debentures, money market instruments and preferred shares held by the Fund, as applicable.

	June 30, 2018		December 31, 2017	
	Percentage of total credit rated instruments (%)	Percentage of net assets (%)	Percentage of total credit rated instruments (%)	Percentage of net assets (%)
Credit ratings				
AAA	3.0	2.9	5.1	5.0
AA	20.0	19.8	20.9	20.7
A	37.4	36.9	36.3	35.9
BBB	38.9	38.6	36.6	36.4
BB	0.7	0.7	1.1	1.1
	100.0	98.9	100.0	99.1

Concentration risk

Concentration risk arises as a result of the concentration of financial instruments within the same category, geographical location, asset type or industry sector, as applicable. The table below is a summary of the Fund's concentration risk by carrying value as a percentage of net assets:

	Percentage of net assets (%)	
	June 30, 2018	December 31, 2017
Corporate Bonds	95.0	94.0
Federal Bonds	1.7	3.0
Financials	1.8	1.6
Mortgage-Backed Securities	0.4	0.4

Fair Value Classification (note 2)

The tables below illustrate the classification of the Fund's financial instruments within the fair value hierarchy.

June 30, 2018	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Equities	102,878,850	–	–	102,878,850
Bonds and debentures	–	5,617,755,946	–	5,617,755,946
	102,878,850	5,617,755,946	–	5,720,634,796

The accompanying notes are an integral part of the financial statements.

Scotia Private Canadian Corporate Bond Pool (Unaudited – Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

December 31, 2017	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Equities	97,567,000	–	–	97,567,000
Bonds and debentures	–	5,784,393,772	–	5,784,393,772
Unrealized gain on futures contracts	3,854,952	–	–	3,854,952
	101,421,952	5,784,393,772	–	5,885,815,724

Transfers between levels

During the periods ended June 30, 2018 and December 31, 2017, there were no significant transfers between Level 1 and Level 2.

Offsetting of financial assets and liabilities (note 2)

As at June 30, 2018 and December 31, 2017, the Fund did not enter into any agreement whereby the financial instruments were eligible for offset.

Interest in Underlying Funds (note 2)

The Fund did not hold any interest in Underlying Funds as at June 30, 2018 or December 31, 2017.

Comparison of net asset value per unit and net assets per unit (note 2)

As at June 30, 2018 or December 31, 2017, there were no differences between the net asset value per unit and the net assets per unit for any series of the Fund.

Scotia Private Canadian Preferred Share Pool (Unaudited)

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	June 30, 2018	December 31, 2017
ASSETS		
Current assets		
Financial assets at fair value through profit or loss (note 2)		
Non-derivative financial assets	492,445,565	507,199,323
Cash	7,701,027	6,825,839
Subscriptions receivable	711,489	573,632
Accrued investment income and other	1,212,725	1,203,564
	<u>502,070,806</u>	<u>515,802,358</u>
LIABILITIES		
Current liabilities		
Management fee payable	30,018	–
Redemptions payable	396,977	662,544
Accrued expenses	15,243	–
Distributions payable	440,598	633
	<u>882,836</u>	<u>663,177</u>
Net assets attributable to holders of redeemable units	<u>501,187,970</u>	<u>515,139,181</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series K	10,411,413	8,463,608
Series M	490,776,557	506,675,573
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series K	11.34	11.51
Series M	8.46	8.61

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended June 30 (note 1),

(in dollars except average units)	2018	2017
INCOME		
Net gain (loss) on financial assets and liabilities at fair value through profit or loss		
Dividends	11,471,724	10,742,419
Interest for distribution purposes	11,477	7,318
Net realized gain (loss) on non-derivative financial assets	1,176,517	652,114
Change in unrealized gain (loss) on non-derivative financial assets	(8,621,174)	27,319,160
Net gain (loss) on financial assets and liabilities at fair value through profit or loss	4,038,544	38,721,011
Securities lending (note 11)	24	11,392
Total income (loss), net	<u>4,038,568</u>	<u>38,732,403</u>
EXPENSES		
Management fees (note 5)	174,363	159,909
Fixed administration fees (note 6)	84,225	71,696
Independent Review Committee fees	587	576
Interest expense and bank overdraft charges	499	–
Harmonized Sales Tax/Goods and Services Tax	25,723	22,907
Transaction costs	125,403	32,890
Total expenses	<u>410,800</u>	<u>287,978</u>
Increase (decrease) in net assets attributable to holders of redeemable units from operations	<u>3,627,768</u>	<u>38,444,425</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series K	83,650	185,900
Series M	3,544,118	38,258,525
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT[†]		
Series K	0.10	0.65
Series M	0.06	0.69
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series K	831,080	286,963
Series M	58,243,891	55,266,963

[†] The increase (decrease) in net assets attributable to holders of redeemable units from operations per unit is calculated by dividing the increase (decrease) in net assets attributable to holders of redeemable units from operations per series by the weighted average number of units per series.

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the periods ended June 30 (note 1),

(in dollars)	2018	2017
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series K	8,463,608	773,642
Series M	506,675,573	429,288,616
	<u>515,139,181</u>	<u>430,062,258</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series K	83,650	185,900
Series M	3,544,118	38,258,525
	<u>3,627,768</u>	<u>38,444,425</u>
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net investment income		
Series K	(241,863)	(117,165)
Series M	(12,298,956)	(12,373,968)
	<u>(12,540,819)</u>	<u>(12,491,133)</u>
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series K	3,306,399	4,920,343
Series M	68,811,398	60,755,309
Reinvested distributions		
Series K	241,863	117,165
Series M	11,322,216	11,270,773
Payments on redemption		
Series K	(1,442,244)	(215,698)
Series M	(87,277,792)	(55,663,692)
	<u>(5,038,160)</u>	<u>21,184,200</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series K	1,947,805	4,890,545
Series M	(15,899,016)	42,246,947
	<u>(13,951,211)</u>	<u>47,137,492</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series K	10,411,413	5,664,187
Series M	490,776,557	471,535,563
	<u>501,187,970</u>	<u>477,199,750</u>

STATEMENTS OF CASH FLOWS

For the periods ended June 30 (note 1),

(in dollars)	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	3,627,768	38,444,425
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(1,176,517)	(652,114)
Change in unrealized (gain) loss on non-derivative financial assets	8,621,174	(27,319,160)
Purchases of portfolio investments	(44,245,509)	(31,955,515)
Proceeds from sale of portfolio investments	51,554,610	12,403,517
Accrued investment income and other	(9,161)	865,913
Accrued expenses and other payables	45,261	42,150
Net cash provided by (used in) operating activities	<u>18,417,626</u>	<u>(8,170,784)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	71,921,873	64,489,076
Amounts paid on redemption of redeemable units	(88,927,536)	(55,503,601)
Distributions to unitholders of redeemable units	(536,775)	(627,352)
Net cash provided by (used in) financing activities	<u>(17,542,438)</u>	<u>8,358,123</u>
Net increase (decrease) in cash	875,188	187,339
Cash (bank overdraft), beginning of period	6,825,839	1,806,531
CASH (BANK OVERDRAFT), END OF PERIOD	<u>7,701,027</u>	<u>1,993,870</u>
Interest paid ⁽¹⁾	499	–
Interest received, net of withholding taxes ⁽¹⁾	11,477	7,894
Dividends received, net of withholding taxes ⁽¹⁾	11,462,563	11,607,756

⁽¹⁾ Classified as operating items.

The accompanying notes are an integral part of the financial statements.

Scotia Private Canadian Preferred Share Pool (Unaudited – Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at June 30, 2018

Issuer	Number of Shares	Average Cost (\$)	Carrying Value (\$)	Issuer	Number of Shares	Average Cost (\$)	Carrying Value (\$)
EQUITIES – 97.6%				EQUITIES (cont'd)			
Consumer Discretionary – 0.6%				Financials (cont'd)			
Shaw Communications, Inc., 4.50%, Preferred, C12 Series A	91,800	2,352,676	1,680,858	Industrial Alliance, 4.60%, Preferred, Series A	260,000	6,535,880	5,751,200
Thomson Reuters Corporation, 2.09%, Preferred, Series B	54,800	1,210,634	1,082,300	Intact Financial Corporation, 4.20%, Preferred, Series 1	400,000	10,232,711	7,784,000
		<u>3,563,310</u>	<u>2,763,158</u>	Intact Financial Corporation, 4.20%, Preferred, Series 3	119,000	3,095,530	2,753,660
Consumer Staples – 1.1%				Intact Financial Corporation, 4.90%, Preferred, Series A	200,000	5,000,000	4,950,000
George Weston Limited, 4.75%, Preferred, Series V	135,000	3,419,650	2,992,950	Laurentian Bank of Canada, 4.30%, Preferred, Series 13	90,000	2,251,800	1,975,500
George Weston Limited, 5.20%, Preferred, Series D	100,000	2,578,960	2,390,000	Manulife Financial Corporation, 3.80%, Preferred, Series 13	55,000	1,356,600	1,240,250
		<u>5,998,610</u>	<u>5,382,950</u>	Manulife Financial Corporation, 3.80%, Preferred, Series 19	240,000	6,000,000	5,613,600
Energy – 19.0%				Manulife Financial Corporation, 3.90%, Preferred, Series 15	65,000	1,585,491	1,457,300
AltaGas Ltd., 5.00%, Preferred, Series E	200,000	5,248,001	4,712,000	Manulife Financial Corporation, 3.90%, Preferred, Series 17	90,000	2,252,000	2,087,100
AltaGas Ltd., 5.00%, Preferred, Series K	120,000	3,000,000	3,006,000	Manulife Financial Corporation, 4.00%, Preferred, Series 11	77,000	1,942,685	1,914,990
AltaGas Ltd., 5.25%, Preferred, Series I	230,000	5,750,000	5,779,900	Manulife Financial Corporation, 4.40%, Preferred, Series 5	50,000	1,309,500	1,214,500
Enbridge Inc., 4.00%, Preferred, Series 3	75,000	1,799,250	1,458,750	Manulife Financial Corporation, 4.40%, Preferred, Series 9	40,000	1,043,200	994,000
Enbridge Inc., 4.00%, Preferred, Series D	119,900	3,057,797	2,350,040	Manulife Financial Corporation, 4.50%, Preferred, Series 3	150,000	3,391,743	3,202,500
Enbridge Inc., 4.00%, Preferred, Series F	200,000	5,056,116	4,000,000	Manulife Financial Corporation, 4.60%, Preferred, Series 1-7	125,000	3,296,612	3,146,250
Enbridge Inc., 4.00%, Preferred, Series N	100,000	2,130,491	2,050,000	Manulife Financial Corporation, 4.65%, Preferred, Series B	110,700	2,628,814	2,435,400
Enbridge Inc., 4.00%, Preferred, Series R	110,000	2,734,002	2,189,000	Manulife Financial Corporation, 4.70%, Preferred, Series 25	200,000	5,000,000	4,902,000
Enbridge Inc., 4.40%, Preferred, Series 11	200,000	4,385,382	4,060,000	Manulife Financial Corporation, 5.60%, Preferred, Series 21	250,000	6,250,000	6,660,000
Enbridge Inc., 4.40%, Preferred, Series 13	100,000	1,884,000	2,054,000	National Bank of Canada, 3.90%, Preferred, Series 32	395,300	9,879,547	9,087,947
Enbridge Inc., 4.40%, Preferred, Series 15	25,000	478,390	511,750	National Bank of Canada, 4.10%, Preferred, Series 30	138,000	3,450,000	3,222,300
Enbridge Inc., 4.40%, Preferred, Series 7	70,000	1,768,200	1,424,500	Power Corporation of Canada, 5.00%, Preferred, Series D	75,000	1,825,500	1,723,500
Enbridge Inc., 4.40%, Preferred, Series 9	145,000	3,283,575	2,956,550	Power Financial Corporation, 0.00%, Preferred, Series A	32,900	731,602	700,770
Enbridge Inc., 4.90%, Preferred, Series 19	250,000	6,250,000	6,012,500	Power Financial Corporation, 4.20%, Preferred, Series T	66,000	1,715,441	1,599,180
Enbridge Inc., 5.15%, Preferred, Series 17	175,000	4,375,000	4,438,000	Power Financial Corporation, 4.80%, Preferred, Series S	95,000	2,204,800	2,126,100
Husky Energy Inc., 4.45%, Preferred, Series 1	74,200	1,929,408	1,303,694	Power Financial Corporation, 4.95%, Preferred, Series K	80,300	1,893,682	1,825,219
Husky Energy Inc., 4.50%, Preferred, Series 3	300,000	7,500,000	7,500,000	Power Financial Corporation, 5.10%, Preferred, Series L	68,500	1,709,140	1,622,765
Husky Energy Inc., 4.50%, Preferred, Series 5	200,000	5,000,000	5,042,000	Power Financial Corporation, 5.15%, Preferred, Series V	200,000	5,000,000	4,746,000
Pembina Pipeline Corporation, 4.90%, Preferred, Series 21	195,000	4,875,000	4,902,300	Royal Bank of Canada, 3.60%, Preferred, Series BD	300,000	7,504,500	7,296,000
Pembina Pipeline Corporation, 5.00%, Preferred, Series S-19	340,000	8,478,400	8,642,800	Royal Bank of Canada, 3.60%, Preferred, Series BF	275,000	6,826,250	6,668,750
TransCanada Corporation, 3.80%, Preferred, Series 11	100,000	2,500,000	2,392,000	Royal Bank of Canada, 3.90%, Preferred, Series BB	162,500	4,108,400	3,822,000
TransCanada Corporation, 4.00%, Preferred, Series 7	196,400	4,907,823	4,434,712	Royal Bank of Canada, 4.00%, Preferred, Series AZ	225,400	5,698,756	5,303,662
TransCanada Corporation, 4.25%, Preferred, Series 9	195,000	4,614,550	4,385,550	Royal Bank of Canada, 4.90%, Preferred, Series BH	250,000	6,250,000	6,227,500
TransCanada Corporation, 4.90%, Preferred, Series 15	220,000	5,500,000	5,634,200	Royal Bank of Canada, 4.90%, Preferred, Series BI	200,000	5,000,000	4,990,000
TransCanada Corporation, 5.50%, Preferred, Series 13	155,000	3,875,000	4,067,200	Royal Bank of Canada, 5.00%, Preferred, Series AJ	112,200	2,821,719	2,813,976
		<u>100,380,385</u>	<u>95,307,446</u>	Royal Bank of Canada, 5.50%, Preferred, Series BK	225,000	5,625,000	5,951,250
Financials – 57.5%				Royal Bank of Canada, 5.60%, Preferred, Series AL	50,000	1,324,492	1,260,500
Bank of Montreal, 3.80%, Preferred, Series 31 Class B	100,000	2,501,000	2,298,000	Sun Life Financial Inc., 4.25%, Preferred, Series 12R	96,000	2,507,437	2,320,320
Bank of Montreal, 3.80%, Preferred, Series 33	250,000	6,250,000	6,145,000	Sun Life Financial Inc., 4.45%, Preferred, Series 3	140,000	3,312,600	3,017,000
Bank of Montreal, 3.90%, Preferred, Series 29	240,000	6,042,893	5,568,000	Sun Life Financial Inc., 4.45%, Preferred, Series F	95,000	2,018,850	2,061,500
Bank of Montreal, 4.00%, Preferred, Series 27	225,000	5,662,000	5,267,250	Sun Life Financial Inc., 4.50%, Preferred, Series 5	115,000	2,535,678	2,498,950
Bank of Montreal, 4.40%, Preferred, Series 42	250,000	6,250,000	6,235,000	Sun Life Financial Inc., 4.75%, Preferred, Series A	125,300	2,831,375	2,844,310
Bank of Montreal, 5.00%, Preferred, Series 35	240,000	5,887,500	6,055,200	Sun Life Financial Inc., 4.80%, Preferred, Series 2	105,000	2,529,800	2,399,250
Bank of Nova Scotia, The, 2.69%, Preferred, Series 21 ¹	50,000	1,269,500	1,242,500	Toronto-Dominion Bank, The, 3.60%, Preferred, Series 7	200,000	4,999,714	4,902,000
Bank of Nova Scotia, The, 3.83%, Preferred, Series 22 ¹	45,000	1,159,542	1,121,850	Toronto-Dominion Bank, The, 3.75%, Preferred, Series 5	250,000	6,250,000	5,822,500
Bank of Nova Scotia, The, 5.00%, Preferred, Series 20 ¹	65,000	1,644,800	1,621,100	Toronto-Dominion Bank, The, 3.80%, Preferred, Series 3	120,000	3,000,000	2,810,400
Brookfield Asset Management Inc., 4.50%, Preferred, Series 32	163,900	3,356,426	4,035,218	Toronto-Dominion Bank, The, 3.90%, Preferred, Series 1	215,000	5,424,343	5,026,700
Brookfield Asset Management Inc., 4.50%, Preferred, Series 40	205,000	5,082,439	5,012,250	Toronto-Dominion Bank, The, 4.50%, Preferred, Series 16	250,000	6,250,000	6,300,000
Brookfield Asset Management Inc., 5.00%, Preferred, Series 44	375,000	9,378,000	9,723,750	Toronto-Dominion Bank, The, 4.85%, Preferred, Series 14	130,000	3,250,000	3,389,100
Brookfield Renewable Power Inc., 5.25%, Preferred, Series I	250,000	6,022,415	5,425,000	Toronto-Dominion Bank, The, 4.90%, Preferred, Series 11	113,400	2,835,000	2,838,402
Canadian Imperial Bank of Commerce, 3.60%, Preferred, Series 43	250,000	6,250,000	6,037,500	Toronto-Dominion Bank, The, 5.50%, Preferred, Series 12	225,000	5,625,000	5,962,500
Canadian Imperial Bank of Commerce, 3.75%, Preferred, Series 41	200,000	5,000,000	4,586,000			<u>300,172,938</u>	<u>288,364,746</u>
Canadian Imperial Bank of Commerce, 3.90%, Preferred, Series 39	253,100	6,381,895	5,894,699	Telecommunication Services – 3.3%			
Canadian Imperial Bank of Commerce, 4.40%, Preferred, Series 45	200,000	5,000,000	4,988,000	BCE Inc., 0.00%, Preferred, Series AB	20,000	450,800	412,400
Canadian Imperial Bank of Commerce, 4.50%, Preferred, Series 47	250,000	6,250,000	6,007,500	BCE Inc., 2.85%, Preferred, Series 15	116,900	2,788,660	2,410,478
Great-West Lifeco Inc., 4.50%, Preferred, Series 1	113,000	2,588,820	2,437,410	BCE Inc., 3.00%, Preferred, Series AD	125,000	2,848,750	2,573,750
Great-West Lifeco Inc., 4.80%, Preferred, Series R	71,500	1,675,010	1,616,615	BCE Inc., 4.15%, Preferred, Series 19	89,000	1,943,862	1,709,690
Great-West Lifeco Inc., 4.85%, Preferred, Series H	105,000	2,543,226	2,399,250	BCE Inc., 4.15%, Preferred, Series AK	200,000	4,446,540	3,826,000
Great-West Lifeco Inc., 5.15%, Preferred, Series Q	65,000	1,628,400	1,546,350	BCE Inc., 4.25%, Preferred, Series AQ	65,000	1,694,038	1,590,550
Great-West Lifeco Inc., 5.20%, Preferred, Series G	40,000	1,005,500	959,600	BCE Inc., 4.60%, Preferred, Series Y	40,000	908,800	822,800
Great-West Lifeco Inc., 5.25%, Preferred, Series S	117,800	2,981,912	2,888,456	BCE Inc., 4.85%, Preferred, Series AM	90,000	2,195,313	1,753,200
Great-West Lifeco Inc., 5.40%, Preferred, Series P	90,000	2,322,150	2,258,100	BCE Inc., 5.45%, Preferred, Series AA	80,000	1,687,200	1,563,200
Industrial Alliance Insurance & Financial Services Inc., 4.80%, Preferred, Series I	150,000	3,750,000	3,780,000			<u>18,963,963</u>	<u>16,662,068</u>
Industrial Alliance, 4.30%, Preferred, Series G	82,700	2,178,318	1,952,547	Utilities – 16.1%			
				Brookfield Renewable Partners LP, 5.00%, Preferred, Series 11	240,000	6,000,000	6,028,800

The accompanying notes are an integral part of the financial statements.

Scotia Private Canadian Preferred Share Pool (Unaudited – Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at June 30, 2018

Issuer	Number of Shares	Average Cost (\$)	Carrying Value (\$)
EQUITIES (cont'd)			
Utilities (cont'd)			
Brookfield Renewable Partners LP, 5.00%, Preferred, Series 13	250,000	6,250,000	6,162,500
Brookfield Renewable Partners LP, 5.50%, Preferred, Series 7	250,000	6,250,000	6,427,500
Brookfield Renewable Partners LP, 5.75%, Preferred, Series 9	200,000	5,000,000	5,150,000
Canadian Utilities Limited, 3.80%, Preferred, Series 4	90,000	1,839,600	1,570,500
Canadian Utilities Limited, 4.00%, Preferred, Series Y	199,100	5,167,657	4,491,696
Canadian Utilities Limited, 4.50%, Preferred, Series CC	170,000	4,266,261	3,632,900
Canadian Utilities Limited, 4.50%, Preferred, Series DD	95,000	2,069,500	2,036,800
Canadian Utilities Limited, 4.90%, Preferred, Series AA	337,200	8,240,724	7,796,064
Canadian Utilities Limited, 4.90%, Preferred, Series BB	100,000	2,389,000	2,297,000
Canadian Utilities Ltd., 4.50%, Preferred, Series FF	180,000	4,500,000	4,676,400
Emera Inc., 4.10%, Preferred, Series C	100,000	2,527,700	2,376,000
Emera Inc., 4.25%, Preferred, Series F	50,000	1,267,000	1,183,750
Emera Inc., 4.50%, Preferred, Series E	40,000	899,600	846,000
Emera Inc., 4.90%, Preferred, Series H	200,000	5,000,000	5,026,000
Fortis Inc., 3.88%, Preferred, Series G	91,600	2,311,020	2,006,040
Fortis Inc., 4.00%, Preferred, Series K	100,000	2,508,000	2,150,000
Fortis Inc., 4.10%, Preferred, Series M	148,000	3,715,080	3,478,000
Fortis Inc., 4.75%, Preferred, Series J	120,000	2,897,400	2,673,600
Westcoast Energy Inc., 5.20%, Preferred, Series 12	160,000	4,033,150	4,105,600
Westcoast Energy Inc., 5.50%, Preferred, Series H	254,700	6,475,094	6,370,047
		<u>83,606,786</u>	<u>80,485,197</u>
Underlying Funds – 0.7%			
Index Based Exchange-Traded Funds – 0.7%			
BMO S&P/TSX Laddered Preferred Share Index ETF	300,000	3,418,364	3,480,000
Transaction Costs		(412,451)	
TOTAL INVESTMENT PORTFOLIO		<u>515,691,905</u>	<u>492,445,565</u>
OTHER ASSETS, LESS LIABILITIES – 1.7%			<u>8,742,405</u>
NET ASSETS – 100.0%			<u><u>501,187,970</u></u>

† These securities are investments in related parties (note 10).

Scotia Private Canadian Preferred Share Pool (Unaudited – Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

The Fund (note 1)

The Fund's objective is to provide regular income and the potential for modest long term capital growth. It invests primarily in a diversified portfolio of preferred shares of Canadian companies.

Risks associated with financial instruments (note 4)

Interest rate risk

The majority of the Fund's financial instruments were non-interest bearing as at June 30, 2018 and December 31, 2017. Accordingly, the Fund is not directly subject to significant risk due to fluctuations in the prevailing levels of market interest rates.

Currency risk

The Fund did not have significant currency risk exposure as at June 30, 2018 or December 31, 2017.

Price risk

Price risk is the risk that the carrying value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) caused by factors specific to a security, its issuer or all factors affecting a market or a market segment. Exposure to price risk is mainly in equities, underlying funds, derivatives and commodities, as applicable. As at June 30, 2018, approximately 98.3% (December 31, 2017 – 98.5%) of the Fund's net assets were exposed to price risk. If prices of these instruments had decreased or increased by 10%, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by approximately \$49,244,557 (December 31, 2017 – \$50,719,932). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Credit risk

The table below summarizes the credit ratings of bonds and debentures, money market instruments and preferred shares held by the Fund, as applicable.

	June 30, 2018		December 31, 2017	
	Percentage of total credit rated instruments (%)	Percentage of net assets (%)	Percentage of total credit rated instruments (%)	Percentage of net assets (%)
Credit ratings				
A	13.5	13.1	16.3	15.3
BBB	65.9	64.3	63.3	59.8
BB	20.6	20.1	20.4	19.3
	100.0	97.5	100.0	94.4

Concentration risk

Concentration risk arises as a result of the concentration of financial instruments within the same category, geographical location, asset type or industry sector, as applicable. The table below is a summary of

the Fund's concentration risk by carrying value as a percentage of net assets:

	Percentage of net assets (%)	
	June 30, 2018	December 31, 2017
Consumer Discretionary	0.6	0.5
Consumer Staples	1.1	1.1
Energy	19.0	18.8
Financials	57.5	56.7
Index Based Exchange-Traded Funds	0.7	4.1
Telecommunication Services	3.3	3.2
Utilities	16.1	14.1

Fair Value Classification (note 2)

The tables below illustrate the classification of the Fund's financial instruments within the fair value hierarchy.

	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
June 30, 2018				
Equities	488,965,565	–	–	488,965,565
Underlying funds	3,480,000	–	–	3,480,000
	492,445,565	–	–	492,445,565

	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
December 31, 2017				
Equities	486,146,323	–	–	4,186,146,323
Underlying funds	21,053,000	–	–	21,053,000
	507,199,323	–	–	507,199,323

Transfers between levels

During the periods ended June 30, 2018 and December 31, 2017, there were no significant transfers between Level 1 and Level 2.

Offsetting of financial assets and liabilities (note 2)

As at June 30, 2018 and December 31, 2017, the Fund did not enter into any agreement whereby the financial instruments were eligible for offset.

Interest in Underlying Funds (note 2)

The following tables present the percentage of the Underlying Funds owned by the Fund.

Underlying Fund	June 30, 2018	
	Carrying value of the Underlying Fund (\$)	Ownership percentage in Underlying Fund (%)
BMO S&P/TSX Laddered Preferred Share Index ETF	3,480,000	0.2
	3,480,000	

Underlying Fund	December 31, 2017	
	Carrying value of the Underlying Fund (\$)	Ownership percentage in Underlying Fund (%)
BMO S&P/TSX Laddered Preferred Share Index ETF	15,301,000	0.7
iShares S&P/TSX Canadian Preferred Share Index Fund	5,752,000	0.4
	21,053,000	

The accompanying notes are an integral part of the financial statements.

Scotia Private Canadian Preferred Share Pool (Unaudited – Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

Comparison of net asset value per unit and net assets per unit (note 2)

As at June 30, 2018 or December 31, 2017, there were no differences between the net asset value per unit and the net assets per unit for any series of the Fund.

Scotia U.S. \$ Bond Fund (Unaudited)

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	June 30, 2018	December 31, 2017
	U.S. \$	U.S. \$
ASSETS		
Current assets		
Financial assets at fair value through profit or loss (note 2)		
Non-derivative financial assets	38,359,219	45,780,620
Cash	1,185,478	75,431
Subscriptions receivable	12,060	5,000
Accrued investment income and other	325,840	382,003
	<u>39,882,597</u>	<u>46,243,054</u>
LIABILITIES		
Current liabilities		
Management fee payable	38,917	–
Redemptions payable	10,331	3,362
Accrued expenses	2,723	–
Distributions payable	4,053	21
	<u>56,024</u>	<u>3,383</u>
Net assets attributable to holders of redeemable units	<u>39,826,573</u>	<u>46,239,671</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series A	39,268,568	45,671,475
Series F	558,005	568,196
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series A	10.80	11.16
Series F	10.77	11.13

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended June 30 (note 1),

(in dollars except average units)	2018	2017
	U.S. \$	U.S. \$
INCOME		
Net gain (loss) on financial assets and liabilities at fair value through profit or loss		
Interest for distribution purposes	559,209	619,510
Net realized gain (loss) on non-derivative financial assets	(1,004,095)	(449,992)
Change in unrealized gain (loss) on non-derivative financial assets	(406,228)	885,991
Net gain (loss) on financial assets and liabilities at fair value through profit or loss	(851,114)	1,055,509
Securities lending (note 11)	147	88
Other income	235	–
Total income (loss), net	<u>(850,732)</u>	<u>1,055,597</u>
EXPENSES		
Management fees (note 5)	230,670	288,364
Fixed administration fees (note 6)	12,658	15,576
Independent Review Committee fees	587	427
Interest expense and bank overdraft charges	1	131
Harmonized Sales Tax/Goods and Services Tax	28,097	35,191
Total expenses	<u>272,013</u>	<u>339,689</u>
Increase (decrease) in net assets attributable to holders of redeemable units from operations	<u>(1,122,745)</u>	<u>715,908</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A	(1,110,020)	736,132
Series F	(12,725)	(20,224)
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT*		
Series A	(0.29)	0.16
Series F	(0.25)	(0.29)
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series A	3,829,975	4,615,897
Series F	51,552	68,584

* The increase (decrease) in net assets attributable to holders of redeemable units from operations per unit is calculated by dividing the increase (decrease) in net assets attributable to holders of redeemable units from operations per series by the weighted average number of units per series.

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the periods ended June 30 (note 1),

(in dollars)	2018	2017
	U.S. \$	U.S. \$
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series A	45,671,475	54,660,410
Series F	568,196	960,275
	<u>46,239,671</u>	<u>55,620,685</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A	(1,110,020)	736,132
Series F	(12,725)	(20,224)
	<u>(1,122,745)</u>	<u>715,908</u>
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net investment income		
Series A	(306,860)	(286,899)
Series F	(5,844)	(6,368)
	<u>(312,704)</u>	<u>(293,267)</u>
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A	305,968	837,347
Series F	31,980	33,901
Reinvested distributions		
Series A	282,202	265,534
Series F	2,350	3,417
Payments on redemption		
Series A	(5,574,197)	(6,357,999)
Series F	(25,952)	(328,989)
	<u>(4,977,649)</u>	<u>(5,546,789)</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A	(6,402,907)	(4,805,885)
Series F	(10,191)	(318,263)
	<u>(6,413,098)</u>	<u>(5,124,148)</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series A	39,268,568	49,854,525
Series F	558,005	642,012
	<u>39,826,573</u>	<u>50,496,537</u>
STATEMENTS OF CASH FLOWS		
For the periods ended June 30 (note 1),		
(in dollars)	2018	2017
	U.S. \$	U.S. \$
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units		
	(1,122,745)	715,908
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	1,004,095	449,992
Change in unrealized (gain) loss on non-derivative financial assets	406,228	(885,991)
Purchases of portfolio investments	(43,306,569)	(32,497,331)
Proceeds from sale of portfolio investments	49,317,647	38,202,342
Accrued investment income and other	56,163	240,516
Accrued expenses and other payables	41,640	51,565
Net cash provided by (used in) operating activities	<u>6,396,459</u>	<u>6,277,001</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units		
	330,888	800,816
Amounts paid on redemption of redeemable units		
	(5,593,180)	(6,608,724)
Distributions to unitholders of redeemable units		
	(24,120)	(20,125)
Net cash provided by (used in) financing activities	<u>(5,286,412)</u>	<u>(5,828,033)</u>
Net increase (decrease) in cash		
	1,110,047	448,968
Cash (bank overdraft), beginning of period		
	75,431	136,208
CASH (BANK OVERDRAFT), END OF PERIOD	<u>1,185,478</u>	<u>585,176</u>
Interest paid ⁽¹⁾		
	1	131
Interest received, net of withholding taxes ⁽¹⁾		
	615,372	860,027

(1) Classified as operating items.

The accompanying notes are an integral part of the financial statements.

Scotia U.S. \$ Bond Fund (Unaudited – Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at June 30, 2018

Issuer	Face	Average	Carrying
	Value (\$)	Cost (\$)	Value (\$)
	U.S. \$	U.S. \$	U.S. \$
BONDS AND DEBENTURES – 96.3%			
Corporate Bonds – 37.0%			
Aetna Inc. (Callable) 2.80% Apr 15, 2023	633,000	605,262	604,594
Apple Inc. (Callable) 3.25% Nov 23, 2025	567,000	552,757	554,322
Bank of America Corporation (Callable) 3.37% Jan 23, 2025	841,000	839,907	808,521
Boston Properties LP (Callable) 5.63% Aug 15, 2020	324,000	340,096	340,121
Crown Castle Towers LLC (Callable) 3.66% Nov 15, 2023	772,000	768,670	758,035
Great-West Lifeco Finance 2018 LP (Callable) 4.05% Feb 17, 2028	655,000	655,000	664,262
Heathrow Funding Ltd. 4.88% Jul 15, 2021	550,000	574,536	575,064
JPMorgan Chase & Company (Callable) 2.97% Jan 15, 2022	1,500,000	1,507,980	1,466,796
Kimco Realty Corporation (Callable) 2.70% Jan 01, 2024	525,000	487,436	485,995
Medtronic Inc. 3.50% Mar 15, 2025	500,000	495,180	496,643
Morgan Stanley (Callable) 3.74% Apr 24, 2023	1,000,000	1,000,000	993,540
Permud Ricard SA 4.25% Jul 15, 2022	468,000	479,447	479,679
Reynolds American Inc. (Callable) 4.45% Mar 12, 2025	1,500,000	1,609,470	1,511,760
Suncor Energy Inc. (Callable) 3.60% Sep 01, 2024	1,392,000	1,373,361	1,376,799
Thermo Fisher Scientific Inc. (Callable) 2.95% Jun 19, 2026	1,200,000	1,186,188	1,112,418
United Parcel Service Inc. (Callable) 2.80% Sep 15, 2024	470,000	452,967	451,776
UnitedHealth Group Inc. 3.50% Jun 15, 2023	620,000	619,690	620,295
Ventas Realty LP (Callable) 3.85% Jan 01, 2027	1,000,000	1,022,570	958,660
Wells Fargo & Company 3.00% Feb 19, 2025	520,000	490,521	489,640
		<u>15,061,038</u>	<u>14,748,920</u>
Federal Bonds – 56.8%			
United States Treasury Notes 1.63% Jun 30, 2019	11,825,000	11,881,217	11,742,281
United States Treasury Notes 1.75% Dec 31, 2020	3,950,000	3,938,214	3,871,948
United States Treasury Notes 2.38% Jan 31, 2023	1,298,000	1,287,786	1,279,160
United States Treasury Notes 2.50% May 15, 2046	1,350,000	1,289,127	1,229,465
United States Treasury Notes 2.75% Aug 15, 2042	2,155,000	2,099,915	2,076,914
United States Treasury Notes 3.00% Feb 15, 2048	1,000,000	985,282	1,005,670
United States Treasury Notes 4.50% Feb 15, 2036	1,150,000	1,431,991	1,407,727
		<u>22,913,532</u>	<u>22,613,165</u>
Provincial Bonds – 2.5%			
Province of Alberta 3.30% Mar 15, 2028	1,000,000	989,100	997,134
TOTAL INVESTMENT PORTFOLIO		<u>38,963,670</u>	<u>38,359,219</u>
OTHER ASSETS, LESS LIABILITIES – 3.7%			<u>1,467,354</u>
NET ASSETS – 100.0%			<u>39,826,573</u>

The accompanying notes are an integral part of the financial statements.

Scotia U.S. \$ Bond Fund (Unaudited – Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

All amounts are in U.S.\$ unless otherwise stated

The Fund (note 1)

The Fund's objective is to provide a high level of interest income. It invests primarily in bonds and treasury bills that are denominated in U.S. dollars and are issued by governments, corporations or supranational entities around the world.

Risks associated with financial instruments (note 4)

Interest rate risk

The table below summarizes the Fund's exposure to interest rate risk by the remaining term to maturity of the Fund's portfolio, excluding underlying funds, preferred shares, cash and overdrafts, as applicable.

Interest rate exposure	June 30, 2018 (\$)	December 31, 2017 (\$)
Less than 1 year	–	–
1-3 years	15,954,350	10,435,319
3-5 years	5,025,588	9,669,546
5-10 years	11,659,505	16,105,824
> 10 years	5,719,776	9,569,931
	38,359,219	45,780,620

As at June 30, 2018, had the prevailing interest rates increased or decreased by 0.25%, assuming a parallel shift in the yield curve and all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by \$538,861 or approximately 1.4% (December 31, 2017 – \$727,250 or approximately 1.6%).

Currency risk

The Fund did not have significant currency risk exposure as at June 30, 2018 or December 31, 2017.

Price risk

The Fund did not have significant price risk exposure to equities, underlying funds, derivatives or commodities, if applicable, as at June 30, 2018 and December 31, 2017.

Credit risk

The table below summarizes the credit ratings of bonds and debentures, money market instruments and preferred shares held by the Fund, as applicable.

	June 30, 2018		December 31, 2017	
	Percentage of total credit rated instruments (%)	Percentage of net assets (%)	Percentage of total credit rated instruments (%)	Percentage of net assets (%)
Credit ratings				
AAA	59.0	56.7	51.0	50.6
AA	4.0	3.9	5.3	5.2
A	22.5	21.8	28.8	28.5
BBB	14.5	13.9	14.9	14.7
	100.0	96.3	100.0	99.0

Concentration risk

Concentration risk arises as a result of the concentration of financial instruments within the same category, geographical location, asset type or industry sector, as applicable. The table below is a summary of the Fund's concentration risk by carrying value as a percentage of net assets:

	Percentage of net assets (%)	
	June 30, 2018	December 31, 2017
Corporate Bonds	37.0	50.6
Federal Bonds	56.8	48.4
Provincial Bonds	2.5	–

Fair Value Classification (note 2)

The tables below illustrate the classification of the Fund's financial instruments within the fair value hierarchy.

June 30, 2018	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Bonds and debentures	–	38,359,219	–	38,359,219
	–	38,359,219	–	38,359,219

December 31, 2017	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Bonds and debentures	–	45,780,620	–	45,780,620
	–	45,780,620	–	45,780,620

Transfers between levels

During the periods ended June 30, 2018 and December 31, 2017, there were no significant transfers between Level 1 and Level 2.

Offsetting of financial assets and liabilities (note 2)

As at June 30, 2018 and December 31, 2017, the Fund did not enter into any agreement whereby the financial instruments were eligible for offset.

Interest in Underlying Funds (note 2)

The Fund did not hold any interest in Underlying Funds as at June 30, 2018 or December 31, 2017.

Comparison of net asset value per unit and net assets per unit (note 2)

As at June 30, 2018 or December 31, 2017, there were no differences between the net asset value per unit and the net assets per unit for any series of the Fund.

Scotia Global Bond Fund (Unaudited)

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	June 30, 2018	December 31, 2017
ASSETS		
Current assets		
Financial assets at fair value through profit or loss (note 2)		
Non-derivative financial assets	11,341,410	11,610,258
Derivatives	164,228	140,315
Cash	42,136	42,503
Subscriptions receivable	1,061	711
Accrued investment income and other	118,186	87,898
	<u>11,667,021</u>	<u>11,881,685</u>
LIABILITIES		
Current liabilities		
Financial liabilities at fair value through profit or loss (note 2)		
Derivatives	311,548	100,850
Management fee payable	10,991	–
Redemptions payable	21,077	6,100
Accrued expenses	3,587	–
	<u>347,203</u>	<u>106,950</u>
Net assets attributable to holders of redeemable units	<u>11,319,818</u>	<u>11,774,735</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series A	11,295,468	11,751,665
Series F	24,350	23,070
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series A	9.72	9.48
Series F	9.82	9.56

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended June 30 (note 1),

(in dollars except average units)	2018	2017
INCOME		
Net gain (loss) on financial assets and liabilities at fair value through profit or loss		
Interest for distribution purposes	165,712	175,561
Net realized gain (loss) on non-derivative financial assets	(117,291)	(68,812)
Change in unrealized gain (loss) on non-derivative financial assets	279,434	109,864
Net realized gain (loss) on derivatives	211,009	(303,890)
Change in unrealized gain (loss) on derivatives	(186,785)	406,647
Net gain (loss) on financial assets and liabilities at fair value through profit or loss	352,079	319,370
Securities lending (note 11)	293	95
Net realized and unrealized foreign currency translation gain (loss)	10,298	13,360
Other income	2,761	25
Total income (loss), net	<u>365,431</u>	<u>332,850</u>
EXPENSES		
Management fees (note 5)	63,973	76,055
Fixed administration fees (note 6)	17,463	20,384
Independent Review Committee fees	587	576
Interest expense and bank overdraft charges	–	708
Foreign withholding taxes/tax reclaims	–	1,991
Harmonized Sales Tax/Goods and Services Tax	8,911	10,554
Total expenses	<u>90,934</u>	<u>110,268</u>
Increase (decrease) in net assets attributable to holders of redeemable units from operations	<u>274,497</u>	<u>222,582</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A	273,842	207,901
Series F	655	14,681
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT[†]		
Series A	0.23	0.15
Series F	0.27	3.84
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series A	1,212,837	1,423,902
Series F	2,422	3,825

[†] The increase (decrease) in net assets attributable to holders of redeemable units from operations per unit is calculated by dividing the increase (decrease) in net assets attributable to holders of redeemable units from operations per series by the weighted average number of units per series.

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the periods ended June 30 (note 1),

(in dollars)	2018	2017
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series A	11,751,665	14,316,636
Series F	23,070	29,816
	<u>11,774,735</u>	<u>14,346,452</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A	273,842	207,901
Series F	655	14,681
	<u>274,497</u>	<u>222,582</u>
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A	1,479,942	879,496
Series F	625	6,600
Payments on redemption		
Series A	(2,209,981)	(2,341,636)
Series F	–	(13,965)
	<u>(729,414)</u>	<u>(1,469,505)</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A	(456,197)	(1,254,239)
Series F	1,280	7,316
	<u>(454,917)</u>	<u>(1,246,923)</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series A	11,295,468	13,062,397
Series F	24,350	37,132
	<u>11,319,818</u>	<u>13,099,529</u>

STATEMENTS OF CASH FLOWS

For the periods ended June 30 (note 1),

(in dollars)	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	274,497	222,582
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	117,291	68,812
Unrealized foreign currency translation (gain) loss	29	2,343
Change in unrealized (gain) loss on non-derivative financial assets	(279,434)	(109,864)
Change in unrealized (gain) loss on derivatives	186,785	(406,647)
Purchases of portfolio investments	(7,233,666)	(2,940,769)
Proceeds from sale of portfolio investments	7,664,657	4,282,822
Accrued investment income and other	(30,288)	4,103
Accrued expenses and other payables	14,578	17,145
Net cash provided by (used in) operating activities	<u>714,449</u>	<u>1,140,527</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	1,480,217	911,893
Amounts paid on redemption of redeemable units	(2,195,004)	(2,343,721)
Net cash provided by (used in) financing activities	<u>(714,787)</u>	<u>(1,431,828)</u>
Unrealized foreign currency translation gain (loss)	(29)	(2,343)
Net increase (decrease) in cash	(338)	(291,301)
Cash (bank overdraft), beginning of period	42,503	589,155
CASH (BANK OVERDRAFT), END OF PERIOD	<u>42,136</u>	<u>295,511</u>
Interest paid ⁽¹⁾	–	708
Interest received, net of withholding taxes ⁽¹⁾	135,426	177,673

⁽¹⁾ Classified as operating items.

Scotia Global Bond Fund (Unaudited – Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at June 30, 2018

Issuer	Face Value (\$)	Average Cost (\$)	Carrying Value (\$)	Issuer	Face Value (\$)	Average Cost (\$)	Carrying Value (\$)
BONDS AND DEBENTURES – 100.2%				BONDS AND DEBENTURES (cont'd)			
Australia – 17.5%				United States (cont'd)			
Government of Australia 3.25% Oct 21, 2018	AUD 680,000	693,999	664,082	United States Treasury Notes 2.63% Feb 15, 2028	USD 1,700,000	2,141,095	2,220,437
Government of Australia 4.50% Apr 15, 2020	AUD 1,300,000	1,344,359	1,319,809	United States Treasury Notes 2.75% Aug 15, 2042	USD 1,340,000	1,732,845	1,698,510
		<u>2,038,358</u>	<u>1,983,891</u>	United States Treasury Notes 2.75% Nov 15, 2023	USD 560,000	729,121	736,715
				United States Treasury Notes 3.63% Feb 15, 2020	USD 1,290,000	1,675,835	1,727,064
Canada – 1.5%						<u>7,421,161</u>	<u>7,577,762</u>
Government of Canada 0.75% Aug 01, 2019	168,000	165,932	166,182	TOTAL BONDS AND DEBENTURES		<u>11,159,392</u>	<u>11,341,410</u>
Germany – 6.6%				TOTAL INVESTMENT PORTFOLIO			
Bundesrepublik Deutschland 3.25% Jul 04, 2021	EUR 435,000	743,457	745,278			<u>11,159,392</u>	<u>11,341,410</u>
United Kingdom – 7.7%				Unrealized Gain (Loss) on Derivatives – (1.3%)			
United Kingdom Gilt 5.00% Mar 07, 2025	GBP 400,000	790,484	868,297	OTHER ASSETS, LESS LIABILITIES – 1.1%			
United States – 66.9%				NET ASSETS – 100.0%			
United States Treasury Notes 1.63% Jul 31, 2019	USD 265,000	329,665	345,775				(147,320)
United States Treasury Notes 1.63% May 15, 2026	USD 705,000	812,600	849,261				<u>125,728</u>
							<u>11,319,818</u>

SCHEDULE OF DERIVATIVE INSTRUMENTS

UNREALIZED GAIN ON CURRENCY FORWARD CONTRACTS

Counterparty	Credit Rating	Settlement Date	Currency To Be Received	Contractual Amount	Currency To Be Delivered	Contractual Amount	Contract Price	Market Price	Unrealized Gain (\$)
Toronto-Dominion Bank, The	A-1+	Jul. 27, 2018	Japanese Yen	72,246,500	Canadian Dollar	858,728	0.012	0.012	283
Toronto-Dominion Bank, The	A-1+	Jul. 27, 2018	US Dollar	1,566,963	Australian Dollar	2,053,686	1.311	1.351	61,604
Toronto-Dominion Bank, The	A-1+	Jul. 27, 2018	Japanese Yen	40,470,300	European Euro	304,960	0.008	0.008	12,099
Toronto-Dominion Bank, The	A-1+	Jul. 27, 2018	US Dollar	564,452	British Pound	402,609	0.713	0.756	42,307
Toronto-Dominion Bank, The	A-1+	Jul. 27, 2018	US Dollar	38,919	European Euro	31,596	0.812	0.854	2,549
Canadian Imperial Bank of Commerce	A-1	Jul. 27, 2018	European Euro	75,000	Swedish Krona	768,615	10.248	10.46	2,336
Canadian Imperial Bank of Commerce	A-1	Jul. 27, 2018	European Euro	75,000	Swedish Krona	762,675	10.169	10.46	3,208
Royal Bank of Canada	A-1+	Jul. 27, 2018	European Euro	380,000	Japanese Yen	48,285,537	127.067	129.309	10,114
Royal Bank of Canada	A-1+	Jul. 27, 2018	US Dollar	10,000	Canadian Dollar	12,846	1.285	1.313	289
Royal Bank of Canada	A-1+	Jul. 27, 2018	British Pound	10,000	Canadian Dollar	17,116	1.712	1.736	248
Royal Bank of Canada	A-1+	Jul. 27, 2018	European Euro	380,000	Japanese Yen	48,477,309	127.572	129.309	7,837
State Street Bank & Trust Company	A-1+	Jul. 27, 2018	European Euro	70,000	Canadian Dollar	106,080	1.515	1.537	1,538
Canadian Imperial Bank of Commerce	A-1	Jul. 27, 2018	US Dollar	620,752	Canadian Dollar	800,000	1.289	1.313	15,353
State Street Bank & Trust Company	A-1+	Jul. 27, 2018	European Euro	9,800	Canadian Dollar	15,023	1.533	1.537	44
Canadian Imperial Bank of Commerce	A-1	Jul. 27, 2018	Canadian Dollar	350,000	US Dollar	264,211	0.755	0.761	2,966
Canadian Imperial Bank of Commerce	A-1	Jul. 27, 2018	Canadian Dollar	350,000	US Dollar	265,363	0.758	0.761	1,453
									<u>164,228</u>

UNREALIZED LOSS ON CURRENCY FORWARD CONTRACTS

Counterparty	Credit Rating	Settlement Date	Currency To Be Received	Contractual Amount	Currency To Be Delivered	Contractual Amount	Contract Price	Market Price	Unrealized Loss (\$)
Toronto-Dominion Bank, The	A-1+	Jul. 27, 2018	Swedish Krona	3,950,000	US Dollar	471,991	0.119	0.112	(39,391)
Toronto-Dominion Bank, The	A-1+	Jul. 27, 2018	Australian Dollar	150,704	Canadian Dollar	147,153	0.976	0.972	(636)
Toronto-Dominion Bank, The	A-1+	Jul. 27, 2018	Japanese Yen	146,333,200	US Dollar	1,358,320	0.009	0.009	(44,621)
Toronto-Dominion Bank, The	A-1+	Jul. 27, 2018	British Pound	350,000	European Euro	398,338	1.138	1.129	(4,633)
Toronto-Dominion Bank, The	A-1+	Jul. 27, 2018	Canadian Dollar	3,306,989	US Dollar	2,582,375	0.781	0.761	(84,892)
Toronto-Dominion Bank, The	A-1+	Jul. 27, 2018	European Euro	1,336,715	Canadian Dollar	2,108,668	1.577	1.537	(53,476)
Canadian Imperial Bank of Commerce	A-1	Jul. 27, 2018	Canadian Dollar	540,000	US Dollar	421,102	0.78	0.761	(13,106)
Canadian Imperial Bank of Commerce	A-1	Jul. 27, 2018	European Euro	200,000	US Dollar	243,750	1.219	1.17	(12,677)
Canadian Imperial Bank of Commerce	A-1	Jul. 27, 2018	Canadian Dollar	300,000	US Dollar	233,218	0.777	0.761	(6,326)
Canadian Imperial Bank of Commerce	A-1	Jul. 27, 2018	European Euro	230,000	US Dollar	278,015	1.209	1.17	(11,565)
Bank of Montreal	A-1	Jul. 27, 2018	Canadian Dollar	300,000	US Dollar	233,526	0.778	0.761	(6,730)
Royal Bank of Canada	A-1+	Jul. 27, 2018	Canadian Dollar	300,000	US Dollar	234,593	0.782	0.761	(8,132)
Canadian Imperial Bank of Commerce	A-1	Jul. 27, 2018	Canadian Dollar	300,000	US Dollar	234,824	0.783	0.761	(8,436)
Royal Bank of Canada	A-1+	Jul. 27, 2018	Australian Dollar	40,527	Canadian Dollar	39,429	0.973	0.972	(28)
Bank of Montreal	A-1	Jul. 27, 2018	Japanese Yen	57,137,333	European Euro	445,000	0.008	0.008	(5,113)
Bank of Montreal	A-1	Jul. 27, 2018	Japanese Yen	47,823,375	European Euro	375,000	0.008	0.008	(8,181)
State Street Bank & Trust Company	A-1+	Jul. 27, 2018	US Dollar	205,000	Canadian Dollar	272,611	1.33	1.313	(3,356)
State Street Bank & Trust Company	A-1+	Jul. 27, 2018	European Euro	13,100	Canadian Dollar	20,389	1.556	1.537	(249)
									<u>(311,548)</u>

The accompanying notes are an integral part of the financial statements.

Scotia Global Bond Fund (Unaudited – Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

The Fund (note 1)

The Fund's objective is to provide a high level of regular interest income. It invests primarily in foreign currency-denominated bonds and money market instruments issued by Canadian federal, provincial and municipal governments and Canadian corporations, and by foreign governments and corporations, and supranational entities, such as the World Bank.

Risks associated with financial instruments (note 4)

Interest rate risk

The table below summarizes the Fund's exposure to interest rate risk by the remaining term to maturity of the Fund's portfolio, excluding underlying funds, preferred shares, cash and overdrafts, as applicable.

Interest rate exposure	June 30, 2018 (\$)	December 31, 2017 (\$)
Less than 1 year	664,082	674,248
1-3 years	3,558,830	5,407,119
3-5 years	745,278	851,949
5-10 years	4,674,710	1,918,966
> 10 years	1,698,510	2,757,976
	11,341,410	11,610,258

As at June 30, 2018, had the prevailing interest rates increased or decreased by 0.25%, assuming a parallel shift in the yield curve and all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by \$181,638 or approximately 1.6% (December 31, 2017 – \$178,077 or approximately 1.5%).

Currency risk

The Fund's exposure to currency risk is summarized in the tables below. Amounts shown are based on the carrying value of monetary and non-monetary assets and liabilities of the Fund net of currency contracts, as applicable.

Currency	June 30, 2018			
	Gross currency exposure (\$)	Currency contracts (\$)	Net exposure (\$)	Percentage of net assets (%)
Japanese Yen	–	3,219,681	3,219,681	28.4
European Euro	772,651	1,915,570	2,688,221	23.7
US Dollar	7,652,758	(5,121,201)	2,531,557	22.4
British Pound	879,043	(71,261)	807,782	7.1
Swedish Krona	–	394,507	394,507	3.5
Australian Dollar	1,999,606	(1,812,589)	187,017	1.7
	11,304,058	(1,475,293)	9,828,765	86.8

Currency	December 31, 2017			
	Gross currency exposure (\$)	Currency contracts (\$)	Net exposure (\$)	Percentage of net assets (%)
Japanese Yen	–	3,678,213	3,678,213	31.2
European Euro	869,616	2,408,006	3,277,622	27.8
US Dollar	7,503,128	(6,123,856)	1,379,272	11.7
British Pound	880,887	(88,639)	792,248	6.7
Australian Dollar	2,070,942	(2,021,442)	49,500	0.4
	11,324,573	(2,147,718)	9,176,855	77.8

If the Canadian dollar strengthened or weakened by 10% in relation to all other currencies, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by \$982,877 or 8.7% (December 31, 2017 – \$917,686 or 7.8%). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Price risk

The Fund did not have significant price risk exposure to equities, underlying funds, derivatives or commodities, if applicable, as at June 30, 2018 and December 31, 2017.

Credit risk

The table below summarizes the credit ratings of bonds and debentures, money market instruments and preferred shares held by the Fund, as applicable.

	June 30, 2018		December 31, 2017	
	Percentage of total credit rated instruments (%)	Percentage of total credit rated net assets (%)	Percentage of total credit rated instruments (%)	Percentage of total credit rated net assets (%)
Credit ratings				
AAA	100.0	100.2	100.0	98.5
	100.0	100.2	100.0	98.5

Concentration risk

Concentration risk arises as a result of the concentration of financial instruments within the same category, geographical location, asset type or industry sector, as applicable. The table below is a summary of the Fund's concentration risk by carrying value as a percentage of net assets:

	Percentage of net assets (%)	
	June 30, 2018	December 31, 2017
Australia	17.5	17.1
Canada	1.5	3.5
Germany	6.6	7.2
United Kingdom	7.7	7.4
United States	66.9	63.3

Fair Value Classification (note 2)

The tables below illustrate the classification of the Fund's financial instruments within the fair value hierarchy.

June 30, 2018	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Bonds and debentures	–	11,341,410	–	11,341,410
Unrealized gain on currency forward contracts	–	164,228	–	164,228
	–	11,505,638	–	11,505,638
Unrealized loss on currency forward contracts	–	(311,548)	–	(311,548)
	–	11,194,090	–	11,194,090

The accompanying notes are an integral part of the financial statements.

Scotia Global Bond Fund (Unaudited – Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

December 31, 2017	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Bonds and debentures	-	11,610,258	-	11,610,258
Unrealized gain on currency forward contracts	-	140,315	-	140,315
	-	11,750,573	-	11,750,573
Unrealized loss on currency forward contracts	-	(100,850)	-	(100,850)
	-	11,649,723	-	11,649,723

Transfers between levels

During the periods ended June 30, 2018 and December 31, 2017, there were no significant transfers between Level 1 and Level 2.

Offsetting of financial assets and liabilities (note 2)

The following table presents offsetting of financial assets and liabilities and collateral amounts that would occur if future events, such as bankruptcy or termination of contracts, were to arise. No amounts were offset in the financial statements.

Financial assets – by type	June 30, 2018			
	Gross amount of assets (\$)	Master netting offset (\$)	Collateral pledged/received (\$)	Net Amount (\$)
Currency forward contracts	164,228	(153,900)	-	10,328
Options contracts – OTC	-	-	-	-
Swap contracts – OTC	-	-	-	-
	164,228	(153,900)	-	10,328

Financial liabilities – by type	June 30, 2018			
	Gross amount of liabilities (\$)	Master netting offset (\$)	Collateral pledged/received (\$)	Net Amount (\$)
Currency forward contracts	311,548	(153,900)	-	157,648
Options contracts – OTC	-	-	-	-
Swap contracts – OTC	-	-	-	-
	311,548	(153,900)	-	157,648

Financial assets – by type	December 31, 2017			
	Gross amount of assets (\$)	Master netting offset (\$)	Collateral pledged/received (\$)	Net Amount (\$)
Currency forward contracts	140,315	(100,850)	-	39,465
Options contracts – OTC	-	-	-	-
Swap contracts – OTC	-	-	-	-
	140,315	(100,850)	-	39,465

Financial liabilities – by type	December 31, 2017			
	Gross amount of liabilities (\$)	Master netting offset (\$)	Collateral pledged/received (\$)	Net Amount (\$)
Currency forward contracts	100,850	(100,850)	-	-
Options contracts – OTC	-	-	-	-
Swap contracts – OTC	-	-	-	-
	100,850	(100,850)	-	-

Interest in Underlying Funds (note 2)

The Fund did not hold any interest in Underlying Funds as at June 30, 2018 or December 31, 2017.

Comparison of net asset value per unit and net assets per unit (note 2)

As at June 30, 2018 or December 31, 2017, there were no differences between the net asset value per unit and the net assets per unit for any series of the Fund.

Scotia Private Global Credit Pool (Unaudited)

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	June 30, 2018	December 31, 2017
ASSETS		
Current assets		
Financial assets at fair value through profit or loss (note 2)		
Non-derivative financial assets	412,444,211	414,449,291
Derivatives	5,213,979	9,539,195
Cash	2,208,394	6,808,961
Cash collateral deposited on derivatives	2,732,775	1,457,119
Receivable for securities sold	3,725	1,784,690
Subscriptions receivable	11,400	11,100
Accrued investment income and other	4,218,376	3,840,611
	<u>426,832,860</u>	<u>437,890,967</u>
LIABILITIES		
Current liabilities		
Financial liabilities at fair value through profit or loss (note 2)		
Derivatives	10,736,625	3,093,357
Margin payable on derivatives	–	5,865,066
Payable for securities purchased	3,548,150	4,918,603
Accrued expenses	15,055	10
Distributions payable	47	9
	<u>14,299,877</u>	<u>13,877,045</u>
Net assets attributable to holders of redeemable units	<u>412,532,983</u>	<u>424,013,922</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series I	412,532,983	424,013,922
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series I	9.50	9.94

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended June 30 (note 1),

(in dollars except average units)	2018	2017
INCOME		
Net gain (loss) on financial assets and liabilities at fair value through profit or loss		
Dividends	58,914	–
Interest for distribution purposes	8,368,766	15,511
Net realized gain (loss) on non-derivative financial assets	(5,497,847)	(197,702)
Change in unrealized gain (loss) on non-derivative financial assets	2,774,723	(2,328,251)
Net realized gain (loss) on derivatives	(4,666,997)	(135,806)
Change in unrealized gain (loss) on derivatives	(11,538,160)	1,502,235
Net gain (loss) on financial assets and liabilities at fair value through profit or loss	(10,500,601)	(1,144,013)
Securities lending (note 11)	8,160	–
Net realized and unrealized foreign currency translation gain (loss)	(468,118)	426,284
Total income (loss), net	<u>(10,960,559)</u>	<u>(717,729)</u>
EXPENSES		
Fixed administration fees (note 6)	82,901	1,287
Independent Review Committee fees	587	576
Interest expense and bank overdraft charges	3,482	–
Foreign withholding taxes/tax reclaims	15,639	–
Harmonized Sales Tax/Goods and Services Tax	8,937	167
Transaction costs	772	392
Total expenses	<u>112,318</u>	<u>2,422</u>
Increase (decrease) in net assets attributable to holders of redeemable units from operations	<u>(11,072,877)</u>	<u>(720,151)</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series I	(11,072,877)	(720,151)
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT[†]		
Series I	(0.26)	(0.88)
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series I	42,919,672	818,886

[†] The increase (decrease) in net assets attributable to holders of redeemable units from operations per unit is calculated by dividing the increase (decrease) in net assets attributable to holders of redeemable units from operations per series by the weighted average number of units per series.

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the periods ended June 30 (note 1),

(in dollars)	2018	2017
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series I	424,013,922	150,092
	<u>424,013,922</u>	<u>150,092</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series I	(11,072,877)	(720,151)
	<u>(11,072,877)</u>	<u>(720,151)</u>
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net investment income		
Series I	(7,948,864)	(258)
	<u>(7,948,864)</u>	<u>(258)</u>
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series I	2,696,825	300,000,000
Reinvested distributions		
Series I	7,948,827	258
Payments on redemption		
Series I	(3,104,850)	(149,727)
	<u>7,540,802</u>	<u>299,850,531</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series I	(11,480,939)	299,130,122
	<u>(11,480,939)</u>	<u>299,130,122</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series I	412,532,983	299,280,214
	<u>412,532,983</u>	<u>299,280,214</u>

STATEMENTS OF CASH FLOWS

For the periods ended June 30 (note 1),

(in dollars)	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	(11,072,877)	(720,151)
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	5,497,847	197,702
Unrealized foreign currency translation (gain) loss	(16,127)	128,250
Change in unrealized (gain) loss on non-derivative financial assets	(2,774,723)	2,328,251
Net realized (gain) loss on derivatives	(70,719)	–
Change in unrealized (gain) loss on derivatives	11,518,733	(1,502,235)
Purchases of portfolio investments	(2,855,146,179)	(457,869,296)
Proceeds from sale of portfolio investments	2,855,359,118	290,148,404
Cash collateral deposited on derivatives	(1,275,656)	143,776
Margin payable on derivatives	(5,865,066)	–
Accrued investment income and other	(377,765)	(1,892,347)
Accrued expenses and other payables	15,045	2,003
Net cash provided by (used in) operating activities	(4,208,369)	(169,035,643)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	2,696,525	175,000,000
Amounts paid on redemption of redeemable units	(3,104,850)	(149,727)
Net cash provided by (used in) financing activities	(408,325)	174,850,273
Unrealized foreign currency translation gain (loss)	16,127	(128,250)
Net increase (decrease) in cash	(4,616,694)	5,814,630
Cash (bank overdraft), beginning of period	6,808,961	150,036
CASH (BANK OVERDRAFT), END OF PERIOD	<u>2,208,394</u>	<u>5,836,416</u>
Interest paid ⁽¹⁾	3,482	–
Interest received, net of withholding taxes ⁽¹⁾	7,981,176	15,567
Dividends received, net of withholding taxes ⁽¹⁾	53,058	–

⁽¹⁾ Classified as operating items.

The accompanying notes are an integral part of the financial statements.

Scotia Private Global Credit Pool (Unaudited – Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at June 30, 2018

Issuer	Face Value (\$)	Average Cost (\$)	Carrying Value (\$)	Issuer	Face Value (\$)	Average Cost (\$)	Carrying Value (\$)		
BONDS AND DEBENTURES – 91.2%				BONDS AND DEBENTURES (cont'd)					
Argentina – 0.7%				Cayman Islands – 0.8%					
Adecoagro SA (Callable) 6.00% Sep 21, 2022	USD	200,000	243,760	217,966	Ambac LSNI LLC (Callable) 7.34% Sep 30, 2018	USD	200,000	267,830	267,328
Argentina Bonar Bonds (Floating Rate) 24.23% Apr 03, 2022	ARS	24,100,000	1,780,671	997,719	Braskem Finance Ltd. 6.45% Feb 03, 2024	USD	500,000	698,344	692,532
Argentina POM Política Monetaria (Floating Rate) 28.75% Jun 21, 2020	ARS	4,900,000	380,973	231,228	CRH America Inc. 3.88% May 18, 2025	USD	200,000	272,597	259,176
Argentine Republic Government International Bond 6.25% Nov 09, 2047	EUR	300,000	444,894	357,778	METAL 2017-1 LLC 4.58% Oct 15, 2042	USD	376,052	482,210	502,524
Banco Santander Rio S.A. 25.50% Jul 17, 2019	ARS	18,200,000	1,137,421	770,519	Park Aerospace Holdings Ltd. 5.25% Aug 15, 2022	USD	200,000	272,513	261,745
HSBC Bank Argentina S.A. 25.25% Sep 07, 2019	ARS	5,170,000	329,339	213,473	Sprite Cayman 4.25% Dec 15, 2037	USD	288,176	366,251	382,137
			<u>4,317,058</u>	<u>2,788,683</u>	Wynn Macau Ltd. (Callable) 4.88% Oct 01, 2020	USD	600,000	756,576	755,137
							<u>3,116,321</u>	<u>3,120,579</u>	
Australia – 1.0%				Chile – 0.2%					
Commonwealth Bank of Australia 4.32% Jan 10, 2048	USD	800,000	1,002,720	945,814	Banco Santander Chile (Floating Rate) 2.11% Jul 25, 2020	USD	600,000	755,220	780,322
GAIIF Bond Issuer Pty Ltd. 3.40% Sep 30, 2026	USD	600,000	767,248	739,643	Latam Airlines 2015-1 Pass Through Trust A 4.20% Nov 15, 2027	USD	173,958	224,166	217,636
Goodman US Finance Three LLC (Callable) 3.70% Dec 15, 2027	USD	700,000	855,663	871,787			<u>979,386</u>	<u>997,958</u>	
SGSP Australia Assets Pty Ltd. 3.30% Apr 09, 2023	USD	700,000	900,191	902,513	China – 0.3%				
WEA Finance LLC (Callable) 3.15% Mar 05, 2022	USD	200,000	258,985	258,420	Sinopec Group Overseas Development 2013 Ltd. 4.38% Oct 17, 2023				
WEA Finance LLC / Westfield UK & Europe Finance PLC (Callable) 3.25% Sep 05, 2020	USD	200,000	264,856	262,430	Denmark – 0.0%				
Woodside Finance Ltd. (Callable) 3.70% Dec 15, 2027	USD	200,000	244,330	248,693	AP Moller – Maersk A/S (Callable) 3.88% Jun 28, 2025				
			<u>4,293,993</u>	<u>4,229,300</u>	France – 0.6%				
					SFR Group SA (Callable) 7.38% May 01, 2021				
Belgium – 0.2%				Societe Generale SA, Perpetual 6.75%					
KBC Group NV (Callable) Perpetual 4.25%	EUR	600,000	931,157	846,919			<u>2,748,845</u>	<u>2,573,355</u>	
Bermuda – 0.6%				Germany – 1.8%					
Bacardi Ltd. (Callable) 2.75% Apr 15, 2026	USD	200,000	246,482	228,521	Bayer US Finance II LLC (Callable) 2.97% May 25, 2021				
Bacardi Ltd. (Callable) 4.45% Mar 15, 2025	USD	700,000	895,008	916,972	Bayer US Finance II LLC (Callable) 3.50% May 25, 2021				
S-Jets 2017-1 Ltd. 3.97% Aug 15, 2042	USD	472,222	600,714	620,263	Corestate Capital Holding SA 3.50% Apr 15, 2023				
XLIT Ltd. 6.38% Nov 15, 2024	USD	500,000	721,846	741,178	Deutsche Bank AG (Callable) 4.88% Dec 01, 2027				
			<u>2,464,050</u>	<u>2,506,934</u>	Deutsche Bank AG 4.25% Oct 14, 2021				
					Deutsche Bank AG/New York NY 2.27% Jul 13, 2020				
Brazil – 1.7%				Fresenius Medical Care US Finance II Inc. (Callable) 4.13% Jul 17, 2020					
Banco BTG Pactual SA 5.50% Jan 31, 2023	USD	200,000	252,245	244,822	Hong Kong – 0.4%				
Banco BTG Pactual SA 5.50% Jan 31, 2023	USD	200,000	255,553	244,341	HPHT Finance 17 Ltd. 2.75% Sep 11, 2022				
Braskem Netherlands Finance BV 4.50% Jan 10, 2028	USD	200,000	247,911	242,213	Studio City Co., Ltd. 5.88% Nov 30, 2019				
Centrais Eletricas Brasileiras S.A. 5.75% Oct 27, 2021	USD	200,000	254,237	256,914			<u>1,482,829</u>	<u>1,449,086</u>	
Gerdau Trade Inc. 4.88% Oct 24, 2027	USD	200,000	246,871	244,306	India – 0.2%				
Itau Unibanco Holding S.A., Perpetual 6.13%	USD	1,100,000	1,396,223	1,353,813	Axis Bank Ltd. 3.25% May 21, 2020				
Itau Unibanco Holding S.A., Perpetual 6.50%	USD	1,200,000	1,539,962	1,494,737	GMR Hyderabad International Airport Ltd. 4.25% Oct 27, 2027				
Petrobras Global Finance BV 5.75% Feb 01, 2029	USD	300,000	365,169	351,291			<u>892,280</u>	<u>875,073</u>	
Petrobras Global Finance BV 6.00% Jan 27, 2028	USD	1,459,000	1,842,607	1,738,648	Ireland – 1.6%				
Petrobras Global Finance BV 6.13% Jan 17, 2022	USD	136,000	179,180	181,252	AerCap Ireland Capital DAC / AerCap Global Aviation Trust (Callable) 3.50% Nov 15, 2024				
QGOG Constellation SA (Callable) 9.50% Nov 09, 2021	USD	150,375	93,114	82,618	AerCap Ireland Capital DAC / AerCap Global Aviation Trust (Callable) 3.88% Oct 23, 2027				
Suzano Austria GmbH 7.00% Mar 16, 2047	USD	300,000	399,521	405,790	Avolon Holdings Funding Ltd. (Callable) 5.50% Dec 15, 2022				
			<u>7,072,593</u>	<u>6,840,745</u>	CRH America Finance Inc. (Callable) 3.95% Jan 04, 2028				
					Park Aerospace Holdings Ltd. 4.50% Mar 15, 2023				
Canada – 2.9%				Park Aerospace Holdings Ltd. 5.50% Feb 15, 2024					
Air Canada 2017-1 Class AA Pass Through Trust Certificates 3.30% Jan 15, 2030	USD	1,000,000	1,285,000	1,242,330	Pelabuhan Indonesia III Persero PT 4.50% May 02, 2023				
Air Canada 2017-1 Class B Pass Through Trust Certificates 3.70% Jan 15, 2026	USD	600,000	771,000	754,698	SMBC Aviation Capital Finance DAC 2.65% Jul 15, 2021				
Brookfield Finance LLC (Callable) 4.00% Feb 01, 2024	USD	1,100,000	1,449,903	1,443,770	SMBC Aviation Capital Finance DAC 3.00% Jul 15, 2022				
Cenovus Energy Inc. 5.70% Oct 15, 2019	USD	675,000	919,657	910,989			<u>6,783,233</u>	<u>6,755,300</u>	
Cenovus Energy Inc. 6.75% Nov 15, 2039	USD	300,000	394,591	433,342	Israel – 0.7%				
CNOOC Finance 2011 Ltd. 4.25% Jan 26, 2021	USD	800,000	1,062,363	1,072,468	Teva Pharmaceutical Finance Company 2.95% Dec 18, 2022				
Emera US Finance LP 2.15% Jun 15, 2019	USD	300,000	390,004	391,098	Teva Pharmaceutical Finance Company 3.65% Nov 10, 2021				
Enbridge Inc. (Callable) 6.25% Mar 01, 2028	USD	800,000	1,014,083	1,001,710	Teva Pharmaceutical Finance Netherlands II BV (Callable) 3.25% Jan 15, 2022				
Fairfax Financial Holdings Ltd. (Callable) 2.75% Dec 29, 2027	EUR	400,000	628,952	611,125	Teva Pharmaceutical Finance Netherlands III BV 2.20% Jul 21, 2021				
Fairfax Financial Holdings Ltd. (Callable) 4.85% Jan 17, 2028	USD	700,000	878,876	909,248	Teva Pharmaceutical Finance Netherlands III BV 2.80% Jul 21, 2023				
Horse Gallop Finance Ltd. (Floating Rate) 3.52% Jun 28, 2021	USD	1,000,000	1,330,300	1,316,115			<u>2,859,393</u>	<u>2,780,832</u>	
Stars Group Holdings BV (Term Loan B) Jul 29, 2025	USD	200,000	261,725	261,725					
Stars Group Holdings BV / Stars Group US Co-Borrower LLC (Callable) 7.00% Jul 15, 2021	USD	100,000	132,589	133,164					
Tencent Holdings Ltd. (Callable) 3.60% Oct 19, 2027	USD	800,000	1,001,904	995,928					
Thomson Reuters Corporation 3.35% May 15, 2026	USD	400,000	522,169	487,842					
			<u>12,043,116</u>	<u>11,965,552</u>					

The accompanying notes are an integral part of the financial statements.

Scotia Private Global Credit Pool (Unaudited – Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at June 30, 2018

Issuer	Face Value (\$)	Average Cost (\$)	Carrying Value (\$)	Issuer	Face Value (\$)	Average Cost (\$)	Carrying Value (\$)
BONDS AND DEBENTURES (cont'd)				BONDS AND DEBENTURES (cont'd)			
Italy – 0.8%				Singapore – 0.2%			
Intesa Sanpaolo SpA 6.50% Feb 24, 2021	USD 1,000,000	1,484,035	1,364,547	BOC Aviation Ltd. (Callable) 2.75% Aug 18, 2022	USD 300,000	361,336	375,645
Intesa Sanpaolo SpA, Perpetual 7.75%	EUR 800,000	1,596,310	1,328,299	BOC Aviation Ltd. (Callable) 3.50% Jun 18, 2027	USD 400,000	483,792	483,273
Wind Tre SpA (Callable) 2.47% May 03, 2018	EUR 300,000	447,321	381,286			845,128	858,918
Wind Tre SpA (Callable) 3.13% Nov 03, 2020	EUR 100,000	149,107	123,565				
		<u>3,676,773</u>	<u>3,197,697</u>	Switzerland – 2.8%			
Japan – 1.1%				Credit Suisse AG 6.50% Aug 08, 2023	USD 1,800,000	2,567,189	2,525,904
Mitsubishi UFJ Financial Group Inc. 2.19% Sep 13, 2021	USD 800,000	1,025,688	1,013,557	Credit Suisse Group AG (Callable) 3.57% Jan 09, 2022	USD 250,000	338,842	322,865
Mitsui Fudosan Co., Ltd. (Callable) 2.95% Dec 23, 2022	USD 300,000	372,183	384,568	Credit Suisse Group Funding Guernsey Ltd. 3.80% Sep 15, 2022	USD 1,100,000	1,462,734	1,443,430
Mitsui Fudosan Co., Ltd. (Callable) 3.65% Apr 20, 2027	USD 700,000	890,223	904,470	Credit Suisse Group Funding Guernsey Ltd. 4.55% Apr 17, 2026	USD 900,000	1,204,372	1,181,266
Sprint Corporation 7.25% Sep 15, 2021	USD 300,000	408,015	410,611	Demeter Investments BV for Zurich Insurance Co., Ltd. (Callable) 5.13% Jun 01, 2028	USD 700,000	878,216	880,257
Sumitomo Life Insurance Co. (Callable) 4.00% Sep 14, 2027	USD 500,000	588,166	610,681	Syngenta Finance NV 3.93% Apr 23, 2021	USD 300,000	376,412	394,906
Sumitomo Mitsui Financial Group Inc. 3.36% Jul 12, 2027	USD 700,000	904,211	885,353	UBS AG (Floating Rate) 1.96% Dec 01, 2020	USD 800,000	1,020,955	1,053,350
Sumitomo Mitsui Financial Group Inc. 3.54% Jan 17, 2028	USD 200,000	249,221	255,958	UBS AG/Stamford CT 7.63% Aug 17, 2022	USD 1,000,000	1,513,119	1,453,402
		<u>4,437,707</u>	<u>4,465,198</u>	UBS Group Funding Switzerland AG (Floating Rate) 2.27% Aug 15, 2023	USD 1,600,000	2,023,523	2,118,863
Kuwait – 0.3%				UBS Group Funding Switzerland AG 4.13% Sep 24, 2025	USD 250,000	335,962	326,929
Kuwait International Government Bond 2.75% Mar 20, 2022	USD 1,000,000	1,304,688	1,281,072			<u>11,721,324</u>	<u>11,701,172</u>
Luxembourg – 0.1%				United Arab Emirates – 0.2%			
Alice Financing SA (Callable) 7.50% May 15, 2021	USD 200,000	289,419	254,806	Alpha Star Holding Ltd. 4.97% Apr 09, 2019	USD 300,000	391,950	393,744
Malaysia – 0.3%				DAE Funding LLC (Callable) 5.00% Aug 01, 2020	USD 300,000	373,456	378,028
Petronas Global Sukuk Ltd. 2.71% Mar 18, 2020	USD 900,000	1,159,327	1,170,838			<u>765,406</u>	<u>771,772</u>
Mexico – 2.1%				United Kingdom – 6.1%			
Banco Inbursa SA Institucion de Banca Multiple (Callable) 4.38% Jan 11, 2027	USD 300,000	386,005	367,008	Barclays Bank PLC 7.63% Nov 21, 2022	USD 750,000	1,117,619	1,064,973
BBVA Bancomer SA 6.75% Sep 30, 2022	USD 1,000,000	1,475,176	1,397,815	Barclays PLC 4.38% Jan 12, 2026	USD 1,400,000	1,833,795	1,790,775
Mexico Government International Bond 4.60% Feb 10, 2048	USD 400,000	498,922	482,894	Barclays PLC 7.25% Mar 15, 2023	GBP 500,000	866,689	891,907
Petroleos Mexicanos 5.35% Feb 12, 2028	USD 1,700,000	2,084,866	2,124,229	BAT Capital Corporation (Callable) 3.56% May 15, 2027	USD 1,700,000	2,152,198	2,086,868
Petroleos Mexicanos 6.50% Mar 13, 2027	USD 2,500,000	3,469,581	3,361,276	BAT Capital Corporation 1.13% Nov 16, 2023	EUR 200,000	298,349	310,841
Trust F14011 (Callable) 6.95% Jul 30, 2043	USD 700,000	946,976	903,213	BAT International Finance PLC 2.25% Sep 09, 2052	GBP 300,000	415,404	395,421
		<u>8,861,526</u>	<u>8,636,435</u>	British Airways 2013-1 Class A Pass Through Trust 4.63% Jun 20, 2024	USD 404,862	564,321	545,741
Netherlands – 2.4%				HSBC Holdings PLC (Callable) 3.95% May 18, 2023	USD 700,000	893,199	919,909
Cooperatieve Rabobank UA 4.63% May 23, 2029	GBP 1,400,000	2,718,805	2,716,589	HSBC Holdings PLC 6.00% Mar 29, 2040	GBP 700,000	1,548,033	1,571,521
Cooperatieve Rabobank UA 6.63% Jun 29, 2021	EUR 600,000	992,916	1,035,927	Imperial Brands Finance PLC (Callable) 3.75% May 21, 2022	USD 700,000	948,415	916,631
ING Groep NV (Callable) 4.70% Mar 22, 2023	USD 2,400,000	3,131,279	3,141,347	Lloyds Banking Group PLC 4.38% Mar 22, 2028	USD 1,600,000	2,080,150	2,069,232
Koninklijke KPN NV 8.38% Oct 01, 2030	USD 600,000	1,075,496	1,038,021	Lloyds Banking Group PLC 4.45% May 08, 2025	USD 400,000	515,903	527,382
LeasePlan Corporation NV 2.88% Jan 22, 2019	USD 400,000	517,298	525,473	Lloyds Banking Group PLC 7.00% Jun 27, 2019	GBP 400,000	696,095	709,966
NXP BV / NXP Funding LLC 4.13% Jun 01, 2021	USD 300,000	410,475	397,989	Nationwide Building Society (Callable) 4.30% Mar 08, 2028	USD 300,000	384,418	381,311
NXP BV / NXP Funding LLC 4.13% Jun 15, 2020	USD 700,000	926,377	930,413	Redkitt Bendkiser Treasury Services PLC (Callable) 3.00% Mar 26, 2027	USD 1,000,000	1,324,807	1,228,141
United Group BV (Callable) 4.38% Jul 01, 2019	EUR 100,000	145,062	156,195	Royal Bank of Scotland Group PLC (Callable) 4.89% May 18, 2028	USD 1,700,000	2,187,227	2,218,302
		<u>9,917,708</u>	<u>9,941,954</u>	Royal Bank of Scotland Group PLC 4.80% Apr 05, 2026	USD 700,000	940,818	925,925
Norway – 0.1%				Santander UK Group Holdings PLC (Callable) 3.37% Jan 05, 2023	USD 1,600,000	2,000,150	2,028,955
Yara International ASA (Callable) 4.75% Mar 01, 2028	USD 400,000	514,258	526,554	Santander UK Group Holdings PLC 6.75% Jun 24, 2024	GBP 350,000	611,249	629,197
Panama – 0.1%				Smiths Group PLC 7.20% May 15, 2019	USD 600,000	839,883	815,892
Banco General S.A. (Callable) 4.13% May 07, 2027	USD 200,000	246,824	245,904	TP ICAP PLC 5.25% Jan 26, 2024	GBP 1,500,000	2,728,892	2,675,343
Multibank Inc. 4.38% Nov 09, 2022	USD 200,000	254,328	256,312	Virgin Media Receivables Financing Notes I DAC (Callable) 5.50% Sep 15, 2019	GBP 200,000	359,498	342,561
		<u>501,152</u>	<u>502,216</u>	Vodafone Group PLC 4.38% May 30, 2028	USD 100,000	126,624	129,247
						<u>25,433,736</u>	<u>25,176,041</u>
Qatar – 0.3%				United States – 59.8%			
Qatar Government International Bond 3.88% Apr 23, 2023	USD 1,000,000	1,249,962	1,316,490	Activision Blizzard Inc. (Callable) 3.40% Jun 15, 2026	USD 1,000,000	1,346,510	1,255,925
Russia – 0.1%				Aetna Inc. (Callable) 2.75% Aug 15, 2022	USD 300,000	389,868	379,431
Sberbank of Russia Via SB Capital SA (Callable) 5.50% Feb 26, 2019	USD 200,000	255,754	264,291	Alexandria Real Estate Equities Inc. (Callable) 3.45% Feb 28, 2025	USD 200,000	252,925	251,937
Saudi Arabia – 0.7%				Alexandria Real Estate Equities Inc. (Callable) 3.95% Oct 15, 2027	USD 300,000	397,916	378,938
Saudi Government International Bond 2.88% Mar 04, 2023	USD 800,000	991,291	1,012,984	Alexandria Real Estate Equities Inc. (Callable) 4.30% Oct 15, 2025	USD 150,000	204,333	197,477
Saudi Government International Bond 4.00% Apr 17, 2025	USD 500,000	624,310	650,817	Allergan Inc. (Callable) 2.80% Dec 15, 2022	USD 200,000	255,781	248,409
Saudi Government International Bond 4.50% Oct 26, 2046	USD 1,000,000	1,325,797	1,210,024	Alphabet Holding Co., Inc. (First Lien Term Loan) Aug 15, 2024	USD 99,500	126,208	122,226
		<u>2,941,398</u>	<u>2,873,825</u>	American Airlines 2017-2 Class AA Pass Through Trust 3.35% Oct 15, 2029	USD 300,000	373,739	377,404
				American Financial Group Inc. (Callable) 3.50% May 15, 2026	USD 600,000	758,397	741,122
				American International Group Inc. (Callable) 5.75% Apr 01, 2028	USD 100,000	130,640	130,160
				Ameriprise Financial Inc. (Callable) 2.88% Jun 15, 2026	USD 400,000	507,185	492,380

The accompanying notes are an integral part of the financial statements.

Scotia Private Global Credit Pool (Unaudited – Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at June 30, 2018

Issuer	Face Value (\$)	Average Cost (\$)	Carrying Value (\$)	Issuer	Face Value (\$)	Average Cost (\$)	Carrying Value (\$)
BONDS AND DEBENTURES (cont'd)				BONDS AND DEBENTURES (cont'd)			
United States (cont'd)				United States (cont'd)			
Amgen Inc. (Callable) 4.66% Dec 15, 2050	USD 1,200,000	1,596,887	1,562,648	Comcast Corporation (Callable) 3.55% Feb 01, 2028	USD 2,700,000	3,443,029	3,387,890
Anadarko Petroleum Corporation 6.95% Jun 15, 2019	USD 300,000	423,345	409,139	Concho Resources Inc. (Callable) 4.30% May 15, 2028	USD 500,000	654,595	659,245
Andeavor Logistics LP / Tesoro Logistics Finance Corporation (Callable) 5.25% Jan 15, 2021	USD 400,000	525,033	541,942	Consolidated Edison Company of New York Inc. (Callable) 4.63% Jun 01, 2054	USD 200,000	283,886	269,241
Anthem Inc. (Callable) 3.35% Oct 01, 2024	USD 1,400,000	1,781,484	1,783,677	Continental Resources Inc. (Callable) 3.80% Mar 01, 2024	USD 300,000	386,535	385,892
Anthem Inc. (Callable) 4.10% Dec 01, 2027	USD 300,000	382,770	387,241	Covey Park Energy LLC / Covey Park Finance Corporation (Callable) 7.50% May 15, 2020	USD 100,000	133,961	134,479
Arch Capital Finance LLC (Callable) 4.01% Sep 15, 2026	USD 900,000	1,201,150	1,169,785	Cox Communications Inc. 4.70% Dec 15, 2042	USD 300,000	357,309	344,808
Arrow Electronics Inc. (Callable) 3.25% Jul 08, 2024	USD 200,000	246,215	246,812	CRC Escrow Issuer LLC / CRC Finco Inc. (Callable) 5.25% Oct 15, 2020	USD 300,000	374,368	374,091
Arrow Electronics Inc. (Callable) 3.88% Oct 12, 2027	USD 299,000	383,876	370,462	Credit Suisse AG 6.50% Aug 08, 2023	USD 600,000	896,912	841,968
Assurant Inc. (Callable) 4.20% Aug 27, 2023	USD 800,000	1,031,117	1,054,812	Crown Americas LLC / Crown Americas Capital Corporation VI (Callable) 4.75% Feb 01, 2021	USD 100,000	124,190	125,304
AT&T Inc. (Callable) 4.90% Feb 14, 2037	USD 400,000	500,993	502,273	Crown Castle International Corporation 3.15% Jul 15, 2023	USD 700,000	869,047	882,789
AT&T Inc. (Callable) 5.15% Aug 14, 2049	USD 1,300,000	1,625,225	1,603,414	Crown Castle International Corporation 3.20% Sep 01, 2024	USD 700,000	872,624	871,580
AT&T Inc. (Callable) 5.25% Sep 01, 2036	USD 2,000,000	2,836,296	2,603,572	CubeSmart LP (Callable) 4.38% Sep 15, 2023	USD 100,000	137,969	134,394
Athene Holding Ltd. (Callable) 4.13% Oct 12, 2027	USD 900,000	1,119,768	1,086,211	CVS Health Corporation (Callable) 4.30% Dec 25, 2027	USD 800,000	1,024,918	1,037,152
Aviation Capital Group Corporation 7.13% Oct 15, 2020	USD 600,000	888,164	850,258	Dell International LLC / EMC Corporation (Callable) 5.45% Apr 15, 2023	USD 2,100,000	2,921,704	2,895,958
Aviation Capital Group LLC (Callable) 3.50% Jul 01, 2027	USD 100,000	122,498	120,837	Dell International LLC / EMC Corporation 4.42% Jun 15, 2021	USD 1,300,000	1,726,636	1,736,246
AXA Equitable Holdings Inc. (Callable) 4.35% Jan 20, 2028	USD 200,000	250,477	252,052	Diamond Resorts International Inc (First Lien Term Loan B) Sep 02, 2023	USD 197,992	258,580	260,401
Banco Santander S.A. 6.25% Sep 11, 2021	EUR 400,000	617,724	649,512	Diamond Resorts International Inc. (Callable) 7.75% Sep 01, 2019	USD 600,000	805,258	831,410
Banco Santander S.A., Perpetual 4.75%	EUR 600,000	949,623	855,222	Diamondback Energy Inc. (Callable) 4.75% Nov 01, 2019	USD 1,700,000	2,146,973	2,186,765
Bank of America Corporation (Callable) 2.81% Mar 05, 2023	USD 1,400,000	1,799,340	1,827,435	DISH DBS Corporation 7.88% Sep 01, 2019	USD 200,000	280,580	273,796
Bank of America Corporation (Callable) 2.82% Jul 21, 2022	USD 2,400,000	3,028,812	3,026,941	DR Horton Inc. (Callable) 4.38% Jun 15, 2022	USD 200,000	274,216	269,999
Bank of America Corporation (Callable) 2.88% Apr 24, 2022	USD 500,000	650,379	643,571	Duke Energy Corporation (Callable) 2.65% Jun 01, 2026	USD 500,000	574,502	593,718
Bank of America Corporation (Callable) 3.25% Oct 21, 2026	USD 800,000	1,035,494	981,177	Duke Realty LP 3.25% Jun 30, 2026	USD 800,000	1,024,361	985,196
Bank of America Corporation, Perpetual 5.88%	USD 750,000	967,505	971,605	E*TRADE Financial Corporation 2.95% Aug 24, 2022	USD 400,000	509,398	511,342
Bank of New York Mellon Corporation, The (Callable) 2.80% Feb 04, 2026	USD 800,000	1,020,694	988,363	Enable Midstream Partners LP (Callable) 4.95% Feb 15, 2028	USD 400,000	511,298	514,304
BGC Partners Inc. 5.13% May 27, 2021	USD 1,500,000	2,038,351	2,027,271	Enable Midstream Partners LP 3.90% May 15, 2024	USD 500,000	641,279	634,394
Boston Scientific Corporation 3.85% May 15, 2025	USD 300,000	404,296	390,619	Enable Midstream Partners LP 4.40% Mar 15, 2027	USD 200,000	254,468	250,334
BrightHouse Financial Inc. (Callable) 4.70% Dec 22, 2046	USD 300,000	379,829	328,592	Endo Finance LLC 5.75% Jan 15, 2022	USD 100,000	117,813	118,039
Broadcom Corporation / Broadcom Cayman Finance Ltd. (Callable) 3.50% Oct 15, 2027	USD 1,600,000	2,000,050	1,917,774	Energy Transfer LP (Callable) 4.65% Mar 01, 2021	USD 1,800,000	2,396,969	2,428,475
Burlington Northern Santa Fe LLC (Callable) 4.70% Mar 01, 2045	USD 50,000	72,329	69,813	Energy Transfer LP (Callable) 6.50% Aug 01, 2041	USD 800,000	1,195,491	1,083,994
California Resources Corporation (First Lien Term Loan) Nov 17, 2022	USD 300,000	374,231	402,576	Energy Transfer Partners LP (Callable) 5.15% Sep 15, 2044	USD 400,000	505,884	469,269
Campbell Soup Company (Callable) 3.65% Feb 15, 2023	USD 600,000	768,834	773,942	Energy Transfer Partners LP (Callable) 6.05% Dec 01, 2040	USD 82,000	113,938	106,571
CBL & Associates LP (Callable) 5.95% Sep 15, 2026	USD 1,500,000	1,923,252	1,662,460	Enso PLC 7.75% Feb 01, 2026	USD 200,000	250,539	249,950
CD&R Waterworks Merger Sub LLC (Callable) 6.13% Aug 15, 2020	USD 100,000	125,891	124,885	Entergy Louisiana LLC (Callable) 4.95% Jan 15, 2025	USD 500,000	673,494	666,155
Cedar Fair LP / Canada's Wonderland Company / Magnum Management Corporation / Millennium Op (Callable) 5.38% Apr 15, 2022	USD 200,000	275,275	260,410	EPR Properties (Callable) 4.75% Sep 15, 2026	USD 200,000	267,897	260,202
Celgene Corporation (Callable) 3.88% May 15, 2025	USD 1,100,000	1,371,351	1,407,276	EQT Midstream Partners LP 4.00% Aug 01, 2024	USD 2,300,000	2,953,649	2,898,973
Charles Schwab Corporation, The (Callable) 3.85% Mar 21, 2025	USD 400,000	511,618	533,453	Equifax Inc. (Callable) 3.25% Mar 01, 2026	USD 200,000	256,096	243,115
Charles Schwab Corporation, The, Perpetual 5.00%	USD 1,700,000	2,175,499	2,154,793	ERAC USA Finance LLC (Callable) 2.70% Sep 01, 2023	USD 500,000	635,125	623,027
Charter Communications Operating LLC / Charter Communications Operating Capital (Callable) 3.75% Nov 15, 2027	USD 700,000	886,593	833,424	ERP Operating LP 3.25% Aug 01, 2027	USD 300,000	373,073	375,894
Charter Communications Operating LLC / Charter Communications Operating Capital (Callable) 4.20% Dec 15, 2027	USD 1,900,000	2,310,424	2,343,939	Essex Portfolio LP (Callable) 3.63% Feb 01, 2027	USD 400,000	516,669	502,943
Charter Communications Operating LLC / Charter Communications Operating Capital (Callable) 4.46% May 23, 2022	USD 310,000	440,578	414,109	First American Financial Corporation 4.30% Feb 01, 2023	USD 100,000	133,777	132,283
Charter Communications Operating LLC / Charter Communications Operating Capital (Callable) 4.91% Apr 23, 2025	USD 250,000	361,378	333,410	Flex Ltd. 5.00% Feb 15, 2023	USD 1,000,000	1,422,805	1,348,804
Charter Communications Operating LLC / Charter Communications Operating Capital (Callable) 5.75% Oct 01, 2047	USD 200,000	258,302	253,204	FMR LLC 5.15% Feb 01, 2043	USD 400,000	595,013	585,049
Cheniere Corpus Christi Holdings LLC (Callable) 7.00% Jan 01, 2024	USD 1,300,000	1,871,570	1,869,333	Ford Motor Credit Company LLC (Floating Rate) 3.59% Feb 15, 2023	USD 2,400,000	3,082,060	3,172,824
Cheniere Energy Partners LP (First Lien Term Loan DD) Feb 25, 2020	USD 900,000	1,131,208	1,182,941	Ford Motor Credit Company LLC 2.39% Aug 03, 2022	USD 850,000	1,100,483	1,117,373
CHS/Community Health Systems Inc. (Callable) 8.63% Jan 15, 2021	USD 400,000	527,476	528,711	Fortress Transportation & Infrastructure Investors LLC (Callable) 6.75% Mar 15, 2020	USD 200,000	261,917	269,769
Cimarex Energy Company (Callable) 4.38% Mar 01, 2024	USD 800,000	1,094,507	1,064,792	Freedom Mortgage Corporation (Callable) 8.13% Nov 15, 2020	USD 200,000	255,509	255,807
Citigroup Inc. (Callable) 2.52% May 17, 2023	USD 300,000	391,476	395,872	GE Capital International Funding Co., Unlimited 4.42% Nov 15, 2035	USD 1,000,000	1,390,218	1,275,995
Citigroup Inc. (Callable) 3.20% Jul 21, 2026	USD 1,000,000	1,274,071	1,223,624	General Electric Company (Callable) 5.00% Jan 21, 2021	USD 1,800,000	2,368,179	2,333,331
Citigroup Inc. (Callable) 3.35% Jun 01, 2023	USD 700,000	909,504	921,481	Genesis Energy LP / Genesis Energy Finance Corporation (Callable) 6.75% Aug 01, 2018	USD 400,000	511,369	535,355
Citigroup Inc. (Callable) 4.08% Apr 23, 2028	USD 800,000	1,005,518	1,034,963	GLP Capital LP / GLP Financing II Inc. 5.38% Apr 15, 2026	USD 200,000	283,725	261,445
Citizens Financial Group Inc. (Callable) 2.38% Jul 28, 2021	USD 300,000	387,184	382,587	Goldman Sachs Group Inc., The (Callable) 2.59% Nov 15, 2020	USD 2,000,000	2,608,556	2,661,678
Cleco Corporation/ate Holdings LLC (Callable) 3.74% Feb 01, 2026	USD 900,000	1,180,869	1,116,720	Goldman Sachs Group Inc., The (Callable) 2.91% Jul 24, 2022	USD 1,600,000	2,014,251	2,021,054
Comcast Corporation (Callable) 2.35% Oct 15, 2026	USD 48,000	54,882	55,412	Goldman Sachs Group Inc., The (Callable) 3.75% Nov 25, 2025	USD 800,000	1,020,722	1,020,970
				Halliburton Company (Callable) 3.80% Aug 15, 2025	USD 600,000	767,886	782,591
				HCA Inc. 4.75% May 01, 2023	USD 1,600,000	2,150,469	2,105,037
				Highwoods Realty LP 4.13% Mar 15, 2028	USD 200,000	251,273	257,803
				Hospitality Properties Trust (Callable) 3.95% Jul 15, 2027	USD 1,000,000	1,226,340	1,208,249
				Host Hotels & Resorts LP 4.00% Jun 15, 2025	USD 250,000	331,833	319,660

The accompanying notes are an integral part of the financial statements.

Scotia Private Global Credit Pool (Unaudited – Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at June 30, 2018

Issuer	Face Value (\$)	Average Cost (\$)	Carrying Value (\$)	Issuer	Face Value (\$)	Average Cost (\$)	Carrying Value (\$)
BONDS AND DEBENTURES (cont'd)				BONDS AND DEBENTURES (cont'd)			
United States (cont'd)				United States (cont'd)			
Intrepid Aviation Group Holdings LLC / Intrepid Finance Company 6.88% Feb 15, 2019	USD 100,000	124,514	130,704	Plains All American Pipeline LP / PAA Finance Corporation 5.75% Jan 15, 2020	USD 200,000	285,730	271,498
IPALCO Enterprises Inc. (Callable) 3.70% Jul 01, 2024	USD 200,000	254,625	254,570	Principal Life Global Funding II 3.00% Apr 18, 2026	USD 500,000	642,009	617,694
Jefferies Finance LLC / JFIN Co-Issuer Corporation (Callable) 6.88% Apr 15, 2022	USD 200,000	260,000	262,655	Progressive Corporation, Perpetual 5.38%	USD 100,000	128,171	131,098
Jefferies Finance LLC / JFIN Co-Issuer Corporation (Callable) 7.25% Aug 15, 2020	USD 900,000	1,134,247	1,160,007	Qualitytech LP/QTS Finance Corporation (Callable) 4.75% Nov 15, 2020	USD 100,000	127,971	123,440
Jefferies Finance LLC / JFIN Co-Issuer Corporation (Callable) 7.38% Apr 01, 2020	USD 600,000	796,649	798,645	Quicken Loans Inc. (Callable) 5.25% Jan 15, 2023	USD 600,000	754,166	730,489
Jefferies Finance LLC / JFIN Co-Issuer Corporation (Callable) 7.50% Apr 15, 2021	USD 200,000	270,400	267,667	Reinsurance Group of America Inc. (Callable) 3.95% Jun 15, 2026	USD 300,000	398,095	385,326
JPMorgan Chase & Co (Callable) 2.70% Mar 18, 2023	USD 2,000,000	2,634,315	2,531,552	Reliance Standard Life Global Funding II 3.05% Jan 20, 2021	USD 100,000	131,667	130,300
JPMorgan Chase & Co. (Callable) 3.30% Jan 01, 2026	USD 1,500,000	1,995,608	1,880,405	Sanchez Energy Corporation (Callable) 7.25% Feb 15, 2020	USD 200,000	254,446	260,410
JPMorgan Chase & Co. (Callable) 3.78% Feb 01, 2027	USD 1,500,000	1,917,165	1,916,823	Select Income Real Estate Investment Trust (Callable) 4.25% Feb 15, 2024	USD 1,900,000	2,421,742	2,405,436
JPMorgan Chase & Company (Callable) 2.94% Jun 18, 2021	USD 1,100,000	1,428,460	1,447,505	Sempra Energy (Callable) 3.40% Oct 01, 2027	USD 1,400,000	1,732,319	1,728,070
Kansas City Southern (Callable) 3.13% Mar 01, 2026	USD 300,000	377,694	362,402	Silversea Cruise Finance Ltd. (Callable) 7.25% Feb 01, 2020	USD 200,000	277,875	285,412
Kennedy-Wilson Inc. (Callable) 5.88% Apr 01, 2019	USD 100,000	126,546	128,745	SLM Corporation 5.13% Apr 05, 2022	USD 200,000	266,825	262,383
Kerr-McGee Corporation 6.95% Jul 01, 2024	USD 800,000	1,215,361	1,195,418	Southern California Edison Company (Callable) 3.65% Dec 01, 2027	USD 300,000	384,231	387,886
Kilroy Realty LP (Callable) 4.38% Jul 01, 2025	USD 100,000	132,020	131,336	Southwestern Electric Power Company 6.20% Mar 15, 2040	USD 300,000	503,926	494,161
Kinetic Concepts Inc. / KCI USA Inc. (Callable) 12.50% May 01, 2019	USD 100,000	139,654	143,686	Spirit AeroSystems Inc. (Callable) 4.60% Mar 15, 2028	USD 500,000	640,014	663,085
Laboratory Corporation of America Holdings (Callable) 3.60% Nov 01, 2024	USD 200,000	261,620	256,850	Spirit Realty LP (Callable) 4.45% Jun 15, 2026	USD 700,000	857,592	889,809
Lazard Group LLC (Callable) 3.63% Dec 01, 2026	USD 200,000	249,472	246,448	Springleaf Finance Corporation 5.25% Dec 15, 2019	USD 1,200,000	1,603,927	1,607,833
Lazard Group LLC 3.75% Feb 13, 2025	USD 700,000	905,575	893,749	Sprint Spectrum Company LLC / Sprint Spectrum Company II LLC / Sprint Spectrum Company III LLC 4.74% Mar 20, 2025	USD 800,000	1,035,438	1,046,690
LifeStorage LP (Callable) 3.50% Apr 01, 2026	USD 400,000	492,645	489,552	Standard Industries Inc. (Callable) 6.00% Oct 15, 2020	USD 225,000	313,707	297,311
Maple Escrow Subsidiary Inc. (Callable) 4.99% Nov 25, 2037	USD 900,000	1,151,912	1,199,104	Stearns Holdings LLC (Callable) 9.38% Aug 15, 2020	USD 200,000	254,541	263,619
Marathon Oil Corporation (Callable) 4.40% Apr 15, 2027	USD 200,000	264,852	264,974	Stryker Corporation (Callable) 3.65% Dec 07, 2027	USD 400,000	506,829	512,465
Marriott International Inc. (Callable) 4.00% Jan 15, 2028	USD 500,000	635,699	645,609	Tech Data Corporation (Callable) 4.95% Nov 16, 2026	USD 500,000	692,375	648,891
Massachusetts Institute of Technology 3.89% Jul 01, 2116	USD 900,000	1,050,682	1,090,608	Telefonica Emisiones SAU 4.10% Mar 08, 2027	USD 1,000,000	1,384,364	1,272,201
MGM Growth Properties Operating Partnership LP / MGP Finance Co- Issuer Inc. (Callable) 4.50% Oct 15, 2027	USD 200,000	242,521	239,367	Thermo Fisher Scientific Inc. (Callable) 3.00% Feb 15, 2023	USD 200,000	248,594	255,984
MGM Resorts International (Callable) 4.63% Jun 01, 2026	USD 300,000	379,998	367,462	Time Warner Cable LLC 4.13% Feb 15, 2021	USD 700,000	944,498	925,948
MGM Resorts International 6.00% Mar 15, 2023	USD 400,000	555,713	543,667	Time Warner Cable LLC 5.00% Feb 01, 2020	USD 200,000	277,849	269,319
MH Sub I LLC (First Lien Term Loan) Sep 15, 2024	USD 597,000	744,908	785,996	Time Warner Cable LLC 6.75% Jul 01, 2018	USD 100,000	136,137	131,520
Microchip Technology Inc. 3.92% Jun 01, 2021	USD 100,000	128,291	131,867	Toyota Motor Credit Corporation (Floating Rate) 2.72% May 17, 2022	USD 200,000	257,321	262,737
Moody's Corporation (Floating Rate) 5.25% Jul 15, 2044	USD 100,000	148,679	148,332	Transocean Guardian Ltd. (Callable) 5.88% Jul 15, 2021	USD 100,000	132,364	130,955
Morgan Stanley (Callable) 2.28% Oct 24, 2022	USD 2,200,000	2,891,840	2,954,190	UDR Inc. (Callable) 4.63% Oct 10, 2021	USD 200,000	277,537	270,989
MSCI Inc. (Callable) 4.75% Aug 01, 2021	USD 400,000	536,901	512,373	United Airlines 2018-1 Class A Pass Through Trust Certificates 3.70% Mar 01, 2030	USD 300,000	368,732	381,352
Mylan Inc. (Callable) 4.55% Jan 15, 2028	USD 100,000	128,860	129,181	United States Treasury Notes 2.50% May 15, 2046	11,364,000	13,043,683	13,611,497
Mylan NV 3.95% Jun 15, 2026	USD 1,100,000	1,449,182	1,387,348	United States Treasury Notes 2.75% Nov 15, 2047	USD 2,000,000	2,393,898	2,515,993
Navient Corporation 6.63% Jul 26, 2021	USD 1,800,000	2,566,585	2,439,638	United States Treasury Notes 2.88% May 15, 2028	USD 4,457,000	5,702,042	5,880,228
Neuberger Berman Group LLC / Neuberger Berman Finance Corporation (Callable) 4.88% Oct 15, 2044	USD 1,000,000	1,269,545	1,268,788	United States Treasury Notes 3.00% Feb 15, 2048	24,810,000	30,969,025	32,815,149
Newell Brands Inc. (Callable) 3.85% Feb 01, 2023	USD 100,000	135,263	129,864	Univision Communications Inc. (Callable) 5.13% Feb 15, 2020	USD 200,000	243,651	244,538
NextEra Energy Capital Holdings Inc. (Callable) 4.80% Dec 01, 2027	USD 700,000	897,609	862,079	Unum Group 5.75% Aug 15, 2042	USD 200,000	309,915	278,439
NVIDIA Corporation 3.20% Sep 16, 2026	USD 500,000	647,570	634,456	Valeant Pharmaceuticals International Inc. (Callable) 5.50% Nov 01, 2020	USD 600,000	763,738	781,537
Omega Healthcare Investors Inc. (Callable) 4.75% Oct 15, 2027	USD 1,700,000	2,149,029	2,179,868	Valeant Pharmaceuticals International Inc. (Callable) 6.13% Apr 15, 2020	USD 100,000	110,419	121,627
Omega Healthcare Investors Inc. (Callable) 5.25% Oct 15, 2025	USD 25,000	34,502	33,320	VEReal Estate Investment Trust Operating Partnership LP (Callable) 4.88% Mar 01, 2026	USD 600,000	824,323	788,138
Omnicom Group Inc. (Callable) 3.60% Jan 15, 2026	USD 200,000	260,180	251,961	Verizon Communications Inc. 1.88% Oct 26, 2029	EUR 1,400,000	2,058,186	2,131,439
ONEOK Inc. (Callable) 4.55% Apr 15, 2028	USD 300,000	398,547	398,731	Verizon Communications Inc. 4.33% Sep 21, 2028	USD 3,600,000	4,749,646	4,695,023
ONEOK Inc. 4.00% Jul 13, 2027	USD 800,000	992,281	1,025,546	Verizon Communications Inc. 4.50% Aug 10, 2033	USD 600,000	749,919	766,481
Pacific Gas & Electric Company (Callable) 2.95% Dec 01, 2025	USD 300,000	376,245	353,210	ViaSat Inc. (Callable) 5.63% Sep 15, 2020	USD 100,000	121,261	123,958
Pacific Gas & Electric Company (Callable) 3.30% Sep 01, 2027	USD 300,000	381,725	355,275	VMware Inc. (Callable) 2.95% Jul 21, 2022	USD 300,000	378,143	380,303
Pacific Life Insurance Co. (Callable) 4.30% Oct 24, 2047	USD 1,400,000	1,752,034	1,688,289	VMware Inc. (Callable) 3.90% May 21, 2027	USD 700,000	874,148	855,119
Patterson-UTI Energy Inc. (Callable) 3.95% Nov 01, 2027	USD 1,000,000	1,256,281	1,238,558	Wand Merger Corporation (Callable) 8.13% Jul 15, 2020	USD 100,000	132,589	133,822
Physicians Realty LP 4.30% Mar 15, 2027	USD 200,000	265,382	254,427	Wand Merger Corporation (First Lien Term Loan A) Apr 27, 2019	USD 200,000	254,246	260,081
Pioneer Natural Resources Company (Callable) 3.95% Apr 15, 2022	USD 700,000	928,748	930,943	Wand Merger Corporation (First Lien Term Loan B) Apr 27, 2019	USD 200,000	254,246	260,081
Pitney Bowes Inc. (Callable) 4.70% Mar 01, 2023	USD 300,000	364,596	358,208	Washington Prime Group LP 5.95% Aug 15, 2024	USD 600,000	740,511	764,705
Plains All American Pipeline LP / PAA Finance Corporation (Callable) 4.70% Dec 15, 2043	USD 866,000	1,018,694	1,004,065	Wells Fargo & Company (Callable) 3.58% May 22, 2027	USD 400,000	506,251	504,464
Plains All American Pipeline LP / PAA Finance Corporation 3.60% Nov 01, 2024	USD 300,000	367,764	374,051	Wells Fargo & Company 2.63% Jul 22, 2022	USD 3,100,000	3,948,021	3,938,359
				Wells Fargo & Company 3.00% Oct 23, 2026	USD 1,800,000	2,219,456	2,184,980
				Wells Fargo & Company 3.55% Sep 29, 2025	USD 700,000	952,941	896,096
				WestRock Company (Callable) 3.75% Jan 15, 2025	USD 700,000	894,500	904,442
				Weyerhaeuser Co 8.50% Jan 15, 2025	USD 1,300,000	2,288,691	2,108,495

The accompanying notes are an integral part of the financial statements.

Scotia Private Global Credit Pool (Unaudited – Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at June 30, 2018

Issuer		Face Value (\$)			Issuer		Number of Contracts/ Face Value (\$)		
		Number of Contracts	Average Cost (\$)	Carrying Value (\$)			Face Value (\$)	Average Cost (\$)	Carrying Value (\$)
BONDS AND DEBENTURES (cont'd)					OPTIONS (cont'd)				
United States (cont'd)					United States (cont'd)				
Weyerhaeuser Company 7.38% Mar 15, 2032	USD	100,000	173,076	167,257	CDX.ITRAXX.O 5-Year Index, Written Put Options 0.95%				
WP Carey Inc. (Callable) 4.60% Jan 01, 2024	USD	245,000	332,758	328,077	Sep 19, 2018	(900,000)	(2,479)	(1,252)	
WR Grace & Co-Conn (First Lien Term Loan B1) Feb 23, 2025	USD	36,842	46,554	48,384	U.S. 10 Year Interest Rate Swaps, Written Call Options \$2.20				
WR Grace & Co-Conn (First Lien Term Loan B2) Feb 23, 2025	USD	63,158	79,807	82,944	Nov 27, 2018	(1,300,000)	(21,037)	(1,392)	
Wynn Las Vegas LLC / Wynn Las Vegas Capital Corporation (Callable) 5.25% Feb 15, 2027	USD	1,000,000	1,333,314	1,233,626	U.S. 10 Year Interest Rate Swaps, Written Call Options \$2.21				
			246,535,473	246,686,803	Nov 27, 2018	(1,300,000)	(21,654)	(1,443)	
					U.S. 2 Year Interest Rate Swaps, Call Options \$2.00 Nov 27, 2018	12,600,000	43,419	978	
					U.S. 2 Year Interest Rate Swaps, Call Options \$2.94 Feb 28, 2020	7,350,000	67,272	59,073	
					U.S. 30 Year Interest Rate Swaps, Written Call Options \$3.086 Feb 28, 2020	(700,000)	(67,272)	(70,477)	
TOTAL BONDS AND DEBENTURES			379,295,243	375,921,632	U.S. 5 Year Interest Rate Swaps, Written Call Options \$2.8350 Jul 11, 2018	(1,400,000)	(2,273)	(1,582)	
					U.S. 5 Year Interest Rate Swaps, Written Put Options \$3.0850 Jul 11, 2018	(1,400,000)	(2,273)	(59)	
							(116,375)	(101,152)	
OPTIONS – 0.0%					TOTAL EQUITIES			(116,375)	(101,152)
United States – 0.0%					MONEY MARKET INSTRUMENTS – 8.8%				
CDX.IG29 5-Year Index, Written Put Options \$0.70 Aug 15, 2018		(300,000)	(508)	(613)	Treasury Bills – 2.4%				
CDX.IG29 5-Year Index, Written Put Options \$0.80 Aug 15, 2018		(3,100,000)	(2,374)	(3,527)	Government of Canada 0.00% Aug 23, 2018	1,276,000	1,272,247	1,273,609	
CDX.IG29 5-Year Index, Written Put Options 0.725% Jul 18, 2018		(1,700,000)	(2,024)	(2)	Government of Canada 0.00% Sep 06, 2018	7,207,000	7,188,684	7,191,228	
CDX.IG29 5-Year Index, Written Put Options 0.80% Aug 15, 2018		(2,400,000)	(3,197)	(2,648)	Government of Canada 0.00% Sep 20, 2018	1,562,000	1,557,232	1,557,743	
CDX.IG29 5-Year Index, Written Put Options 0.90% Aug 15, 2018		(1,200,000)	(1,535)	(866)			10,018,163	10,022,580	
CDX.IG29 5-Year Index, Written Put Options 0.90% Sep 19, 2018		(1,300,000)	(2,455)	(1,877)	Short Term Deposits – 6.4%				
CDX.IG29 5-Year Index, Written Put Options 0.90% Sep 19, 2018		(3,400,000)	(5,200)	(4,910)	Province of Alberta 1.25% Jul 03, 2018	26,500,000	26,500,000	26,500,000	
CDX.IG30 5-Year Index, Written Put Options 0.70% Jul 18, 2018		(1,500,000)	(2,123)	(1,132)	TOTAL MONEY MARKET INSTRUMENTS		36,518,163	36,522,580	
CDX.IG30 5-Year Index, Written Put Options 0.75% Jul 18, 2018		(1,500,000)	(1,828)	(659)	TOTAL INVESTMENT PORTFOLIO		415,697,031	412,343,060	
CDX.IG30 5-Year Index, Written Put Options 0.75% Jul 18, 2018		(4,800,000)	(7,404)	(2,109)	Unrealized Gain (Loss) on Derivatives – (1.3%)			(5,401,648)	
CDX.IG30 5-Year Index, Written Put Options 0.80% Jul 18, 2018		(1,500,000)	(2,677)	(519)	OTHER ASSETS, LESS LIABILITIES – 1.3%			5,591,571	
CDX.IG30 5-Year Index, Written Put Options 0.80% Jul 18, 2018		(1,200,000)	(1,671)	(415)	NET ASSETS – 100.0%			412,532,983	
CDX.IG30 5-Year Index, Written Put Options 0.85% Aug 15, 2018		(900,000)	(1,168)	(803)					
CDX.IG30 5-Year Index, Written Put Options 0.85% Jul 18, 2018		(600,000)	(779)	(167)					
CDX.ITRAXX.O 5-Year Index, Written Call Options 0.50% Sep 19, 2018		(9,900,000)	(12,382)	(669)					
CDX.ITRAXX.O 5-Year Index, Written Put Options \$0.90 Sep 19, 2018		(1,800,000)	(5,000)	(3,034)					
CDX.ITRAXX.O 5-Year Index, Written Put Options \$0.90 Sep 19, 2018		(1,800,000)	(4,892)	(3,034)					
CDX.ITRAXX.O 5-Year Index, Written Put Options \$1.00 Aug 15, 2018		(1,800,000)	(4,565)	(986)					
CDX.ITRAXX.O 5-Year Index, Written Put Options 0.80% Sep 19, 2018		(1,800,000)	(5,859)	(4,481)					
CDX.ITRAXX.O 5-Year Index, Written Put Options 0.80% Sep 19, 2018		(9,900,000)	(36,914)	(49,008)					
CDX.ITRAXX.O 5-Year Index, Written Put Options 0.90% Sep 19, 2018		(2,100,000)	(5,523)	(3,539)					

Instruments with a 0.00% stated interest rate are purchased at a discount to face value. The discount represents the implied effective interest.

SCHEDULE OF DERIVATIVE INSTRUMENTS

UNREALIZED GAIN ON CURRENCY FORWARD CONTRACTS

Counterparty	Credit Rating	Settlement Date	Currency To Be Received	Contractual Amount	Currency To Be Delivered	Contractual Amount	Contract Price	Market Price	Unrealized Gain (\$)
Standard Chartered Bank	A-1	Jul. 03, 2018	US Dollar	4,015,000	Canadian Dollar	5,147,493	1.282	1.315	132,056
JPMorgan Chase Bank NA	A-1	Jul. 03, 2018	US Dollar	4,160,000	Canadian Dollar	5,371,612	1.291	1.315	98,599
BNP Paribas International	A-1	Jul. 03, 2018	US Dollar	704,000	Brazilian Real	2,661,120	3.78	3.877	23,277
Bank of America, N.A.	A-1	Jul. 03, 2018	US Dollar	1,065,000	Canadian Dollar	1,375,387	1.291	1.315	25,040
Australia & New Zealand Banking Group	A-1+	Jul. 03, 2018	US Dollar	1,114,000	Canadian Dollar	1,442,464	1.295	1.315	22,395
Standard Chartered Bank	A-1	Jul. 03, 2018	US Dollar	7,564,000	Canadian Dollar	9,811,620	1.297	1.315	134,688
Goldman Sachs International	A-1	Jul. 03, 2018	US Dollar	1,078,000	Canadian Dollar	1,400,320	1.299	1.315	17,200
Citigroup Global Markets Limited	A-1	Jul. 03, 2018	Canadian Dollar	340,738	US Dollar	259,000	0.76	0.76	164
Bank of America, N.A.	A-1	Jul. 03, 2018	Canadian Dollar	592,977	US Dollar	450,000	0.759	0.76	1,246
Citigroup Global Markets Limited	A-1	Jul. 03, 2018	Canadian Dollar	1,769,677	US Dollar	1,333,000	0.753	0.76	16,837
Citigroup Global Markets Limited	A-1	Jul. 03, 2018	Canadian Dollar	1,675,681	US Dollar	1,262,000	0.753	0.76	16,203
Citigroup Global Markets Limited	A-1	Jul. 03, 2018	Canadian Dollar	1,071,404	US Dollar	807,000	0.753	0.76	10,232
Standard Chartered Bank	A-1	Jul. 03, 2018	Canadian Dollar	146,426	US Dollar	110,000	0.751	0.76	1,780
Standard Chartered Bank	A-1	Jul. 03, 2018	Canadian Dollar	133,210	US Dollar	100,000	0.751	0.76	1,714
BNP Paribas International	A-1	Jul. 03, 2018	Canadian Dollar	602,980	US Dollar	453,000	0.751	0.76	7,304
BNP Paribas International	A-1	Jul. 03, 2018	Canadian Dollar	142,288	US Dollar	107,000	0.752	0.76	1,588
Citigroup Global Markets Limited	A-1	Jul. 03, 2018	Canadian Dollar	5,756,172	US Dollar	4,332,000	0.753	0.76	59,770
Citigroup Global Markets Limited	A-1	Jul. 06, 2018	US Dollar	183,199	Polish Zloty	625,000	3.412	3.746	21,482
BNP Paribas International	A-1	Jul. 16, 2018	US Dollar	858,000	Argentina Peso	22,951,500	26.75	29.507	105,440
Goldman Sachs International	A-1	Jul. 17, 2018	US Dollar	826,000	Colombia Peso	2,309,496,000	2796	2933.217	50,820
Goldman Sachs International	A-1	Jul. 17, 2018	US Dollar	19,000	Colombia Peso	53,181,000	2799	2933.217	1,143
Bank of America, N.A.	A-1	Aug. 02, 2018	US Dollar	3,959	Brazilian Real	15,012	3.792	3.893	136
HSBC Bank Canada	A-1+	Aug. 02, 2018	Canadian Dollar	136,152,311	US Dollar	102,388,481	0.752	0.761	1,688,936

The accompanying notes are an integral part of the financial statements.

Scotia Private Global Credit Pool (Unaudited – Continued)

SCHEDULE OF DERIVATIVE INSTRUMENTS

UNREALIZED GAIN ON CURRENCY FORWARD CONTRACTS

Counterparty	Credit Rating	Settlement Date	Currency To Be Received	Contractual Amount	Currency To Be Delivered	Contractual Amount	Contract Price	Market Price	Unrealized Gain (\$)
National Australia Bank Ltd.	A-1+	Aug. 02, 2018	Canadian Dollar	137,222,648	US Dollar	103,223,197	0.752	0.761	1,663,068
Bank of America, N.A.	A-1	Aug. 02, 2018	Canadian Dollar	74,948,275	US Dollar	56,441,076	0.753	0.761	826,093
Goldman Sachs International	A-1	Aug. 02, 2018	Canadian Dollar	5,756,172	US Dollar	4,359,729	0.757	0.761	30,685
BNP Paribas International	A-1	Aug. 08, 2018	US Dollar	82,686	Hungary Forint	21,446,000	259.368	281.066	8,395
JPMorgan Chase Bank NA	A-1	Aug. 08, 2018	US Dollar	653,983	South African Rand	8,346,000	12.762	13.791	64,162
Goldman Sachs International	A-1	Aug. 08, 2018	US Dollar	97,958	South African Rand	1,270,000	12.965	13.791	7,715
Bank of America, N.A.	A-1	Aug. 08, 2018	US Dollar	68,603	South African Rand	909,000	13.25	13.791	3,536
Goldman Sachs International	A-1	Aug. 08, 2018	US Dollar	69,385	Hungary Forint	19,238,000	277.266	281.066	1,234
Goldman Sachs International	A-1	Aug. 08, 2018	South African Rand	7,769,000	US Dollar	560,044	0.072	0.073	4,344
JPMorgan Chase Bank NA	A-1	Aug. 15, 2018	Canadian Dollar	10,608,401	European Euro	6,876,000	0.648	0.65	25,055
Standard Chartered Bank	A-1	Aug. 15, 2018	Canadian Dollar	12,786,280	British Pound	7,357,000	0.575	0.576	4,168
Standard Chartered Bank	A-1	Aug. 15, 2018	European Euro	202,000	Canadian Dollar	307,147	1.521	1.539	3,767
Australia & New Zealand Banking Group	A-1+	Aug. 15, 2018	British Pound	483,000	Canadian Dollar	836,502	1.732	1.737	2,643
BNP Paribas International	A-1	Aug. 27, 2018	US Dollar	546,828	Mexican Peso	10,955,000	20.034	20.11	2,743
Bank of America, N.A.	A-1	Sep. 19, 2018	US Dollar	1,724,736	Singapore Dollar	2,290,277	1.328	1.36	53,459
JPMorgan Chase Bank NA	A-1	Sep. 26, 2018	US Dollar	94,000	Argentina Peso	2,759,840	29.36	31.636	8,893
									<u>5,148,010</u>

UNREALIZED LOSS ON CURRENCY FORWARD CONTRACTS

Counterparty	Credit Rating	Settlement Date	Currency To Be Received	Contractual Amount	Currency To Be Delivered	Contractual Amount	Contract Price	Market Price	Unrealized Loss (\$)
Bank of America, N.A.	A-1	Jul. 03, 2018	Brazilian Real	2,646,108	US Dollar	721,571	0.273	0.258	(51,505)
Citigroup Global Markets Limited	A-1	Jul. 03, 2018	Canadian Dollar	128,951,668	US Dollar	99,051,870	0.768	0.76	(1,297,478)
HSBC Bank Canada	A-1+	Jul. 03, 2018	Canadian Dollar	137,813,987	US Dollar	106,118,102	0.77	0.76	(1,726,963)
Standard Chartered Bank	A-1	Jul. 03, 2018	Canadian Dollar	83,946,434	US Dollar	65,477,467	0.78	0.76	(2,153,749)
National Australia Bank Ltd.	A-1+	Jul. 03, 2018	Canadian Dollar	4,191,973	US Dollar	3,234,000	0.771	0.76	(60,604)
JPMorgan Chase Bank NA	A-1	Jul. 03, 2018	Canadian Dollar	4,665,345	US Dollar	3,599,000	0.771	0.76	(67,192)
HSBC Bank Canada	A-1+	Jul. 03, 2018	Canadian Dollar	4,664,660	US Dollar	3,599,000	0.772	0.76	(67,878)
National Australia Bank Ltd.	A-1+	Jul. 03, 2018	Canadian Dollar	218,816	US Dollar	169,000	0.772	0.76	(3,412)
HSBC Bank Canada	A-1+	Jul. 03, 2018	Canadian Dollar	446,242	US Dollar	344,000	0.771	0.76	(6,104)
Australia & New Zealand Banking Group	A-1+	Jul. 03, 2018	Canadian Dollar	754,277	US Dollar	580,000	0.769	0.76	(8,399)
Citigroup Global Markets Limited	A-1	Jul. 03, 2018	Canadian Dollar	185,776	US Dollar	143,000	0.77	0.76	(2,263)
Citigroup Global Markets Limited	A-1	Jul. 03, 2018	Canadian Dollar	222,368	US Dollar	171,000	0.769	0.76	(2,490)
Citigroup Global Markets Limited	A-1	Jul. 03, 2018	Canadian Dollar	2,244,485	US Dollar	1,726,000	0.769	0.76	(25,135)
Citigroup Global Markets Limited	A-1	Jul. 03, 2018	Canadian Dollar	3,916,924	US Dollar	2,984,000	0.762	0.76	(6,913)
Goldman Sachs International	A-1	Jul. 03, 2018	US Dollar	756,522	Canadian Dollar	1,000,000	1.322	1.315	(5,213)
Bank of America, N.A.	A-1	Jul. 03, 2018	US Dollar	1,506,299	Canadian Dollar	2,000,000	1.328	1.315	(19,296)
Goldman Sachs International	A-1	Jul. 03, 2018	US Dollar	980,000	Canadian Dollar	1,303,884	1.33	1.315	(15,236)
Bank of America, N.A.	A-1	Jul. 03, 2018	US Dollar	225,370	Canadian Dollar	300,000	1.331	1.315	(3,650)
Bank of America, N.A.	A-1	Jul. 03, 2018	Brazilian Real	15,012	US Dollar	3,970	0.264	0.258	(130)
JPMorgan Chase Bank NA	A-1	Jul. 03, 2018	US Dollar	918,000	Canadian Dollar	1,222,323	1.332	1.315	(15,202)
HSBC Bank Canada	A-1+	Jul. 03, 2018	US Dollar	102,331,688	Canadian Dollar	136,152,311	1.33	1.315	(1,591,562)
National Australia Bank Ltd.	A-1+	Jul. 03, 2018	US Dollar	103,167,166	Canadian Dollar	137,222,648	1.33	1.315	(1,563,281)
Bank of America, N.A.	A-1	Jul. 03, 2018	US Dollar	56,409,768	Canadian Dollar	74,948,275	1.329	1.315	(772,397)
Bank of America, N.A.	A-1	Jul. 05, 2018	Canadian Dollar	429,377	US Dollar	327,000	0.762	0.761	(575)
Citigroup Global Markets Limited	A-1	Jul. 06, 2018	Polish Zloty	866,000	US Dollar	251,074	0.29	0.267	(26,127)
JPMorgan Chase Bank NA	A-1	Jul. 17, 2018	Colombia Peso	2,362,405,506	US Dollar	824,992	0	0	(28,754)
Citigroup Global Markets Limited	A-1	Aug. 15, 2018	Turkish Lira	985,155	US Dollar	222,584	0.226	0.213	(16,840)
Standard Chartered Bank	A-1	Aug. 15, 2018	Canadian Dollar	1,030,520	New Zealand Dollar	1,164,000	1.13	1.123	(5,620)
JPMorgan Chase Bank NA	A-1	Aug. 15, 2018	Canadian Dollar	84,492	European Euro	56,000	0.663	0.65	(1,701)
Bank of America, N.A.	A-1	Aug. 15, 2018	British Pound	758,000	Canadian Dollar	1,317,217	1.738	1.737	(290)
HSBC Bank Canada	A-1+	Aug. 15, 2018	New Zealand Dollar	1,159,000	Canadian Dollar	1,060,207	0.915	0.89	(28,483)
Citigroup Global Markets Limited	A-1	Aug. 27, 2018	Mexican Peso	57,479,877	US Dollar	2,993,790	0.052	0.05	(180,984)
Citigroup Global Markets Limited	A-1	Aug. 27, 2018	US Dollar	34,132	Mexican Peso	717,000	21.006	20.11	(2,000)
BNP Paribas International	A-1	Sep. 19, 2018	Indian Rupee	54,675,164	US Dollar	799,228	0.015	0.014	(12,931)
Goldman Sachs International	A-1	Sep. 19, 2018	US Dollar	784,000	Indian Rupee	54,482,512	69.493	69.208	(4,241)
Barclays PLC	A-2	Sep. 26, 2018	Argentina Peso	5,105,518	US Dollar	183,784	0.036	0.032	(32,570)
Bank of America, N.A.	A-1	Jan. 28, 2019	Egyptian Pound	9,983,090	US Dollar	533,000	0.053	0.052	(13,480)
Standard Chartered Bank	A-1	Jan. 28, 2019	Egyptian Pound	6,279,840	US Dollar	336,000	0.054	0.052	(9,488)
									<u>(9,830,136)</u>

UNREALIZED GAIN ON FUTURES CONTRACTS

Expiry Date	Number of Contracts	Futures Contracts	Counterparty	Credit Risk	Contractual Value Canadian (\$)	Fair Value Canadian (\$)	Unrealized Gain (\$)
BOND FUTURES CONTRACTS							
Sep. 2018	9	CME Ultra Long Term U.S. Treasury Bond Future	Morgan Stanley & Co. LLC	A-1	1,882,793	1,888,711	<u>5,918</u>
							<u>5,918</u>

The accompanying notes are an integral part of the financial statements.

Scotia Private Global Credit Pool (Unaudited – Continued)

SCHEDULE OF DERIVATIVE INSTRUMENTS

UNREALIZED LOSS ON INTEREST RATE SWAP CONTRACTS

Description	Counterparty	Currency	Termination Date	Notional Amount	Interest Rate %	Unrealized Loss (\$)
Fixed to Floating Interest Rate Swap – CLP Variable Rate Coupon	Goldman Sachs	CLP	Nov. 14, 2024	(1,679,800,000)	2.506%	(19,664)
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	Goldman Sachs	CLP	Nov. 14, 2024	1,679,800,000	3.778%	–
Fixed to Floating Interest Rate Swap – MP Variable Rate Coupon	Merrill Lynch International	MXN	Feb. 27, 2023	(38,800,000)	8.070%	(27,010)
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	Merrill Lynch International	MXN	Feb. 27, 2023	38,800,000	7.615%	–
Fixed to Floating Interest Rate Swap – ZAL Variable Rate Coupon	Merrill Lynch International	ZAL	Sep. 19, 2023	(16,200,000)	7.250%	(37,915)
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	Merrill Lynch International	ZAL	Sep. 19, 2023	16,200,000	7.250%	–
Fixed to Floating Interest Rate Swap – HUF Variable Rate Coupon	Merrill Lynch International	HUF	Sep. 19, 2023	(444,000,000)	1.250%	(95,639)
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	Merrill Lynch International	HUF	Sep. 19, 2023	444,000,000	1.250%	–
Fixed to Floating Interest Rate Swap – ZAL Variable Rate Coupon	Merrill Lynch International	ZAL	Sep. 19, 2028	(37,800,000)	7.750%	(143,217)
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	Merrill Lynch International	ZAL	Sep. 19, 2028	37,800,000	7.750%	–
Fixed to Floating Interest Rate Swap – EUR Variable Rate Coupon	Merrill Lynch International	EUR	Sep. 19, 2028	2,500,000	1.250%	(125,086)
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	Merrill Lynch International	EUR	Sep. 19, 2028	(2,500,000)	1.250%	–
Fixed to Floating Interest Rate Swap – EUR Variable Rate Coupon	Merrill Lynch International	EUR	Dec. 19, 2028	2,600,000	1.250%	(108,658)
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	Merrill Lynch International	EUR	Dec. 19, 2028	(2,600,000)	1.250%	–
Fixed to Floating Interest Rate Swap – BP Variable Rate Coupon	Merrill Lynch International	GBP	Sep. 19, 2048	(3,200,000)	1.750%	–
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	Merrill Lynch International	GBP	Sep. 19, 2048	3,200,000	1.750%	(162,371)
						<u>(719,560)</u>

UNREALIZED LOSS ON CREDIT DEFAULT SWAP CONTRACTS

Termination Date	Notional Amount (\$)	Interest Rate %	Unrealized Loss (\$)
Deutsche Bank AG, Counterparty: Merrill Lynch International			
6/20/2019	(200,000)	1.00%	(440)
			<u>(440)</u>

The swap contracts outstanding at June 30, 2018 are placed with a financial institution with a minimum credit rating of A-1+ by S&P.

Scotia Private Global Credit Pool (Unaudited – Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

The Fund (note 1)

The Fund's investment objective is to maximize current income and provide modest capital gains. It invests primarily in investment grade non-Canadian dollar corporate bonds diversified broadly across industries, issuers, and regions.

Risks associated with financial instruments (note 4)

Interest rate risk

The table below summarizes the Fund's exposure to interest rate risk by the remaining term to maturity of the Fund's portfolio, excluding underlying funds, preferred shares, cash and overdrafts, as applicable.

Interest rate exposure	June 30, 2018 (\$)	December 31, 2017 (\$)
Less than 1 year	39,126,230	45,553,771
1-3 years	28,658,333	18,152,172
3-5 years	58,190,513	58,158,794
5-10 years	169,443,782	175,588,860
> 10 years	116,311,272	115,813,679
	411,730,130	413,267,276

As at June 30, 2018, had the prevailing interest rates increased or decreased by 0.25%, assuming a parallel shift in the yield curve and all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by \$7,192,023 or approximately 1.7% (December 31, 2017 – \$7,554,699 or approximately 1.8%).

Currency risk

The Fund's exposure to currency risk is summarized in the tables below. Amounts shown are based on the carrying value of monetary and non-monetary assets and liabilities of the Fund net of currency contracts, as applicable.

Currency	June 30, 2018			
	Gross currency exposure (\$)	Currency contracts (\$)	Net exposure (\$)	Percentage of net assets (%)
Mexican Peso	115,527	3,223,901	3,339,428	0.8
Argentina Peso	2,465,635	(873,509)	1,592,126	0.4
Egyptian Pound	-	1,221,903	1,221,903	0.3
Turkish Lira	-	298,931	298,931	0.1
Brazilian Real	4,499	47,070	51,569	0.0
Colombia Peso	(19,664)	30,066	10,402	0.0
US Dollar	362,792,638	(362,714,656)	77,982	0.0
Indian Rupee	-	28,102	28,102	0.0
New Zealand Dollar	787	23,848	24,635	0.0
Polish Zloty	6,536	110,681	117,217	0.0
Hungary Forint	89,857	(190,374)	(100,517)	(0.0)
South African Rand	125,591	(263,375)	(137,784)	(0.0)
British Pound	10,257,126	(10,631,969)	(374,843)	(0.0)
European Euro	9,775,112	(10,363,244)	(588,132)	(0.1)
Singapore Dollar	-	(2,214,916)	(2,214,916)	(0.5)
Chile Peso	(2,515,785)	-	(2,515,785)	(0.6)
	383,097,858	(382,267,541)	830,317	0.3

Currency	December 31, 2017			
	Gross currency exposure (\$)	Currency contracts (\$)	Net exposure (\$)	Percentage of net assets (%)
Mexican Peso	432,414	3,625,036	4,057,450	1.0
Russian Ruble	-	3,011,991	3,011,991	0.7
Indonesian Rupiah	-	2,201,578	2,201,578	0.5
Argentina Peso	1,661,091	449,698	2,110,789	0.5
Indian Rupee	-	2,096,672	2,096,672	0.5
South African Rand	819,232	343,494	1,162,726	0.3
Peruvian New Sol	-	1,058,563	1,058,563	0.2
Brazilian Real	(141,508)	1,012,371	870,863	0.2
Polish Zloty	282,257	(225,531)	56,726	-
Japanese Yen	40,144	-	40,144	-
European Euro	7,693,881	(7,658,621)	35,260	-
Chile Peso	(3,307)	-	(3,307)	-
South Korean Won	-	(37,835)	(37,835)	-
British Pound	24,186,560	(24,276,925)	(90,365)	-
Singapore Dollar	-	(2,153,065)	(2,153,065)	(0.5)
US Dollar	367,059,606	(380,679,879)	(13,620,273)	(3.2)
	402,030,370	(401,232,453)	797,917	0.2

If the Canadian dollar strengthened or weakened by 10% in relation to all other currencies, with all other variables held constant, net assets of the Fund would have decreased or increased, respectively, by \$83,032 or 0.0% of net assets (December 31, 2017 – \$79,790 or 0.0%). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Price risk

Price risk is the risk that the carrying value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) caused by factors specific to a security, its issuer or all factors affecting a market or a market segment. Exposure to price risk is mainly in equities, underlying funds, derivatives and commodities, as applicable. As at June 30, 2018, approximately 0.0% (December 31, 2017 – 0.0%) of the Fund's net assets were exposed to price risk. If prices of these instruments had decreased or increased by 10%, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by approximately \$10,115 (December 31, 2017 – nil). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Scotia Private Global Credit Pool (Unaudited – Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

Credit risk

The table below summarizes the credit ratings of bonds and debentures, money market instruments and preferred shares held by the Fund, as applicable.

Credit ratings	June 30, 2018		December 31, 2017	
	Percentage of total credit rated instruments (%)	Percentage of net assets (%)	Percentage of total credit rated instruments (%)	Percentage of net assets (%)
Short Term Rating				
A-1+	8.9	8.8	7.5	7.4
A-1	–	–	0.9	0.9
Bond Credit Rating				
AAA	13.5	13.6	18.7	18.4
AA	1.1	1.1	1.2	1.0
A	17.2	17.2	15.3	14.9
BBB	45.9	45.9	41.0	40.5
BB	7.8	7.8	8.0	7.8
B	5.2	5.2	5.9	5.7
CCC	–	–	0.1	0.1
NOT RATED	0.4	0.4	1.4	1.3
	100.0	100.0	100.0	98.0

Concentration risk

Concentration risk arises as a result of the concentration of financial instruments within the same category, geographical location, asset type or industry sector, as applicable. The table below is a summary of the Fund's concentration risk by carrying value as a percentage of net assets:

	Percentage of net assets (%)	
	June 30, 2018	December 31, 2017
Argentina	0.7	0.8
Australia	1.0	1.0
Belgium	0.2	–
Bermuda	0.6	0.4
Brazil	1.7	2.2
Canada	2.9	2.5
Cayman Islands	0.8	0.6
Chile	0.2	0.2
China	0.3	0.3
Commercial Paper	–	2.7
Denmark	0.0	0.1
France	0.6	0.3
Germany	1.8	1.4
Hong Kong	0.4	0.3
India	0.2	0.1
Ireland	1.6	1.2
Israel	0.7	0.5
Italy	0.8	0.5
Japan	1.1	1.0
Kuwait	0.3	0.3
Luxembourg	0.1	0.5
Malaysia	0.3	–
Mexico	2.1	1.6
Netherlands	2.4	1.6
Norway	0.1	–
Panama	0.1	0.1
Poland	–	0.1
Qatar	0.3	–
Russia	0.1	0.1
Saudi Arabia	0.7	0.5
Short-Term Deposits	6.4	0.7
Singapore	0.2	0.2
South Africa	–	0.2
Switzerland	2.8	3.0
Treasury Bills	2.4	2.2
United Arab Emirates	0.2	0.3
United Kingdom	6.1	7.8
United States	59.8	62.7

Fair Value Classification (note 2)

The tables below illustrate the classification of the Fund's financial instruments within the fair value hierarchy.

June 30, 2018	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Bonds and debentures	–	375,921,632	–	375,921,632
Money market instruments	–	36,522,580	–	36,522,580
Warrants, rights and options	59,073	978	–	60,051
Unrealized gain on currency forward contracts	–	5,148,010	–	5,148,010
Unrealized gain on futures contracts	5,918	–	–	5,918
	64,991	417,593,200	–	417,658,191
Liability for written options	(158,368)	(2,835)	–	(161,203)
Unrealized loss on currency forward contracts	–	(9,830,136)	–	(9,830,136)
Unrealized loss on currency spot contracts	–	(25,287)	–	(25,287)
Unrealized loss on swap contracts	–	(720,000)	–	(720,000)
	(93,377)	407,014,942	–	406,921,565

December 31, 2017	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Bonds and debentures	–	390,874,816	–	390,874,816
Money market instruments	–	23,574,475	–	23,574,475
Warrants, rights and options	–	23,832	–	23,832
Unrealized gain on currency forward contracts	–	9,381,705	–	9,381,705
Unrealized gain on swap contracts	–	133,658	–	133,658
	–	423,988,486	–	423,988,486
Liability for written options	(4,239)	(34,110)	–	(38,349)
Unrealized loss on currency forward contracts	–	(1,739,339)	–	(1,739,339)
Unrealized loss on currency spot contracts	–	(11)	–	(11)
Unrealized loss on swap contracts	–	(1,315,658)	–	(1,315,658)
	(4,239)	420,899,368	–	420,895,129

Transfers between levels

During the periods ended June 30, 2018 and December 31, 2017, there were no significant transfers between Level 1 and Level 2.

Offsetting of financial assets and liabilities (note 2)

The following table presents offsetting of financial assets and liabilities and collateral amounts that would occur if future events, such as bankruptcy or termination of contracts, were to arise. No amounts were offset in the financial statements.

	June 30, 2018			
	Gross amount of assets (\$)	Master netting offset (\$)	Collateral pledged/received (\$)	Net Amount (\$)
Financial assets – by type				
Currency forward contracts	5,148,010	(2,074,960)	–	3,073,050
Options contracts – OTC	60,051	(60,051)	–	–
Swap contracts – OTC	–	–	–	–
	5,208,061	(2,135,011)	–	3,073,050
Financial liabilities – by type	Gross amount of liabilities (\$)	Master netting offset (\$)	Collateral pledged/received (\$)	Net Amount (\$)
Currency forward contracts	9,830,136	(2,074,960)	(100,000)	7,655,176
Options contracts – OTC	161,203	(60,051)	–	101,152
Swap contracts – OTC	720,000	–	(720,000)	–
	10,711,339	(2,135,011)	(820,000)	7,756,328

The accompanying notes are an integral part of the financial statements.

Scotia Private Global Credit Pool (Unaudited – Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

December 31, 2017				
Financial assets – by type	Gross amount of assets (\$)	Master netting offset (\$)	Collateral pledged/ received (\$)	Net Amount (\$)
Currency forward contracts	9,381,705	(797,615)	–	8,584,090
Options contracts – OTC	23,832	(23,832)	–	–
Swap contracts – OTC	133,658	(131,654)	–	2,004
	9,539,195	(953,101)	–	8,586,094

Financial liabilities – by type	Gross amount of liabilities (\$)	Master netting offset (\$)	Collateral pledged/ received (\$)	Net Amount (\$)
Currency forward contracts	1,739,339	(797,615)	–	941,724
Options contracts – OTC	34,110	(23,832)	–	10,278
Swap contracts – OTC	1,315,658	(131,654)	–	1,184,004
	3,089,107	(953,101)	–	2,136,006

Interest in Underlying Funds (note 2)

The Fund did not hold any interest in Underlying Funds as at June 30, 2018 or December 31, 2017.

Comparison of net asset value per unit and net assets per unit (note 2)

As at June 30, 2018 or December 31, 2017, there were no differences between the net asset value per unit and the net assets per unit for any series of the Fund.

Scotia Diversified Monthly Income Fund (Unaudited)

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	June 30, 2018	December 31, 2017
ASSETS		
Current assets		
Financial assets at fair value through profit or loss (note 2)		
Non-derivative financial assets	2,715,105,452	2,801,943,867
Derivatives	384,359	7,992,413
Cash	183,392,308	140,273,365
Cash collateral deposited on derivatives	2,405,041	17,720,788
Receivable for securities sold	9,318,670	—
Subscriptions receivable	2,047,867	2,178,791
Accrued investment income and other	3,754,575	5,116,620
	<u>2,916,408,272</u>	<u>2,975,225,844</u>
LIABILITIES		
Current liabilities		
Financial liabilities at fair value through profit or loss (note 2)		
Derivatives	6,627,369	497,250
Management fee payable	3,214,535	—
Payable for securities purchased	6,462,329	—
Redemptions payable	2,212,739	1,912,888
Accrued expenses	155,034	—
Distributions payable	506,147	1,044,486
	<u>19,178,153</u>	<u>3,454,624</u>
Net assets attributable to holders of redeemable units	<u>2,897,230,119</u>	<u>2,971,771,220</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series A	2,888,589,526	2,964,687,475
Advisor Series	665,202	919,723
Series D	1,901,440	1,356,683
Series F	6,073,951	4,807,339
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series A	11.03	11.25
Advisor Series	10.59	10.85
Series D	9.72	9.97
Series F	11.83	11.98

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended June 30 (note 1),

(in dollars except average units)	2018	2017
INCOME		
Net gain (loss) on financial assets and liabilities at fair value through profit or loss		
Dividends	19,625,114	25,783,060
Interest for distribution purposes	22,111,469	21,417,261
Net realized gain (loss) on non-derivative financial assets	70,959,990	51,310,215
Change in unrealized gain (loss) on non-derivative financial assets	(78,892,047)	9,469,498
Net realized gain (loss) on derivatives	(14,067,049)	(2,848,902)
Change in unrealized gain (loss) on derivatives	(13,568,747)	3,107,065
Net gain (loss) on financial assets and liabilities at fair value through profit or loss	6,168,730	108,238,197
Securities lending (note 11)	27,343	34,594
Net realized and unrealized foreign currency translation gain (loss)	6,011,750	(4,992,637)
Other income	20,437	19,682
Total income (loss), net	<u>12,228,260</u>	<u>103,299,836</u>
EXPENSES		
Management fees (note 5)	18,215,876	18,227,278
Fixed administration fees and operating expense (note 6)	875,285	880,595
Independent Review Committee fees	587	576
Interest expense and bank overdraft charges	4,599	936
Foreign withholding taxes/tax reclaims	1,146,202	1,609,494
Harmonized Sales Tax/Goods and Services Tax	2,134,504	2,135,881
Transaction costs	1,236,697	880,004
Total expenses	23,613,750	23,734,764
Expenses absorbed by the Manager	—	(5,106)
Net expenses	<u>23,613,750</u>	<u>23,729,658</u>
Increase (decrease) in net assets attributable to holders of redeemable units from operations	<u>(11,385,490)</u>	<u>79,570,178</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A	(11,397,279)	79,421,276
Advisor Series	(6,140)	43,953
Series D	(3,695)	4,732
Series F	21,624	100,217
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT[†]		
Series A	(0.04)	0.30
Advisor Series	(0.09)	0.33
Series D	(0.02)	0.17
Series F	0.05	0.35
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series A	263,407,686	262,002,763
Advisor Series	68,427	131,269
Series D	175,906	28,654
Series F	461,407	283,834

[†] The increase (decrease) in net assets attributable to holders of redeemable units from operations per unit is calculated by dividing the increase (decrease) in net assets attributable to holders of redeemable units from operations per series by the weighted average number of units per series.

Scotia Diversified Monthly Income Fund (Unaudited – Continued)

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the periods ended June 30 (note 1),

(in dollars)	2018	2017
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series A	2,964,687,475	2,851,243,861
Advisor Series	919,723	1,475,389
Series D	1,356,683	114,831
Series F	4,807,339	3,279,211
	<u>2,971,771,220</u>	<u>2,856,113,292</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A	(11,397,279)	79,421,276
Advisor Series	(6,140)	43,953
Series D	(3,695)	4,732
Series F	21,624	100,217
	<u>(11,385,490)</u>	<u>79,570,178</u>
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net investment income		
Series A	(18,120,549)	(20,335,941)
Advisor Series	(4,576)	(5,834)
Series D	(13,542)	(3,504)
Series F	(40,860)	(47,520)
From net realized gains on investments		
Series A	(29,190,478)	(1,682,205)
Advisor Series	(7,556)	(483)
Series D	(16,618)	(290)
Series F	(43,316)	(3,931)
From return of capital		
Series A	–	(25,121,639)
Advisor Series	–	(16,974)
Series D	(2,096)	(2,502)
	<u>(47,439,591)</u>	<u>(47,220,823)</u>
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A	198,857,398	211,239,496
Series D	777,716	546,040
Series F	2,151,221	725,936
Reinvested distributions		
Series A	44,253,252	43,747,252
Advisor Series	4,676	6,594
Series D	24,673	4,923
Series F	60,300	40,471
Payments on redemption		
Series A	(260,500,293)	(221,982,387)
Advisor Series	(240,925)	(234,385)
Series D	(221,681)	(19,064)
Series F	(882,357)	(538,435)
	<u>(15,716,020)</u>	<u>33,536,441</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A	(76,097,949)	65,285,852
Advisor Series	(254,521)	(207,129)
Series D	544,757	530,335
Series F	1,266,612	276,738
	<u>(74,541,101)</u>	<u>65,885,796</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series A	2,888,589,526	2,916,529,713
Advisor Series	665,202	1,268,260
Series D	1,901,440	645,166
Series F	6,073,951	3,555,949
	<u>2,897,230,119</u>	<u>2,921,999,088</u>

STATEMENTS OF CASH FLOWS

For the periods ended June 30 (note 1),

(in dollars)	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	(11,385,490)	79,570,178
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(70,959,990)	(51,310,215)
Unrealized foreign currency translation (gain) loss	365,892	3,888,307
Change in unrealized (gain) loss on non-derivative financial assets	78,892,047	(9,469,498)
Net realized (gain) loss on derivatives	(3,672,393)	(4,096,211)
Change in unrealized (gain) loss on derivatives	13,568,747	(3,107,065)
Non-cash transactions	(18,776,008)	(19,623,146)
Purchases of portfolio investments	(1,035,110,453)	(640,131,379)
Proceeds from sale of portfolio investments	1,133,778,296	699,959,809
Cash collateral deposited on derivatives	15,315,747	–
Accrued investment income and other	1,362,045	(1,350,154)
Accrued expenses and other payables	3,369,569	3,458,694
Net cash provided by (used in) operating activities	<u>106,748,009</u>	<u>57,789,320</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	199,900,928	211,832,048
Amounts paid on redemption of redeemable units	(259,529,073)	(221,799,245)
Distributions to unitholders of redeemable units	(3,635,029)	(3,226,272)
Net cash provided by (used in) financing activities	(63,263,174)	(13,193,469)
Unrealized foreign currency translation gain (loss)	(365,892)	(3,888,307)
Net increase (decrease) in cash	43,484,835	44,595,851
Cash (bank overdraft), beginning of period	140,273,365	195,555,107
CASH (BANK OVERDRAFT), END OF PERIOD	<u>183,392,308</u>	<u>236,262,651</u>
Interest paid ⁽¹⁾	4,599	936
Interest received, net of withholding taxes ⁽¹⁾	3,496,746	1,890,116
Dividends received, net of withholding taxes ⁽¹⁾	19,524,473	22,842,613

⁽¹⁾ Classified as operating items.

The accompanying notes are an integral part of the financial statements.

Scotia Diversified Monthly Income Fund (Unaudited – Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at June 30, 2018

Issuer	Face Value (\$)/ Number of Contracts/ Number of Shares	Average Cost (\$)	Carrying Value (\$)	Issuer	Number of Shares/ Number of Contracts/ Number of Units/ Face Value (\$)	Average Cost (\$)	Carrying Value (\$)
BONDS AND DEBENTURES – 0.7%				EQUITIES (cont'd)			
Corporate Bonds – 0.7%				Information Technology – 5.1%			
Hydro One Ltd. 4.00% Sep 30, 2027	27,102,000	9,507,328	7,450,340	Apple Inc.	87,700	16,975,481	21,351,168
Timbercreek 8.00% Apr 12, 2021*	EUR 8,363,000	12,633,915	12,836,925	Broadcom Ltd.	21,700	7,297,954	6,924,913
		22,141,243	20,287,265	Broadcom Ltd., Written Put Options \$240.00 Jul 20, 2018	(467)	(184,221)	(267,177)
TOTAL BONDS AND DEBENTURES		22,141,243	20,287,265	Cisco Systems, Inc.	128,700	7,296,317	7,283,532
EQUITIES – 48.3%				Intel Corporation	98,700	7,255,087	6,452,872
Consumer Discretionary – 4.7%				MasterCard, Inc., Class A	63,600	7,578,776	16,438,267
Comcast Corporation, Class A	863,500	28,758,197	37,261,534	Microsoft Corporation	225,500	22,278,391	29,245,541
Comcast Corporation, Class A, Written Put Options \$32.00 Jul 20, 2018	(1,803)	(234,043)	(172,729)	Microsoft Corporation, Written Put Options \$95.00 Jul 20, 2018	(1,140)	(193,438)	(183,668)
Home Depot Inc., The	190,800	31,514,924	48,958,466	NVIDIA Corporation	21,200	7,289,796	6,605,308
McDonald's Corporation	174,500	37,161,527	35,960,761	Oracle Corporation	358,400	20,969,451	20,768,477
TIJ Companies, Inc., The	118,500	11,656,826	14,833,930	Texas Instruments Incorporated	110,000	11,737,453	15,950,101
		108,857,431	136,841,962	Visa Inc.	92,300	9,128,340	16,078,511
Consumer Staples – 2.4%					117,429,387		146,647,845
Coca-Cola Company, The	260,600	14,977,400	15,032,638	Materials – 2.0%			
Costco Wholesale Corporation	92,400	19,817,426	25,396,207	DowDuPont Inc.	339,500	29,672,415	29,433,990
Loblaws Companies Limited	443,200	23,971,289	29,960,320	Glencore PLC	2,318,500	15,192,929	14,446,828
		58,766,115	70,389,165	Sherwin-Williams Company, The	28,500	13,273,776	15,277,041
Energy – 5.9%					58,139,120		59,157,859
Canadian Natural Resources Ltd.	927,100	40,514,174	43,990,897	Real Estate – 4.5%			
Enbridge Inc.	499,200	22,386,827	23,462,400	American Tower Corporation	78,500	10,687,958	14,884,585
Pembina Pipeline Corporation	367,100	11,771,997	16,714,063	Canadian Apartment Properties Real Estate Investment Trust	939,678	23,730,646	40,058,473
Royal Dutch Shell PLC, Class B – ADR	358,100	31,552,989	34,216,226	Equinix Inc.	29,000	15,401,235	16,396,362
Suncor Energy, Inc.	700,500	32,837,734	37,476,750	Equity Residential Real Estate Investment Trust	94,800	7,491,689	7,940,937
TransCanada Corporation	253,900	12,241,099	14,441,832	First Capital Realty, Inc.	1,095,678	17,993,571	22,636,707
		151,304,820	170,302,168	Smart Real Estate Investment Trust	488,500	13,545,730	14,913,905
Financials – 9.8%				Weyerhaeuser Company	310,500	12,662,366	14,889,168
Bank of America Corporation	760,200	27,517,752	28,184,809		101,513,195		131,720,137
Bank of America Corporation, Written Put Options \$30.00 Jul 27, 2018	(1,690)	(271,948)	(431,202)	Telecommunication Services – 3.1%			
Bank of Nova Scotia, The ¹	373,800	23,805,195	27,825,672	BCE Inc.	522,100	25,264,918	27,796,604
Blackstone Mortgage Trust Inc.	360,000	14,628,204	14,881,237	Rogers Communications, Inc., Class B	504,400	23,005,068	31,494,736
Brookfield Asset Management Inc., Class A	700,100	28,729,297	37,336,333	TELUS Corporation	630,400	29,614,347	29,439,680
Canadian Imperial Bank of Commerce	255,400	27,104,330	29,207,544		77,884,333		88,731,020
Citigroup Inc.	161,600	14,100,454	14,222,942	Utilities – 1.8%			
JPMorgan Chase & Co.	257,100	27,896,318	35,234,001	Fortis Inc.	833,290	30,068,840	35,014,846
Morgan Stanley	420,600	29,584,019	26,220,428	NextEra Energy, Inc.	78,100	10,972,957	17,156,855
Morgan Stanley, Written Put Options \$52.00 Jul 27, 2018	(1,104)	(276,670)	(736,881)		41,041,797		52,171,701
Royal Bank of Canada	287,100	23,044,704	28,420,029	TOTAL EQUITIES	1,201,387,390		1,400,779,162
Sun Life Financial Inc.	273,400	13,112,678	14,443,722	FIXED INCOME FUNDS – 37.3%			
Toronto-Dominion Bank, The	396,600	25,222,300	30,177,294	Scotia Canadian Income Fund Series I ¹	51,836,468	702,475,590	687,558,917
		254,196,633	284,985,928	Scotia Money Market Fund Series I ¹	4,912,947	49,129,467	49,129,467
Health Care – 4.5%				Scotia Private Canadian Corporate Bond Pool Series I ¹	32,540,640	341,141,970	343,983,849
Johnson & Johnson	229,200	37,298,001	36,577,226		1,092,747,027		1,080,672,233
Medtronic PLC	284,100	26,594,863	31,988,059	FOREIGN EQUITY FUNDS – 1.0%			
Pfizer Inc.	626,900	28,209,595	29,912,844	Scotia Private Options Income Pool Series I ¹	2,778,297	28,055,424	29,198,509
UnitedHealth Group Incorporated	99,000	28,858,502	31,944,472	GSO Strategic Credit Fund III*	795,571	1,024,455	1,046,336
		120,960,961	130,422,601		29,079,879		30,244,845
Industrials – 4.5%				MONEY MARKET INSTRUMENTS – 6.2%			
3M Company	55,000	14,631,062	14,229,950	Bankers' Acceptances – 2.5%			
Canadian National Railway Company	274,600	26,636,229	29,527,738	Bank of Nova Scotia, The 0.00% Jul 10, 2018 ¹	18,275,000	18,252,887	18,267,375
Canadian Pacific Railway Limited	117,400	21,687,180	28,284,008	Canadian Imperial Bank of Commerce 0.00% Jul 11, 2018	18,275,000	18,251,974	18,266,557
Honeywell International Inc.	150,300	20,825,937	28,475,044	Royal Bank of Canada 0.00% Jul 12, 2018	18,275,000	18,251,425	18,265,874
United Technologies Corporation	175,700	27,513,190	28,892,036	Toronto-Dominion Bank, The 0.00% Jul 10, 2018	18,265,000	18,242,899	18,257,379
		111,293,598	129,408,776		72,999,185		73,057,185

The accompanying notes are an integral part of the financial statements.

Scotia Diversified Monthly Income Fund (Unaudited – Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at June 30, 2018

Issuer	Face Value (\$)	Average Cost (\$)	Carrying Value (\$)
MONEY MARKET INSTRUMENTS (cont'd)			
Treasury Bills – 3.7%			
United States Treasury Bills 0.00% Aug 30, 2018	USD 26,278,000	34,836,023	34,453,687
United States Treasury Bills 0.00% Jul 26, 2018	USD 26,278,000	34,901,301	34,517,922
United States Treasury Bills 0.00% Sep 13, 2018	USD 30,000,000	39,318,657	39,301,497
		<u>109,055,981</u>	<u>108,273,106</u>
TOTAL MONEY MARKET INSTRUMENTS		<u>182,055,166</u>	<u>181,330,291</u>
Transaction Costs		(626,562)	
TOTAL INVESTMENT PORTFOLIO		<u>2,526,784,143</u>	<u>2,713,313,796</u>
Unrealized Gain (Loss) on Derivatives – (0.2%)			(4,451,354)
OTHER ASSETS, LESS LIABILITIES – 6.7%			<u>188,367,677</u>
NET ASSETS – 100.0%			<u>2,897,230,119</u>

* These securities have no quoted values and are classified as Level 3 securities.

† These securities are investments in related parties (note 10).

Instruments with a 0.00% stated interest rate are purchased at a discount to face value. The discount represents the implied effective interest.

SCHEDULE OF DERIVATIVE INSTRUMENTS

UNREALIZED GAIN ON CURRENCY FORWARD CONTRACTS

Counterparty	Credit Rating	Settlement Date	Currency To Be Received	Contractual Amount	Currency To Be Delivered	Contractual Amount	Contract Price	Market Price	Unrealized Gain (\$)
Toronto-Dominion Bank, The	A-1+	Aug. 09, 2018	Canadian Dollar	6,865,231	Swedish Krona	46,083,000	6.713	6.799	86,844
Toronto-Dominion Bank, The	A-1+	Aug. 09, 2018	Canadian Dollar	7,566,443	British Pound	4,340,000	0.574	0.576	27,401
									<u>114,245</u>

UNREALIZED LOSS ON CURRENCY FORWARD CONTRACTS

Counterparty	Credit Rating	Settlement Date	Currency To Be Received	Contractual Amount	Currency To Be Delivered	Contractual Amount	Contract Price	Market Price	Unrealized Loss (\$)
Royal Bank of Canada	A-1+	Aug. 09, 2018	Canadian Dollar	51,514,835	US Dollar	39,661,424	0.77	0.762	(564,349)
Bank of Nova Scotia, The	A-1	Aug. 09, 2018	Canadian Dollar	138,439,200	US Dollar	106,464,257	0.769	0.762	(1,358,395)
Toronto-Dominion Bank, The	A-1+	Aug. 09, 2018	Canadian Dollar	138,616,379	US Dollar	106,364,527	0.767	0.762	(1,050,262)
Canadian Imperial Bank of Commerce	A-1	Aug. 09, 2018	Canadian Dollar	174,656,533	US Dollar	133,969,880	0.767	0.762	(1,258,537)
Toronto-Dominion Bank, The	A-1+	Aug. 09, 2018	Swedish Krona	3,573,000	Canadian Dollar	533,151	0.149	0.147	(7,728)
Toronto-Dominion Bank, The	A-1+	Aug. 09, 2018	Swedish Krona	17,433,000	Canadian Dollar	2,619,731	0.15	0.147	(56,109)
Toronto-Dominion Bank, The	A-1+	Aug. 09, 2018	Swedish Krona	25,077,000	Canadian Dollar	3,797,302	0.151	0.147	(109,534)
									<u>(4,404,914)</u>

UNREALIZED LOSS ON FUTURES CONTRACTS

Expiry Date	Number of Contracts	Futures Contracts	Counterparty	Credit Risk	Contractual Value Canadian (\$)	Fair Value Canadian (\$)	Unrealized Loss (\$)
INDEX FUTURES CONTRACTS							
Sep. 2018	(155)	S&P 500 Composite Stock Index – E-Mini Futures	Societe Generale Capital Canada Inc.	A-1	(27,706,602)	(27,740,748)	(34,146)
							<u>(34,146)</u>

The accompanying notes are an integral part of the financial statements.

Scotia Diversified Monthly Income Fund (Unaudited – Continued)

SCHEDULE OF DERIVATIVE INSTRUMENTS

UNREALIZED GAIN ON EQUITY SWAP CONTRACTS

Number of Units	Termination Date	Notional Amount (U.S. \$)	Variable Rate%	Unrealized Gain (\$)
Blackstone Group LP, Variable 1 month USD – LIBOR, Counterparty: Goldman Sachs				
350,900	5/17/2019	11,053,350	2.55%	270,114
				<u>270,114</u>

UNREALIZED LOSS ON EQUITY SWAP CONTRACTS

Number of Units	Termination Date	Notional Amount (U.S. \$)	Variable Rate%	Unrealized Loss (\$)
Enterprise Products Partners, Variable 1 month USD – LIBOR, Counterparty: Goldman Sachs				
109,400	4/24/2019	3,069,764	2.68%	(59,126)
233,300	4/25/2019	6,546,398	2.68%	(126,088)
64,478	8/23/2018	1,809,253	2.68%	(34,847)
262,200	4/11/2019	7,357,332	2.68%	(141,707)
22	6/27/2019	611	2.69%	(3)
Hydro One Limited, Variable 1 month USD – LIBOR, Counterparty: Toronto-Dominion Bank, The				
(67,900)	5/2/2019	1,355,284	1.34%	(4,927)
(69,000)	5/3/2019	1,377,240	1.34%	(5,007)
(46,500)	5/14/2019	928,140	1.34%	(3,374)
(90,800)	5/15/2019	1,812,368	1.34%	(6,589)
(68,900)	5/16/2019	1,375,244	1.34%	(5,000)
(118,200)	5/16/2019	2,359,272	1.34%	(8,577)
(19,400)	5/19/2018	387,224	1.34%	(1,408)
				<u>(396,653)</u>

The swap contracts outstanding at June 30, 2018 are placed with a financial institution with a minimum credit rating of A-1 by S&P.

Scotia Diversified Monthly Income Fund (Unaudited – Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

The Fund (note 1)

The Fund's objective is to provide regular monthly income and some capital appreciation. It invests primarily in a diversified portfolio of income generating securities such as: dividend paying common shares, preferred shares, investment grade bonds, convertible debentures, mortgages, high yield bonds, asset-backed and mortgage-backed securities, and income trust units.

The Fund also invests a portion of its assets in funds managed by the Manager and/or by third party investment managers (the "Underlying Funds"). In addition to the risks described below, the Fund could be exposed to indirect risk to the extent that the Underlying Funds held financial instruments that were subject to the below risks.

Risks associated with financial instruments (note 4)

Interest rate risk

The table below summarizes the Fund's exposure to interest rate risk by the remaining term to maturity of the Fund's portfolio, excluding underlying funds, preferred shares, cash and overdrafts, as applicable.

Interest rate exposure	June 30, 2018 (\$)	December 31, 2017 (\$)
Less than 1 year	181,203,752	–
1-3 years	12,836,925	–
3-5 years	–	5,167,737
5-10 years	7,450,340	10,095,495
> 10 years	–	–
	201,491,017	15,263,232

As at June 30, 2018, had the prevailing interest rates increased or decreased by 0.25%, assuming a parallel shift in the yield curve and all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by \$232,445 or approximately 0.0% (December 31, 2017 – \$225,550 or approximately 0.0%).

Currency risk

The Fund's exposure to currency risk is summarized in the tables below. Amounts shown are based on the carrying value of monetary and non-monetary assets and liabilities of the Fund net of currency contracts, as applicable.

Currency	June 30, 2018			
	Gross currency exposure (\$)	Currency contracts (\$)	Net exposure (\$)	Percentage of net assets (%)
US Dollar	1,048,489,561	(507,458,490)	541,031,071	18.7
European Euro	13,048,523	–	13,048,523	0.5
British Pound	14,808,559	(7,539,041)	7,269,518	0.3
Swedish Krona	215,173	159,460	374,633	0.0
	1,076,561,816	(514,838,071)	561,723,745	19.5

December 31, 2017

Currency	Gross currency exposure (\$)	Currency contracts (\$)	Net exposure (\$)	Percentage of net assets (%)
US Dollar	1,005,991,521	(461,557,664)	544,433,857	18.3
British Pound	85,492,992	(41,146,183)	44,346,809	1.5
Hong Kong Dollar	28,762,124	(12,322,508)	16,439,616	0.6
European Euro	19,641,758	(10,328,142)	9,313,616	0.3
Swedish Krona	14,205,108	(7,369,111)	6,835,997	0.2
Japanese Yen	100,050	–	100,050	0.0
	1,154,193,553	(532,723,608)	621,469,945	20.9

If the Canadian dollar strengthened or weakened by 10% in relation to all other currencies, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by \$56,172,375 or 2.0% (December 31, 2017 – \$62,146,995 or 2.1%). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Price risk

Price risk is the risk that the carrying value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) caused by factors specific to a security, its issuer or all factors affecting a market or a market segment. Exposure to price risk is mainly in equities, underlying funds, derivatives and commodities, as applicable. As at June 30, 2018, approximately 86.7% (December 31, 2017 – 93.7%) of the Fund's net assets were exposed to price risk. If prices of these instruments had decreased or increased by 10%, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by approximately \$251,153,556 (December 31, 2017 – \$278,680,738). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Credit risk

The table below summarizes the credit ratings of bonds and debentures, money market instruments and preferred shares held by the Fund, as applicable.

Credit ratings	June 30, 2018		December 31, 2017	
	Percentage of total credit rated instruments (%)	Percentage of net assets (%)	Percentage of total credit rated instruments (%)	Percentage of net assets (%)
Short Term Rating				
A-1+	71.8	4.9	–	–
A-1	18.1	1.3	–	–
Bond Credit Rating				
A	3.7	0.3	–	–
NOT RATED	6.4	0.4	100.0	0.5
	100.0	6.9	100.0	0.5

Concentration risk

Concentration risk arises as a result of the concentration of financial instruments within the same category, geographical location, asset type or industry sector, as applicable. The table below is a summary of

Scotia Diversified Monthly Income Fund (Unaudited – Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

the Fund's concentration risk by carrying value as a percentage of net assets:

	Percentage of net assets (%)	
	June 30, 2018	December 31, 2017
Bankers' Acceptances	2.5	–
Consumer Discretionary	4.7	3.1
Consumer Staples	2.4	4.5
Corporate Bonds	0.7	0.5
Energy	5.9	6.6
Financials	9.8	12.3
Fixed Income Funds	37.3	34.5
Foreign Equity Funds	1.0	1.0
Health Care	4.5	3.8
Industrials	4.5	4.9
Information Technology	5.1	9.0
Materials	2.0	4.0
Real Estate	4.5	3.8
Telecommunication Services	3.1	3.2
Treasury Bills	3.7	–
Utilities	1.8	3.0

Fair Value Classification (note 2)

The tables below illustrate the classification of the Fund's financial instruments within the fair value hierarchy.

June 30, 2018	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Equities	1,388,123,991	14,446,827	–	1,402,570,818
Bonds and debentures	–	7,450,340	12,836,925	20,287,265
Underlying funds	1,109,870,742	–	1,046,336	1,110,917,078
Money market instruments	–	181,330,291	–	181,330,291
Unrealized gain on currency forward contracts	–	114,245	–	114,245
Unrealized gain on swap contracts	–	270,114	–	270,114
	2,497,994,733	203,611,817	13,883,261	2,715,489,811
Liability for written options	(1,791,656)	–	–	(1,791,656)
Unrealized loss on currency forward contracts	–	(4,404,914)	–	(4,404,914)
Unrealized loss on futures contracts	(34,146)	–	–	(34,146)
Unrealized loss on swap contracts	–	(396,653)	–	(396,653)
	2,496,168,931	198,810,250	13,883,261	2,708,862,442

December 31, 2017	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Equities	1,592,406,163	138,005,550	–	1,730,411,713
Bonds and debentures	–	10,095,495	5,167,737	15,263,232
Underlying funds	1,056,268,922	–	–	1,056,268,922
Unrealized gain on currency forward contracts	–	7,387,109	–	7,387,109
Unrealized gain on swap contracts	–	605,304	–	605,304
	2,648,675,085	156,093,458	5,167,737	2,809,936,280
Liability for written options	(478,563)	–	–	(478,563)
Unrealized loss on currency forward contracts	–	(18,687)	–	(18,687)
	2,648,196,522	156,074,771	5,167,737	2,809,439,030

Transfers between levels

During the periods ended June 30, 2018 and December 31, 2017, there were no significant transfers between Level 1 and Level 2.

Reconciliation of Level 3 financial instruments

The following table presents the movement in the Fund's Level 3 financial instruments for the periods ended:

	June 30, 2018 (\$)	December 31, 2017 (\$)
Beginning of period	5,167,737	–
Purchases	8,593,062	5,070,908
Sales	(5,789)	–
Transfers into Level 3	–	–
Transfers out of Level 3	–	–
Net realized gains (losses)	189	–
Net change in unrealized gain (loss)*	128,062	96,829
End of period	13,883,261	5,167,737

* Net change in unrealized gain (loss) for Level 3 financial instruments held as at June 30, 2018 and December 31, 2017 was \$128,251 and \$96,829, respectively.

Level 3 valuation techniques

The tables below summarize the significant unobservable inputs used in the fair value measurement of Level 3 financial instruments. The significant unobservable inputs in the valuation techniques to estimate the fair values of level 3 investments can vary considerably over time to time depending on company specific factors and economic or market conditions. The tables also illustrate the potential impact on the Fund if the significant unobservable inputs used in the valuation techniques had increased or decreased by 5%, with all other variables held constant. Certain significant unobservable inputs used in the valuation techniques are not reasonably expected to shift and are indicated in the tables below as "n/a". Securities where the reasonable possible shift in the significant unobservable input did not result in a material impact on the Fund are indicated in the table below as nil.

Security	Valuation technique	Significant unobservable input	Carrying value as at June 30, 2018 (\$)	Change in valuation (\$)
Debt	Fair value based on transaction price	Transaction price	12,836,925	n/a
Equity	Fair value based on transaction price	Transaction price	1,046,336	n/a
			13,883,261	

Security	Valuation technique	Significant unobservable input	Carrying value as at December 31, 2017 (\$)	Change in valuation (\$)
Debt	Fair value based on transaction price	Transaction price	5,167,737	n/a
			5,167,737	

Offsetting of financial assets and liabilities (note 2)

The following table presents offsetting of financial assets and liabilities and collateral amounts that would occur if future events, such as bankruptcy or termination of contracts, were to arise. No amounts were offset in the financial statements.

Scotia Diversified Monthly Income Fund (Unaudited – Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

Financial assets – by type	June 30, 2018			Net Amount (\$)
	Gross amount of assets (\$)	Master netting offset (\$)	Collateral pledged/ received (\$)	
Currency forward contracts	114,245	(114,245)	–	–
Options contracts – OTC	–	–	–	–
Swap contracts – OTC	270,114	(270,114)	–	–
	384,359	(384,359)	–	–

Financial liabilities – by type	June 30, 2018			Net Amount (\$)
	Gross amount of liabilities (\$)	Master netting offset (\$)	Collateral pledged/ received (\$)	
Currency forward contracts	4,404,914	(114,245)	–	4,290,669
Options contracts – OTC	–	–	–	–
Swap contracts – OTC	396,653	(270,114)	(960,097)	–
	4,801,567	(384,359)	(960,097)	4,290,669

Financial assets – by type	December 31, 2017			Net Amount (\$)
	Gross amount of assets (\$)	Master netting offset (\$)	Collateral pledged/ received (\$)	
Currency forward contracts	7,387,109	(18,687)	–	7,368,422
Options contracts – OTC	–	–	–	–
Swap contracts – OTC	605,304	–	–	605,304
	7,992,413	(18,687)	–	7,973,726

Financial liabilities – by type	December 31, 2017			Net Amount (\$)
	Gross amount of liabilities (\$)	Master netting offset (\$)	Collateral pledged/ received (\$)	
Currency forward contracts	18,687	(18,687)	–	–
Options contracts – OTC	–	–	–	–
Swap contracts – OTC	–	–	–	–
	18,687	(18,687)	–	–

Interest in Underlying Funds (note 2)

The following tables present the percentage of the Underlying Funds owned by the Fund.

Underlying Fund	June 30, 2018	
	Carrying value of the Underlying Fund (\$)	Ownership percentage in Underlying Fund (%)
Scotia Canadian Income Fund Series I	687,558,917	11.4
Scotia Private Canadian Corporate Bond Pool Series I	343,983,849	6.0
GSO Strategic Credit Fund III	1,046,336	4.2
Scotia Money Market Fund Series I	49,129,467	3.6
Scotia Private Options Income Pool Series I	29,198,509	3.2
	1,110,917,078	

Underlying Fund	December 31, 2017	
	Carrying value of the Underlying Fund (\$)	Ownership percentage in Underlying Fund (%)
Scotia Canadian Income Fund Series I	685,120,021	11.4
Scotia Private Canadian Corporate Bond Pool Series I	342,359,635	5.8
Scotia Private Options Income Pool Series I	28,789,266	3.3
	1,056,268,922	

Comparison of net asset value per unit and net assets per unit (note 2)

As at June 30, 2018 or December 31, 2017, there were no differences between the net asset value per unit and the net assets per unit for any series of the Fund.

The accompanying notes are an integral part of the financial statements.

Scotia Income Advantage Fund (Unaudited)

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	June 30, 2018	December 31, 2017
ASSETS		
Current assets		
Financial assets at fair value through profit or loss (note 2)		
Non-derivative financial assets	185,008,929	192,938,633
Derivatives	41,042	782,540
Cash	21,175,916	20,728,005
Cash collateral deposited on derivatives	29,947	3,101,588
Receivable for securities sold	1,035,903	148,027
Subscriptions receivable	57,389	174,969
Accrued investment income and other	468,468	699,866
	<u>207,817,594</u>	<u>218,573,628</u>
LIABILITIES		
Current liabilities		
Financial liabilities at fair value through profit or loss (note 2)		
Derivatives	454,583	36,322
Management fee payable	277,054	-
Payable for securities purchased	4,469,247	-
Redemptions payable	299,215	241,587
Accrued expenses	12,774	-
Distributions payable	104,246	328,177
	<u>5,617,119</u>	<u>606,086</u>
Net assets attributable to holders of redeemable units	<u>202,200,475</u>	<u>217,967,542</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series A	188,733,260	201,121,922
Series D	245,136	86,092
Series K	1,100	1,098
Series M	<u>13,220,979</u>	<u>16,758,430</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series A	10.76	11.05
Series D	10.22	10.46
Series K	9.95	10.16
Series M	<u>11.06</u>	<u>11.30</u>

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended June 30 (note 1),

(in dollars except average units)	2018	2017
INCOME		
Net gain (loss) on financial assets and liabilities at fair value through profit or loss		
Dividends	1,544,630	2,126,552
Interest for distribution purposes	1,145,454	1,394,214
Net realized gain (loss) on non-derivative financial assets	5,254,466	7,073,071
Change in unrealized gain (loss) on non-derivative financial assets	(6,059,889)	(1,945,077)
Net realized gain (loss) on derivatives	(825,771)	(39,824)
Change in unrealized gain (loss) on derivatives	<u>(1,152,455)</u>	<u>286,819</u>
Net gain (loss) on financial assets and liabilities at fair value through profit or loss	(93,565)	8,895,755
Securities lending (note 11)	2,142	7,508
Net realized and unrealized foreign currency translation gain (loss)	688,301	(486,638)
Other income	1,196	1,858
Total income (loss), net	<u>598,074</u>	<u>8,418,483</u>
EXPENSES		
Management fees (note 5)	1,606,323	1,705,572
Fixed administration fees (note 6)	70,701	75,586
Independent Review Committee fees	587	576
Interest expense and bank overdraft charges	12,042	29
Foreign withholding taxes/tax reclaims	99,106	139,908
Other fund costs	89	112
Harmonized Sales Tax/Goods and Services Tax	172,208	181,877
Transaction costs	<u>94,543</u>	<u>83,266</u>
Total expenses	<u>2,055,599</u>	<u>2,186,926</u>
Increase (decrease) in net assets attributable to holders of redeemable units from operations	<u>(1,457,525)</u>	<u>6,231,557</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A	(1,511,106)	5,411,146
Series D	(1,552)	216
Series K	2	35
Series M	<u>55,131</u>	<u>820,160</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT[†]		
Series A	(0.08)	0.29
Series D	(0.08)	0.54
Series K	0.02	0.34
Series M	<u>0.04</u>	<u>0.45</u>
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series A	17,907,711	18,599,602
Series D	20,427	399
Series K	109	103
Series M	<u>1,267,197</u>	<u>1,811,327</u>

[†] The increase (decrease) in net assets attributable to holders of redeemable units from operations per unit is calculated by dividing the increase (decrease) in net assets attributable to holders of redeemable units from operations per series by the weighted average number of units per series.

Scotia Income Advantage Fund (Unaudited – Continued)

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the periods ended June 30 (note 1),

(in dollars)	2018	2017
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series A	201,121,922	203,167,018
Series D	86,092	5,062
Series K	1,098	1,017
Series M	16,758,430	21,521,630
	<u>217,967,542</u>	<u>224,694,727</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A	(1,511,106)	5,411,146
Series D	(1,552)	216
Series K	2	35
Series M	55,131	820,160
	<u>(1,457,525)</u>	<u>6,231,557</u>
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net investment income		
Series A	(825,622)	(298,130)
Series D	(1,479)	(13)
Series K	(12)	(11)
Series M	(147,797)	(221,196)
From net realized gains on investments		
Series A	(2,838,794)	–
Series D	(2,239)	–
Series K	(13)	–
Series M	(164,775)	–
From return of capital		
Series A	(75,566)	(3,598,432)
Series D	(841)	(63)
Series K	–	(13)
Series M	–	(231,134)
	<u>(4,057,138)</u>	<u>(4,348,992)</u>
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A	11,653,402	11,859,840
Series D	163,229	200
Series M	221,422	247,355
Reinvested distributions		
Series A	3,415,436	3,583,457
Series D	4,504	76
Series K	25	24
Payments on redemption		
Series A	(22,206,412)	(18,266,319)
Series D	(2,578)	(3,160)
Series M	(3,501,432)	(3,001,470)
	<u>(10,252,404)</u>	<u>(5,579,997)</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A	(12,388,662)	(1,308,438)
Series D	159,044	(2,744)
Series K	2	35
Series M	(3,537,451)	(2,386,285)
	<u>(15,767,067)</u>	<u>(3,697,432)</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series A	188,733,260	201,858,580
Series D	245,136	2,318
Series K	1,100	1,052
Series M	13,220,979	19,135,345
	<u>202,200,475</u>	<u>220,997,295</u>

STATEMENTS OF CASH FLOWS

For the periods ended June 30 (note 1),

(in dollars)	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	(1,457,525)	6,231,557
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(5,254,466)	(7,073,071)
Unrealized foreign currency translation (gain) loss	24,795	466,295
Change in unrealized (gain) loss on non-derivative financial assets	6,059,889	1,945,077
Net realized (gain) loss on derivatives	(276,787)	(315,635)
Change in unrealized (gain) loss on derivatives	1,152,455	(286,819)
Non-cash transactions	(421,107)	(476,000)
Purchases of portfolio investments	(111,263,929)	(65,283,720)
Proceeds from sale of portfolio investments	122,674,780	78,234,058
Cash collateral deposited on derivatives	3,071,641	–
Accrued investment income and other	231,398	(160,978)
Accrued expenses and other payables	289,828	312,839
Net cash provided by (used in) operating activities	<u>14,830,972</u>	<u>13,593,603</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	12,145,882	12,132,623
Amounts paid on redemption of redeemable units	(25,643,044)	(21,242,713)
Distributions to unitholders of redeemable units	(861,104)	(764,180)
Net cash provided by (used in) financing activities	<u>(14,358,266)</u>	<u>(9,874,270)</u>
Unrealized foreign currency translation gain (loss)	(24,795)	(466,295)
Net increase (decrease) in cash	472,706	3,719,333
Cash (bank overdraft), beginning of period	20,728,005	29,068,449
CASH (BANK OVERDRAFT), END OF PERIOD	<u>21,175,916</u>	<u>32,321,487</u>
Interest paid ⁽¹⁾	12,042	29
Interest received, net of withholding taxes ⁽¹⁾	833,025	927,255
Dividends received, net of withholding taxes ⁽¹⁾	1,556,788	1,899,570

⁽¹⁾ Classified as operating items.

Scotia Income Advantage Fund (Unaudited – Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at June 30, 2018

Issuer	Face Value (\$)	Average Cost (\$)	Carrying Value (\$)	Issuer	Face Value (\$)/ Number of Shares/ Number of Contracts	Average Cost (\$)	Carrying Value (\$)
BONDS AND DEBENTURES – 10.7%				BONDS AND DEBENTURES (cont'd)			
Corporate Bonds – 9.2%				Corporate Bonds (cont'd)			
Alectra Inc. (Callable) 2.49% Feb 17, 2027	238,000	238,000	228,806	National Hockey League Inc. 3.61% Aug 10, 2027*	USD 500,000	633,000	657,601
Algonquin Power Company (Callable) 4.09% Nov 17, 2026	39,000	38,972	39,621	North West Redwater Partnership / NWR Financing Co., Ltd. (Callable) 2.80% Mar 01, 2027		176,000	168,366
Alimentation Couche-Tard Inc. (Callable) 3.06% May 26, 2024	63,000	63,000	61,803	OMERS Realty Corporation (Callable) 2.86% Jan 23, 2024		476,000	474,516
Alliance Pipeline LP 4.93% Dec 16, 2019	265,000	282,647	271,373	OMERS Realty Corporation (Callable) 3.24% Jul 04, 2027		49,000	49,294
Alliance Pipeline LP 6.77% Dec 31, 2025	47,188	53,845	53,318	Pembina Pipeline Corporation (Callable) 2.99% Nov 22, 2023		198,000	194,172
AltaGas Ltd. (Callable) 3.84% Oct 15, 2024	374,000	377,516	378,775	Pembina Pipeline Corporation (Callable) 3.54% Nov 03, 2024		142,000	141,307
AltaGas Ltd. (Callable) 3.98% Jul 04, 2027	77,000	76,968	77,591	Rogers Communications Inc. 5.34% Mar 22, 2021		113,000	121,698
AltaGas Ltd. 3.72% Sep 28, 2021	53,000	51,889	54,064	Royal Bank of Canada (Callable) 3.04% Jul 17, 2019		212,000	212,948
AltaLink Investments LP (Callable) 2.24% Dec 07, 2021	156,000	153,773	152,792	Royal Bank of Canada 2.36% Dec 05, 2022		210,000	206,449
AltaLink LP (Callable) 3.40% Mar 06, 2024	359,000	369,938	369,642	Royal Bank of Canada 2.95% May 01, 2023		98,000	97,800
Bank of America Corporation (Callable) 3.37% Jan 23, 2025	USD 50,000	62,095	63,220	Shaw Communications Inc. 3.15% Feb 19, 2021		115,000	117,153
Bank of America Corporation (Callable) 3.41% Sep 20, 2024	277,000	276,005	276,504	Smart Real Estate Investment Trust 3.56% Feb 06, 2025		120,000	117,676
Bank of Montreal (Callable) 3.12% Sep 19, 2019	155,000	157,091	155,801	Smart Real Estate Investment Trust 3.99% May 30, 2023		75,000	70,385
Bank of Montreal (Floating Rate) 3.40% Apr 23, 2021	275,000	295,481	280,168	Suncor Energy Inc. (Callable) 3.00% Jun 14, 2026		175,000	177,273
Bank of Montreal 2.89% Jun 20, 2023	69,000	68,988	68,882	TELUS Corporation (Callable) 3.63% Dec 01, 2027		490,000	482,562
Bank of Nova Scotia, The 2.29% Jun 28, 2024†	358,000	356,947	343,854	TELUS Corporation (Callable) 3.75% Oct 17, 2024		43,000	44,397
Bank of Nova Scotia, The 2.98% Apr 17, 2023†	203,000	203,169	203,383	Timbercreek 8.00% Apr 12, 2021*	EUR 633,000	956,246	971,634
bdMC Realty Corporation (Callable) 3.00% Dec 31, 2026	162,000	164,937	160,077	TMX Group Ltd. 3.00% Dec 11, 2024		150,000	148,214
bdMC Realty Corporation 3.51% Jun 29, 2022	134,000	135,764	137,523	Toronto-Dominion Bank, The 1.91% Jul 18, 2023		351,000	348,524
Bell Canada (Callable) 2.70% Dec 27, 2023	144,000	143,046	140,005	Toronto-Dominion Bank, The 3.01% May 30, 2023		281,000	281,000
Bell Canada (Callable) 3.35% Dec 22, 2022	150,000	153,000	151,695	Toronto-Dominion Bank, The 3.23% Jul 24, 2024		600,000	638,998
Bell Canada (Callable) 4.70% Jun 11, 2023	145,000	155,222	155,162	Union Gas Ltd. (Callable) 3.79% Apr 10, 2023		158,000	173,105
BP Capital Markets PLC 3.47% May 15, 2025	182,000	182,022	183,734	United Parcel Service Inc. (Callable) 2.13% Mar 21, 2024		216,000	213,832
Brookfield Asset Management Inc. (Callable) 4.82% Oct 28, 2025	247,000	269,642	263,690	Ventas Canada Finance Ltd. (Callable) 4.13% Jun 30, 2024		311,000	314,549
Brookfield Asset Management Inc. (Callable) 5.04% Dec 08, 2023	113,000	120,277	121,645	Videotron Ltd. (Callable) 5.63% Mar 15, 2025		230,000	246,450
Brookfield Asset Management Inc. 4.54% Mar 31, 2023	21,000	21,171	22,145	Walt Disney Co, The 2.76% Oct 07, 2024		93,000	93,000
Brookfield Infrastructure Finance ULC (Callable) 3.32% Dec 22, 2023	34,000	34,468	33,718	Wells Fargo & Company 2.09% Apr 25, 2022		61,000	59,496
Brookfield Infrastructure Finance ULC (Callable) 3.45% Feb 11, 2022	386,000	391,152	390,023	Wells Fargo & Company 2.51% Oct 27, 2023		267,000	257,185
Brookfield Renewable Energy Partners ULC (Callable) 3.63% Oct 15, 2026	378,000	379,586	373,535	Westcoast Energy Inc. 3.12% Dec 05, 2022		326,000	321,325
Brookfield Renewable Energy Partners ULC 4.79% Feb 07, 2022	177,000	186,537	187,226			18,824,471	18,515,774
Bruce Power LP 3.97% Jun 23, 2026	189,000	194,441	195,327				
Canadian Imperial Bank of Commerce (Callable) 3.45% Apr 04, 2023	95,000	94,970	94,381	Federal Bonds – 1.4%			
Canadian Imperial Bank of Commerce 2.30% Jul 11, 2022	177,000	174,862	173,487	Government of Canada 2.00% Jun 01, 2028	1,990,000	1,923,784	1,960,625
Canadian Tire Corporation Ltd. (Callable) 3.17% Jun 06, 2023	276,000	276,000	277,232	Government of Canada 2.50% Jun 01, 2024	530,000	538,056	541,226
Canadian Utilities Ltd. 3.12% Nov 09, 2022	129,000	140,076	131,276	Government of Canada 5.75% Jun 01, 2033	180,000	255,546	260,717
Choice Properties Real Estate Investment Trust (Callable) 3.56% Jul 09, 2024	140,000	140,000	139,527			2,717,386	2,762,568
CI Financial Corporation 3.90% Sep 27, 2027	115,000	115,000	116,671	Mortgage-Backed Securities – 0.1%			
Emera Inc. 2.90% Jun 16, 2023	155,000	158,377	152,982	Merrill Lynch Financial Asset Inc. (Floating Rate) 5.24% Oct 12, 2039	266,000	276,201	276,201
Enbridge Inc. (Callable) 3.94% Mar 30, 2023	32,000	33,109	32,980			21,818,058	21,554,543
Enbridge Inc. (Callable) 5.38% Sep 27, 2027	255,000	255,000	242,582	TOTAL BONDS AND DEBENTURES			
Enbridge Inc. (Floating Rate) 6.63% Apr 12, 2078	48,000	48,625	49,526	EQUITIES – 52.2%			
Enbridge Income Fund 3.94% Jan 13, 2023	180,000	184,545	184,961	Consumer Discretionary – 4.9%			
Enbridge Pipelines Inc. 8.20% Feb 15, 2024	159,000	213,046	197,756	Comcast Corporation, Class A	61,900	2,198,726	2,671,094
Enbridge Southern Lights LP 4.01% Jun 30, 2040	130,670	130,670	128,429	Comcast Corporation, Class A, Written Put Options \$32.00 Jul 20, 2018	(128)	(16,615)	(12,262)
First Capital Realty Inc. (Callable) 3.75% Apr 12, 2027	283,000	283,000	277,597	Home Depot Inc., The	13,700	2,323,501	3,515,362
First Capital Realty Inc. 3.95% Dec 05, 2022	122,000	127,996	125,079	McDonald's Corporation	12,600	2,682,464	2,596,594
First Capital Realty Inc. 4.32% Jul 31, 2025	87,000	91,813	89,827	TIJ Companies, Inc., The	8,300	816,479	1,039,001
Fortis Inc. (Callable) 2.85% Oct 12, 2023	102,000	102,118	100,567			8,004,555	9,809,789
H&R Real Estate Investment Trust (Callable) 3.37% Nov 30, 2023	83,000	83,056	81,630	Consumer Staples – 2.5%			
H&R Real Estate Investment Trust (Callable) 3.42% Dec 23, 2022	62,000	62,000	61,783	Coca-Cola Company, The	18,900	1,085,135	1,090,241
Heathrow Funding Ltd. 3.25% May 21, 2025	647,000	652,812	650,811	Costco Wholesale Corporation	6,600	1,415,522	1,814,015
Hydro One Ltd. 4.00% Sep 30, 2027	2,053,000	720,329	564,370	Loblaw Companies Limited	33,200	2,288,763	2,244,320
Intact Financial Corporation (Callable) 3.77% Dec 02, 2025	384,000	394,793	395,999			4,789,420	5,148,576
Inter Pipeline Ltd. 4.97% Feb 02, 2021	170,000	187,590	178,566	Energy – 5.9%			
Kimco Realty Corporation (Callable) 2.70% Jan 01, 2024	USD 160,000	202,975	194,798	Canadian Natural Resources Ltd.	65,900	2,878,422	3,126,955
Loblaw Companies Limited (Callable) 4.86% Jun 12, 2023	77,000	83,462	82,810	Enbridge Inc.	34,900	1,614,974	1,640,300
Lower Mattagami Energy LP 2.31% Oct 21, 2026	279,000	262,112	265,432	Pembina Pipeline Corporation	26,000	913,499	1,183,780
Lower Mattagami Energy LP 3.42% Jun 20, 2024	200,000	216,778	206,424	Royal Dutch Shell PLC, Class B – ADR	25,100	2,208,042	2,398,289
McDonald's Corporation 3.13% Mar 04, 2025	213,000	215,561	211,373				
Morgan Stanley 3.13% Aug 05, 2021	153,000	153,961	153,984				

The accompanying notes are an integral part of the financial statements.

Scotia Income Advantage Fund (Unaudited – Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at June 30, 2018

Issuer	Number of Shares/ Number of Contracts	Average Cost (\$)	Carrying Value (\$)	Issuer	Number of Shares/ Number of Units/ Face Value (\$)	Average Cost (\$)	Carrying Value (\$)
EQUITIES (cont'd)				EQUITIES (cont'd)			
Energy (cont'd)				Real Estate (cont'd)			
Suncor Energy, Inc.	49,000	2,295,988	2,621,500	Kilam Apartment Real Estate Investment Trust	138,953	1,846,218	2,081,516
TransCanada Corporation	17,800	883,722	1,012,464	Smart Real Estate Investment Trust	37,475	902,380	1,144,112
				Weyerhaeuser Company	22,000	927,280	1,054,949
						6,115,147	7,118,294
Financials – 12.8%				Telecommunication Services – 3.2%			
Atrium Mortgage Investment Corporation	51,200	562,224	657,920	BCE Inc.	38,700	1,948,026	2,060,388
Bank of America Corporation	54,500	1,971,587	2,020,616	Rogers Communications, Inc., Class B	36,400	1,795,241	2,272,816
Bank of America Corporation, Written Put Options \$30.00 Jul 27, 2018	(115)	(18,505)	(29,342)	TELUS Corporation	45,000	2,114,088	2,101,500
Bank of Nova Scotia, The [†]	27,300	1,937,345	2,032,212			5,857,355	6,434,704
Blackstone Mortgage Trust Inc.	48,400	2,045,070	2,000,700	Utilities – 3.1%			
Blackstone Tactical Opportunities Fund II LP*	1,109,852	1,454,495	1,825,766	Fortis Inc.	60,913	2,242,382	2,559,564
Brookfield Asset Management Inc., Class A	49,900	2,003,497	2,661,167	Innervex Renewable Energy Inc.	171,100	1,570,391	2,362,891
Canadian Imperial Bank of Commerce	18,200	1,932,894	2,081,352	NextEra Energy, Inc.	5,900	859,487	1,296,100
Citigroup Inc.	11,300	985,515	994,550			4,672,260	6,218,555
JPMorgan Chase & Co.	18,500	1,943,175	2,535,313	TOTAL EQUITIES		92,756,635	105,560,276
Morgan Stanley	30,300	2,127,752	1,888,918	FIXED INCOME FUNDS – 19.4%			
Morgan Stanley, Written Put Options \$52.00 Jul 27, 2018	(75)	(18,796)	(50,060)	Dynamic Credit Spectrum Fund Series O [†]	634,913	5,576,313	5,453,899
Royal Bank of Canada	21,300	1,764,218	2,108,487	Dynamic High Yield Bond Fund Series O [†]	1,821,997	5,736,513	5,429,550
Starwood Property Trust Inc.	69,200	2,089,048	1,975,869	Scotia Money Market Fund Series I [†]	651,717	6,517,174	6,517,174
Sun Life Financial Inc.	19,700	943,835	1,040,751	Scotia Total Return Bond LP Series I [†]	1,804,094	22,187,435	21,817,084
Toronto-Dominion Bank, The	29,300	1,873,432	2,229,437			40,017,435	39,217,707
		23,596,786	25,973,656	FOREIGN EQUITY FUNDS – 1.2%			
Health Care – 4.6%				Scotia Private Options Income Pool Series I [†]	216,713	2,194,641	2,277,541
Johnson & Johnson	16,000	2,601,281	2,553,384	GSO Strategic Credit Fund III*	60,627	78,069	79,737
Medtronic PLC	20,300	1,926,947	2,285,666			2,272,710	2,357,278
Pfizer Inc.	45,000	2,020,333	2,147,197	MONEY MARKET INSTRUMENTS – 8.0%			
UnitedHealth Group Incorporated	7,100	2,072,487	2,290,967	Treasury Bills – 8.0%			
		8,621,048	9,277,214	United States Treasury Bills 0.00% Aug 30, 2018	USD 4,823,000	6,393,719	6,323,545
Industrials – 4.5%				United States Treasury Bills 0.00% Jul 26, 2018	USD 4,823,000	6,405,700	6,335,335
3M Company	4,000	1,064,092	1,034,905	United States Treasury Bills 0.00% Sep 13, 2018	USD 2,700,000	3,538,679	3,537,134
Canadian National Railway Company	19,200	1,862,056	2,064,576			16,338,098	16,196,014
Canadian Pacific Railway Limited	8,200	1,541,122	1,975,544	TOTAL MONEY MARKET INSTRUMENTS		16,338,098	16,196,014
Honeywell International Inc.	10,500	1,562,925	1,989,275	Transaction Costs		(46,002)	
United Technologies Corporation	12,300	1,900,653	2,022,607	TOTAL INVESTMENT PORTFOLIO	173,156,934		184,885,818
		7,930,848	9,086,907	Unrealized Gain (Loss) on Derivatives – (0.1%)			(290,430)
Information Technology – 5.1%				OTHER ASSETS, LESS LIABILITIES – 8.6%			17,605,087
Apple Inc.	6,100	1,186,806	1,485,087	NET ASSETS – 100.0%			202,200,475
Broadcom Ltd.	1,500	504,467	478,681				
Broadcom Ltd., Written Put Options \$240.00 Jul 20, 2018	(33)	(13,018)	(18,880)	* These securities have no quoted values and are classified as Level 3 securities.			
Cisco Systems, Inc.	9,000	510,232	509,338	† These securities are investments in related parties (note 10).			
Intel Corporation	6,900	507,195	451,113	Instruments with a 0.00% stated interest rate are purchased at a discount to face value. The discount represents the implied effective interest.			
MasterCard, Inc., Class A	4,600	562,470	1,188,931				
Microsoft Corporation	15,800	1,525,035	2,049,133				
Microsoft Corporation, Written Put Options \$95.00 Jul 20, 2018	(78)	(13,235)	(12,567)				
NVIDIA Corporation	1,500	515,787	467,357				
Oracle Corporation	25,100	1,463,437	1,454,489				
Texas Instruments Incorporated	7,800	832,658	1,131,007				
Visa Inc.	6,500	648,941	1,132,290				
		8,230,775	10,315,979				
Materials – 2.1%							
DowDuPont Inc.	24,200	2,114,906	2,098,093				
Glencore PLC	164,200	1,097,182	1,023,148				
Sherwin-Williams Company, The	2,000	931,706	1,072,073				
		4,143,794	4,193,314				
Real Estate – 3.5%							
American Tower Corporation	5,700	787,148	1,080,791				
Equinix Inc.	2,100	1,114,742	1,187,323				
Equity Residential Real Estate Investment Trust	6,800	537,379	569,603				

The accompanying notes are an integral part of the financial statements.

Scotia Income Advantage Fund (Unaudited – Continued)

SCHEDULE OF DERIVATIVE INSTRUMENTS

UNREALIZED GAIN ON CURRENCY FORWARD CONTRACTS

Counterparty	Credit Rating	Settlement Date	Currency To Be Received	Contractual Amount	Currency To Be Delivered	Contractual Amount	Contract Price	Market Price	Unrealized Gain (\$)
Toronto-Dominion Bank, The	A-1+	Aug. 09, 2018	Canadian Dollar	488,788	Swedish Krona	3,281,000	6.713	6.799	6,183
Toronto-Dominion Bank, The	A-1+	Aug. 09, 2018	Canadian Dollar	535,230	British Pound	307,000	0.574	0.576	1,938
									<u>8,121</u>

UNREALIZED LOSS ON CURRENCY FORWARD CONTRACTS

Counterparty	Credit Rating	Settlement Date	Currency To Be Received	Contractual Amount	Currency To Be Delivered	Contractual Amount	Contract Price	Market Price	Unrealized Loss (\$)
Royal Bank of Canada	A-1+	Aug. 09, 2018	Canadian Dollar	2,121,635	US Dollar	1,633,453	0.77	0.762	(23,243)
Bank of Nova Scotia, The	A-1	Aug. 09, 2018	Canadian Dollar	7,845,735	US Dollar	6,033,626	0.769	0.762	(76,984)
Toronto-Dominion Bank, The	A-1+	Aug. 09, 2018	Canadian Dollar	11,605,847	US Dollar	8,905,516	0.767	0.762	(87,935)
Canadian Imperial Bank of Commerce	A-1	Aug. 09, 2018	Canadian Dollar	13,351,944	US Dollar	10,241,577	0.767	0.762	(96,210)
Toronto-Dominion Bank, The	A-1+	Aug. 09, 2018	Swedish Krona	271,000	Canadian Dollar	40,438	0.149	0.147	(586)
Toronto-Dominion Bank, The	A-1+	Aug. 09, 2018	Swedish Krona	1,235,000	Canadian Dollar	185,589	0.15	0.147	(3,975)
Toronto-Dominion Bank, The	A-1+	Aug. 09, 2018	Swedish Krona	1,775,000	Canadian Dollar	268,781	0.151	0.147	(7,753)
									<u>(296,686)</u>

UNREALIZED LOSS ON FUTURES CONTRACTS

Expiry Date	Number of Contracts	Futures Contracts	Counterparty	Credit Risk	Contractual Value Canadian (\$)	Fair Value Canadian (\$)	Unrealized Loss (\$)
INDEX FUTURES CONTRACTS							
Sep. 2018	(11)	S&P 500 Composite Stock Index – E-Mini Futures	Societe Generale Capital Canada Inc.	A-1	(1,966,275)	(1,968,698)	(2,423)
							<u>(2,423)</u>
BOND FUTURES CONTRACTS							
Sep. 2018	(9)	Canada 10 Year Bond Future	Societe Generale Capital Canada Inc.	A-1	(1,225,911)	(1,230,390)	(4,479)
							<u>(4,479)</u>

UNREALIZED GAIN ON EQUITY SWAP CONTRACTS

Number of Units	Termination Date	Notional Amount (U.S. \$)	Variable Rate %	Unrealized Gain (\$)
Blackstone Group LP, Variable 1 month USD – LIBOR, Counterparty: Goldman Sachs				
25,300	5/17/2019	796,950	2.55%	19,475
23,000	6/18/2019	729,687	2.69%	13,446
				<u>32,921</u>

UNREALIZED LOSS ON EQUITY SWAP CONTRACTS

Number of Units	Termination Date	Notional Amount (U.S. \$)	Variable Rate %	Unrealized Loss (\$)
Enterprise Products Partners, Variable 1 month USD – LIBOR, Counterparty: Goldman Sachs				
6,800	4/24/2019	190,808	2.68%	(3,675)
18,600	4/25/2019	521,916	2.68%	(10,053)
3,838	8/23/2018	107,694	2.68%	(2,074)
17,800	4/11/2019	499,468	2.68%	(9,620)
62	6/17/2019	1,723	2.69%	(10)
Hydro One Limited, Variable 1 month USD – LIBOR, Counterparty: Toronto-Dominion Bank, The				
(4,800)	5/2/2019	(95,808)	1.34%	(348)
(3,300)	5/14/2019	(65,868)	1.34%	(240)
(6,400)	5/19/2018	(127,744)	1.34%	(464)
(4,800)	5/16/2019	(95,808)	1.34%	(348)
(8,300)	5/16/2019	(165,668)	1.34%	(602)
(1,400)	5/17/2019	(27,944)	1.34%	(102)
(4,800)	5/3/2019	95,808	1.34%	(348)
				<u>(27,884)</u>

The swap contracts outstanding at June 30, 2018 are placed with a financial institution with a minimum credit rating of A-1+ by S&P.

Scotia Income Advantage Fund (Unaudited – Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

The Fund (note 1)

The Fund's objective is to provide regular income and long term capital growth. It invests primarily in a diversified portfolio of fixed income and income-oriented equity securities.

The Fund also invests a portion of its assets in funds managed by the Manager and/or by third party investment managers (the "Underlying Funds"). In addition to the risks described below, the Fund could be exposed to indirect risk to the extent that the Underlying Funds held financial instruments that were subject to the below risks.

Risks associated with financial instruments (note 4)

Interest rate risk

The table below summarizes the Fund's exposure to interest rate risk by the remaining term to maturity of the Fund's portfolio, excluding underlying funds, preferred shares, cash and overdrafts, as applicable.

Interest rate exposure	June 30, 2018 (\$)	December 31, 2017 (\$)
Less than 1 year	16,196,920	–
1-3 years	2,306,891	4,632,695
3-5 years	3,401,309	13,072,371
5-10 years	14,888,888	15,709,531
> 10 years	957,455	386,337
	37,751,463	33,800,934

As at June 30, 2018, had the prevailing interest rates increased or decreased by 0.25%, assuming a parallel shift in the yield curve and all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by \$307,299 or approximately 0.2% (December 31, 2017 – \$385,707 or approximately 0.2%).

Currency risk

The Fund's exposure to currency risk is summarized in the tables below. Amounts shown are based on the carrying value of monetary and non-monetary assets and liabilities of the Fund net of currency contracts, as applicable.

Currency	June 30, 2018			
	Gross currency exposure (\$)	Currency contracts (\$)	Net exposure (\$)	Percentage of net assets (%)
US Dollar	86,588,300	(35,209,533)	51,378,767	25.4
European Euro	987,650	–	987,650	0.5
British Pound	1,048,853	(533,292)	515,561	0.3
Swedish Krona	15,276	11,324	26,600	0.0
	88,640,079	(35,731,501)	52,908,578	26.2

December 31, 2017

Currency	Gross currency exposure (\$)	Currency contracts (\$)	Net exposure (\$)	Percentage of net assets (%)
US Dollar	102,852,381	(43,420,696)	59,431,685	27.3
British Pound	6,706,635	(3,316,566)	3,390,069	1.6
Hong Kong Dollar	2,116,581	(908,091)	1,208,490	0.6
European Euro	1,464,358	(765,160)	699,198	0.3
Swedish Krona	1,060,161	(552,068)	508,093	0.2
Japanese Yen	7,564	–	7,564	0.0
	114,207,680	(48,962,581)	65,245,099	30.0

If the Canadian dollar strengthened or weakened by 10% in relation to all other currencies, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by \$5,290,858 or 2.6% (December 31, 2017 – \$6,524,510 or 3.0%). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Price risk

Price risk is the risk that the carrying value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) caused by factors specific to a security, its issuer or all factors affecting a market or a market segment. Exposure to price risk is mainly in equities, underlying funds, derivatives and commodities, as applicable. As at June 30, 2018, approximately 72.8% (December 31, 2017 – 73.0%) of the Fund's net assets were exposed to price risk. If prices of these instruments had decreased or increased by 10%, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by approximately \$14,713,788 (December 31, 2017 – \$15,910,243). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Credit risk

The table below summarizes the credit ratings of bonds and debentures, money market instruments and preferred shares held by the Fund, as applicable.

Credit ratings	June 30, 2018		December 31, 2017	
	Percentage of total credit rated instruments (%)	Percentage of net assets (%)	Percentage of total credit rated instruments (%)	Percentage of net assets (%)
Short Term Rating				
A-1+	43.0	8.0	–	–
Bond Credit Rating				
AAA	7.3	1.4	1.2	0.2
AA	6.9	1.3	15.6	2.4
A	15.6	3.0	38.6	6.0
BBB	23.0	4.3	38.2	5.9
BB	0.6	0.1	0.7	0.1
NOT RATED	3.6	–	5.7	0.9
	100.0	18.1	100.0	15.5

Concentration risk

Concentration risk arises as a result of the concentration of financial instruments within the same category, geographical location, asset

Scotia Income Advantage Fund (Unaudited – Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

type or industry sector, as applicable. The table below is a summary of the Fund's concentration risk by carrying value as a percentage of net assets:

	Percentage of net assets (%)	
	June 30, 2018	December 31, 2017
Consumer Discretionary	4.9	3.2
Consumer Staples	2.5	4.6
Corporate Bonds	9.2	15.4
Energy	5.9	6.6
Federal Bonds	1.4	–
Financials	12.8	14.6
Fixed Income Funds	19.4	10.0
Foreign Equity Funds	1.2	1.0
Health Care	4.6	4.0
Industrials	4.5	5.0
Information Technology	5.1	9.1
Materials	2.1	4.0
Mortgage-Backed Securities	0.1	0.1
Real Estate	3.5	3.0
Telecommunication Services	3.2	3.3
Treasury Bills	8.0	–
Utilities	3.1	4.5

Fair Value Classification (note 2)

The tables below illustrate the classification of the Fund's financial instruments within the fair value hierarchy.

June 30, 2018	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Equities	102,834,473	1,023,148	1,825,766	105,683,387
Bonds and debentures	–	19,925,308	1,629,235	21,554,543
Underlying funds	41,495,248	–	79,737	41,574,985
Money market instruments	–	16,196,014	–	16,196,014
Unrealized gain on currency forward contracts	–	8,121	–	8,121
Unrealized gain on swap contracts	–	32,921	–	32,921
	144,329,721	37,185,512	3,534,738	185,049,971
Liability for written options	(123,111)	–	–	(123,111)
Unrealized loss on currency forward contracts	–	(296,686)	–	(296,686)
Unrealized loss on futures contracts	(6,902)	–	–	(6,902)
Unrealized loss on swap contracts	–	(27,884)	–	(27,884)
	144,199,708	36,860,942	3,534,738	184,595,388

December 31, 2017	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Equities	122,867,921	10,533,406	1,727,826	135,129,153
Bonds and debentures	–	32,781,145	1,019,789	33,800,934
Underlying funds	24,008,546	–	–	24,008,546
Unrealized gain on currency forward contracts	–	696,110	–	696,110
Unrealized gain on swap contracts	–	86,430	–	86,430
	146,876,467	44,097,091	2,747,615	193,721,173
Liability for written options	(35,264)	–	–	(35,264)
Unrealized loss on currency forward contracts	–	(1,058)	–	(1,058)
	146,841,203	44,096,033	2,747,615	193,684,851

Transfers between levels

During the periods ended June 30, 2018 and December 31, 2017, there were no significant transfers between Level 1 and Level 2.

Reconciliation of Level 3 financial instruments

The following table presents the movement in the Fund's Level 3 financial instruments for the periods ended:

	June 30, 2018 (\$)	December 31, 2017 (\$)
Beginning of period	2,747,615	1,216,466
Purchases	666,497	1,728,055
Sales	(73,924)	(298,085)
Transfers into Level 3	–	–
Transfers out of Level 3	–	–
Net realized gains (losses)	(1,187)	(7,147)
Net change in unrealized gain (loss)*	195,737	108,326
End of period	3,534,738	2,747,615

* Net change in unrealized gain (loss) for Level 3 financial instruments held as at June 30, 2018 and December 31, 2017 was \$194,550 and \$101,178, respectively.

Level 3 valuation techniques

The tables below summarize the significant unobservable inputs used in the fair value measurement of Level 3 financial instruments. The significant unobservable inputs in the valuation techniques to estimate the fair values of level 3 investments can vary considerably over time to time depending on company specific factors and economic or market conditions. The tables also illustrate the potential impact on the Fund if the significant unobservable inputs used in the valuation techniques had increased or decreased by 5%, with all other variables held constant. Certain significant unobservable inputs used in the valuation techniques are not reasonably expected to shift and are indicated in the tables below as "n/a". Securities where the reasonable possible shift in the significant unobservable input did not result in a material impact on the Fund are indicated in the table below as nil.

Security	Valuation technique	Significant unobservable input	Carrying value as at June 30, 2018 (\$)	Change in valuation (\$)
Debt	Fair value based on transaction price	Transaction price	1,629,235	n/a
Equities	Fair value based on transaction price	Transaction price	79,737	n/a
Equities	Fundamental model analysis based on financial data	Company NAV	1,825,766	n/a
			3,534,738	

Security	Valuation technique	Significant unobservable input	Carrying value as at December 31, 2017 (\$)	Change in valuation (\$)
Debt	Fair value based on transaction price	Transaction price	1,019,789	n/a
Equities	Fundamental model analysis based on financial data	Company NAV	1,727,826	n/a
			2,747,615	

Scotia Income Advantage Fund (Unaudited – Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

Offsetting of financial assets and liabilities (note 2)

The following table presents offsetting of financial assets and liabilities and collateral amounts that would occur if future events, such as bankruptcy or termination of contracts, were to arise. No amounts were offset in the financial statements.

June 30, 2018				
Financial assets – by type	Gross amount of assets (\$)	Master netting offset (\$)	Collateral pledged/received (\$)	Net Amount (\$)
Currency forward contracts	8,121	(8,121)	–	–
Options contracts – OTC	–	–	–	–
Swap contracts – OTC	32,921	(25,432)	–	7,489
	41,042	(33,553)	–	7,489

Financial liabilities – by type	Gross amount of liabilities (\$)	Master netting offset (\$)	Collateral pledged/received (\$)	Net Amount (\$)
Currency forward contracts	296,686	(8,121)	–	288,565
Options contracts – OTC	–	–	–	–
Swap contracts – OTC	27,884	(25,432)	(657,601)	–
	324,570	(33,553)	(657,601)	288,565

December 31, 2017				
Financial assets – by type	Gross amount of assets (\$)	Master netting offset (\$)	Collateral pledged/received (\$)	Net Amount (\$)
Currency forward contracts	696,110	(1,058)	–	695,052
Options contracts – OTC	–	–	–	–
Swap contracts – OTC	86,430	–	–	86,430
	782,540	(1,058)	–	781,482

Financial liabilities – by type	Gross amount of liabilities (\$)	Master netting offset (\$)	Collateral pledged/received (\$)	Net Amount (\$)
Currency forward contracts	1,058	(1,058)	–	–
Options contracts – OTC	–	–	–	–
Swap contracts – OTC	–	–	–	–
	1,058	(1,058)	–	–

Interest in Underlying Funds (note 2)

The following tables present the percentage of the Underlying Funds owned by the Fund.

June 30, 2018		
Underlying Fund	Carrying value of the Underlying Fund (\$)	Ownership percentage in Underlying Fund (%)
Dynamic High Yield Bond Fund Series O	5,429,550	2.8
Scotia Total Return Bond LP Series I	21,817,084	2.1
Dynamic Credit Spectrum Fund Series O	5,453,899	1.1
Scotia Money Market Fund Series I	6,517,174	0.5
Scotia Private Options Income Pool Series I	2,277,541	0.3
GSO Strategic Credit Fund III	79,737	0.3
Blackstone Tactical Opportunities Fund II LP	1,825,766	0.1
	43,400,751	

December 31, 2017		
Underlying Fund	Carrying value of the Underlying Fund (\$)	Ownership percentage in Underlying Fund (%)
Dynamic High Yield Bond Fund Series O	5,413,846	1.3
Dynamic Credit Spectrum Fund Series O	5,410,737	1.1
Scotia Total Return Bond LP Series I	10,938,343	1.1
Scotia Private Options Income Pool Series I	2,245,620	0.3
Blackstone Tactical Opportunities Fund II LP	1,727,826	0.1
	25,736,372	

Comparison of net asset value per unit and net assets per unit (note 2)

As at June 30, 2018 or December 31, 2017, there were no differences between the net asset value per unit and the net assets per unit for any series of the Fund.

The accompanying notes are an integral part of the financial statements.

Scotia Canadian Balanced Fund (Unaudited)

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	June 30, 2018	December 31, 2017
ASSETS		
Current assets		
Financial assets at fair value through profit or loss (note 2)		
Non-derivative financial assets	2,127,268,420	2,204,833,930
Derivatives	151,848	2,735,026
Cash	33,334,316	22,917,162
Subscriptions receivable	1,280,039	1,445,256
Accrued investment income and other	2,778,783	2,916,971
	<u>2,164,813,406</u>	<u>2,234,848,345</u>
LIABILITIES		
Current liabilities		
Financial liabilities at fair value through profit or loss (note 2)		
Derivatives	3,662,303	8,171
Management fee payable	3,157,398	–
Redemptions payable	2,276,910	1,524,379
Accrued expenses	172,881	–
Distributions payable	10,670	528
	<u>9,280,162</u>	<u>1,533,078</u>
Net assets attributable to holders of redeemable units	<u>2,155,533,244</u>	<u>2,233,315,267</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series A	2,153,533,223	2,231,879,515
Series D	735,533	651,846
Series F	1,264,488	783,906
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series A	25.06	25.25
Series D	10.65	10.73
Series F	24.65	24.83

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended June 30 (note 1),

(in dollars except average units)	2018	2017
INCOME		
Net gain (loss) on financial assets and liabilities at fair value through profit or loss		
Dividends	16,014,584	16,225,315
Interest for distribution purposes	15,728,087	15,640,855
Net realized gain (loss) on non-derivative financial assets	41,536,526	23,570,157
Change in unrealized gain (loss) on non-derivative financial assets	(52,404,872)	16,709,402
Net realized gain (loss) on derivatives	(985,394)	(783,715)
Change in unrealized gain (loss) on derivatives	(6,237,310)	6,074,120
Net gain (loss) on financial assets and liabilities at fair value through profit or loss	13,651,621	77,436,134
Securities lending (note 11)	26,637	16,380
Net realized and unrealized foreign currency translation gain (loss)	293,404	(244,160)
Other income	12,829	12,660
Total income (loss), net	<u>13,984,491</u>	<u>77,221,014</u>
EXPENSES		
Management fees (note 5)	17,877,978	18,088,687
Fixed administration fees (note 6)	975,516	983,875
Independent Review Committee fees	587	576
Interest expense and bank overdraft charges	3,627	–
Foreign withholding taxes/tax reclaims	320,971	476,546
Harmonized Sales Tax/Goods and Services Tax	2,107,784	2,130,397
Transaction costs	191,831	213,315
Total expenses	<u>21,478,294</u>	<u>21,893,396</u>
Increase (decrease) in net assets attributable to holders of redeemable units from operations	<u>(7,493,803)</u>	<u>55,327,618</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A	(7,501,621)	55,307,498
Series D	1,374	1,377
Series F	6,444	18,743
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT[†]		
Series A	(0.09)	0.61
Series D	0.02	0.17
Series F	0.16	0.67
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series A	87,222,102	90,983,447
Series D	66,849	7,974
Series F	39,336	27,828

[†] The increase (decrease) in net assets attributable to holders of redeemable units from operations per unit is calculated by dividing the increase (decrease) in net assets attributable to holders of redeemable units from operations per series by the weighted average number of units per series.

Scotia Canadian Balanced Fund (Unaudited – Continued)

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the periods ended June 30 (note 1),

(in dollars)	2018	2017
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series A	2,231,879,515	2,175,625,872
Series D	651,846	34,222
Series F	783,906	539,432
	<u>2,233,315,267</u>	<u>2,176,199,526</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A	(7,501,621)	55,307,498
Series D	1,374	1,377
Series F	6,444	18,743
	<u>(7,493,803)</u>	<u>55,327,618</u>
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net investment income		
Series A	(9,176,645)	(8,789,235)
Series D	(6,483)	(1,399)
Series F	(11,480)	(8,834)
	<u>(9,194,608)</u>	<u>(8,799,468)</u>
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A	92,483,232	95,602,068
Series D	116,206	108,985
Series F	765,233	553,416
Reinvested distributions		
Series A	9,156,800	8,580,473
Series D	6,411	1,399
Series F	7,887	7,905
Payments on redemption		
Series A	(163,308,058)	(148,247,912)
Series D	(33,821)	(4,142)
Series F	(287,502)	(471,106)
	<u>(61,093,612)</u>	<u>(43,868,914)</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A	(78,346,292)	2,452,892
Series D	83,687	106,220
Series F	480,582	100,124
	<u>(77,782,023)</u>	<u>2,659,236</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series A	2,153,533,223	2,178,078,764
Series D	735,533	140,442
Series F	1,264,488	639,556
	<u>2,155,533,244</u>	<u>2,178,858,762</u>

STATEMENTS OF CASH FLOWS

For the periods ended June 30 (note 1),

(in dollars)	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	(7,493,803)	55,327,618
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(41,536,526)	(23,570,157)
Unrealized foreign currency translation (gain) loss	26,976	159,062
Change in unrealized (gain) loss on non-derivative financial assets	52,404,872	(16,709,402)
Change in unrealized (gain) loss on derivatives	6,237,310	(6,074,120)
Non-cash transactions	(15,585,811)	(15,613,823)
Purchases of portfolio investments	(101,812,908)	(125,424,201)
Proceeds from sale of portfolio investments	184,095,882	179,108,363
Accrued investment income and other	138,188	42,294
Accrued expenses and other payables	3,330,279	3,396,238
Net cash provided by (used in) operating activities	<u>79,804,459</u>	<u>50,641,872</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	92,794,885	96,753,721
Amounts paid on redemption of redeemable units	(162,141,846)	(148,514,060)
Distributions to unitholders of redeemable units	(13,368)	(8,421)
Net cash provided by (used in) financing activities	<u>(69,360,329)</u>	<u>(51,768,760)</u>
Unrealized foreign currency translation gain (loss)	(26,976)	(159,062)
Net increase (decrease) in cash	10,444,130	(1,126,888)
Cash (bank overdraft), beginning of period	22,917,162	24,252,389
CASH (BANK OVERDRAFT), END OF PERIOD	<u>33,334,316</u>	<u>22,966,439</u>
Interest paid ⁽¹⁾	3,627	–
Interest received, net of withholding taxes ⁽¹⁾	142,276	105,444
Dividends received, net of withholding taxes ⁽¹⁾	15,831,803	15,712,651

⁽¹⁾ Classified as operating items.

Scotia Canadian Balanced Fund (Unaudited – Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at June 30, 2018

Issuer	Number of Shares	Average Cost (\$)	Carrying Value (\$)	Issuer	Number of Shares/ Number of Units	Average Cost (\$)	Carrying Value (\$)
EQUITIES – 58.2%				EQUITIES (cont'd)			
Consumer Discretionary – 8.7%				Health Care (cont'd)			
Canadian Tire Corporation, Limited, Class A	141,000	17,879,066	24,195,600	Thermo Fisher Scientific, Inc.	59,800	14,684,166	16,291,359
Dollarama Inc.	365,800	3,412,090	18,641,168			51,112,718	56,695,422
Gildan Activewear Inc.	436,700	16,400,358	16,171,001	Industrials – 5.3%			
Linamar Corporation	298,800	16,718,405	17,273,628	Canadian National Railway Company	311,900	14,509,539	33,538,607
NIKE, Inc., Class B	198,900	14,396,841	20,843,770	Canadian Pacific Railway Limited	77,400	14,633,017	18,647,208
Restaurant Brands International Inc.	514,200	24,334,242	40,776,060	United Parcel Service, Inc., Class B	224,500	30,705,180	31,365,751
Shaw Communications, Inc., Class B	1,848,000	48,841,812	49,489,440	Waste Connections Inc.	312,550	18,986,764	30,951,827
		141,982,814	187,390,667			78,834,500	114,503,393
Consumer Staples – 4.5%				Information Technology – 7.4%			
Alimentation Couche-Tard Inc., Class B	585,700	35,143,280	33,449,327	Activision Blizzard Inc.	210,400	19,268,846	21,119,141
Costco Wholesale Corporation	84,200	17,438,626	23,142,431	Alphabet Inc., Class C	19,784	9,475,160	29,029,144
Loblaw Companies Limited	521,300	25,308,105	35,239,880	CGI Group Inc., Class A	406,500	22,778,003	33,865,515
Saputo Inc.	126,800	4,991,227	5,534,820	Microsoft Corporation	279,200	9,709,058	36,210,001
		82,881,238	97,366,458	Visa Inc.	223,500	21,391,346	38,933,339
Energy – 6.1%						82,622,413	159,157,140
Canadian Natural Resources Ltd.	515,100	17,380,952	24,441,495	Materials – 4.8%			
Enbridge Inc.	790,200	40,781,246	37,139,400	Franco-Nevada Corporation	415,800	30,480,812	39,896,010
PrairieSky Royalty Ltd.	1,961,316	51,191,044	50,896,150	Martin Marietta Materials Inc.	65,000	19,576,361	19,092,051
Suncor Energy, Inc.	367,700	13,607,009	19,671,950	Nutrien Ltd.	432,365	24,378,969	30,922,745
		122,960,251	132,148,995	Teck Resources Ltd., Class B	388,900	12,937,283	13,024,261
Financials – 16.7%						87,373,425	102,935,067
Bank of Nova Scotia, The [†]	567,100	30,498,157	42,214,923	Telecommunication Services – 2.1%			
Brookfield Asset Management Inc., Class A	537,100	23,042,570	28,643,543	BCE Inc.	844,300	47,808,518	44,950,532
Canadian Imperial Bank of Commerce	460,300	42,453,740	52,639,908	TOTAL EQUITIES		963,852,332	1,254,834,422
Intact Financial Corporation	385,200	34,564,266	35,919,900	FIXED INCOME FUNDS – 40.5%			
JPMorgan Chase & Co.	184,100	18,058,768	25,229,792	Scotia Canadian Income Fund Series I [†]	65,774,578	894,918,210	872,433,998
Manulife Financial Corporation	1,548,300	34,231,701	36,570,846	Transaction Costs		(628,508)	
Power Corporation of Canada	954,500	28,443,589	28,100,480	TOTAL INVESTMENT PORTFOLIO		1,858,142,034	2,127,268,420
Royal Bank of Canada	515,300	27,164,965	51,009,547	Unrealized Gain (Loss) on Derivatives – (0.2%)			(3,510,455)
Toronto-Dominion Bank, The	780,100	29,818,699	59,357,809	OTHER ASSETS, LESS LIABILITIES – 1.5%			31,775,279
		268,276,455	359,686,748	NET ASSETS – 100.0%			2,155,533,244
Health Care – 2.6%							
Anthem, Inc.	47,500	14,012,041	14,870,223				
Johnson & Johnson	160,000	22,416,511	25,533,840				

[†] These securities are investments in related parties (note 10).

SCHEDULE OF DERIVATIVE INSTRUMENTS

UNREALIZED GAIN ON CURRENCY FORWARD CONTRACTS

Counterparty	Credit Rating	Settlement Date	Currency To Be Received	Contractual Amount	Currency To Be Delivered	Contractual Amount	Contract Price	Market Price	Unrealized Gain (\$)
Bank of Montreal	A-1	Jul. 18, 2018	US Dollar	100,000	Canadian Dollar	129,535	1.295	1.314	1,869
Toronto-Dominion Bank, The	A-1+	Jul. 18, 2018	Canadian Dollar	6,509,062	US Dollar	4,900,000	0.753	0.761	70,335
Bank of Montreal	A-1	Jul. 18, 2018	Canadian Dollar	2,260,801	US Dollar	1,700,000	0.752	0.761	26,957
Canadian Imperial Bank of Commerce	A-1	Jul. 18, 2018	Canadian Dollar	1,065,828	US Dollar	800,000	0.751	0.761	14,607
Canadian Imperial Bank of Commerce	A-1	Jul. 18, 2018	Canadian Dollar	1,064,921	US Dollar	800,000	0.751	0.761	13,700
Bank of Montreal	A-1	Jul. 18, 2018	Canadian Dollar	2,218,804	US Dollar	1,670,000	0.753	0.761	24,380
									151,848

UNREALIZED LOSS ON CURRENCY FORWARD CONTRACTS

Counterparty	Credit Rating	Settlement Date	Currency To Be Received	Contractual Amount	Currency To Be Delivered	Contractual Amount	Contract Price	Market Price	Unrealized Loss (\$)
Bank of Montreal	A-1	Jul. 18, 2018	Canadian Dollar	21,010,751	US Dollar	16,390,000	0.78	0.761	(526,134)
Royal Bank of Canada	A-1+	Jul. 18, 2018	Canadian Dollar	16,350,600	US Dollar	12,750,000	0.78	0.761	(403,230)
Toronto-Dominion Bank, The	A-1+	Jul. 18, 2018	Canadian Dollar	12,386,245	US Dollar	9,660,000	0.78	0.761	(307,245)
Canadian Imperial Bank of Commerce	A-1	Jul. 18, 2018	Canadian Dollar	96,173,472	US Dollar	74,980,000	0.78	0.761	(2,352,191)
Royal Bank of Canada	A-1+	Jul. 18, 2018	US Dollar	4,650,000	Canadian Dollar	6,183,630	1.33	1.314	(73,503)
									(3,662,303)

The accompanying notes are an integral part of the financial statements.

Scotia Canadian Balanced Fund (Unaudited – Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

The Fund (note 1)

The Fund's objective is to provide a balance between earning income and obtaining capital growth over the long term. It invests primarily in a broad range of Canadian equity and fixed income securities.

The Fund also invests a portion of its assets in funds managed by the Manager and/or by third party investment managers (the "Underlying Funds"). In addition to the risks described below, the Fund could be exposed to indirect risk to the extent that the Underlying Funds held financial instruments that were subject to the below risks.

Risks associated with financial instruments (note 4)

Interest rate risk

The majority of the Fund's financial instruments were non-interest bearing as at June 30, 2018 and December 31, 2017. Accordingly, the Fund is not directly subject to significant risk due to fluctuations in the prevailing levels of market interest rates.

Currency risk

The Fund's exposure to currency risk is summarized in the tables below. Amounts shown are based on the carrying value of monetary and non-monetary assets and liabilities of the Fund net of currency contracts, as applicable.

Currency	June 30, 2018			
	Gross currency exposure (\$)	Currency contracts (\$)	Net exposure (\$)	Percentage of net assets (%)
US Dollar	311,591,734	(156,160,464)	155,431,270	7.2
	311,591,734	(156,160,464)	155,431,270	7.2

Currency	December 31, 2017			
	Gross currency exposure (\$)	Currency contracts (\$)	Net exposure (\$)	Percentage of net assets (%)
US Dollar	347,444,716	(168,359,759)	179,084,957	8.0
	347,444,716	(168,359,759)	179,084,957	8.0

If the Canadian dollar strengthened or weakened by 10% in relation to all other currencies, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by \$15,543,127 or 0.7% (December 31, 2017 – \$17,908,496 or 0.8%). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Price risk

Price risk is the risk that the carrying value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) caused by factors specific to a security, its issuer or all factors affecting a market or a market segment. Exposure to price risk is mainly in equities, underlying funds, derivatives and commodities, as applicable. As at June 30, 2018, approximately 98.7% (December 31, 2017 – 98.7%) of the Fund's net assets were exposed to price risk. If prices of these

instruments had decreased or increased by 10%, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by approximately \$212,726,842 (December 31, 2017 – \$220,483,393). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Credit risk

The Fund had no significant exposure to bonds and debentures, money market instruments or preferred shares as at June 30, 2018 or December 31, 2017.

Concentration risk

Concentration risk arises as a result of the concentration of financial instruments within the same category, geographical location, asset type or industry sector, as applicable. The table below is a summary of the Fund's concentration risk by carrying value as a percentage of net assets:

	Percentage of net assets (%)	
	June 30, 2018	December 31, 2017
Consumer Discretionary	8.7	10.3
Consumer Staples	4.5	4.6
Energy	6.1	6.3
Financials	16.7	17.7
Fixed Income Funds	40.5	38.7
Health Care	2.6	1.9
Industrials	5.3	6.1
Information Technology	7.4	5.8
Materials	4.8	3.8
Telecommunication Services	2.1	3.5

Fair Value Classification (note 2)

The tables below illustrate the classification of the Fund's financial instruments within the fair value hierarchy.

June 30, 2018	Level 1	Level 2	Level 3	Total
	(\$)	(\$)	(\$)	(\$)
Equities	1,254,834,422	–	–	1,254,834,422
Underlying funds	872,433,998	–	–	872,433,998
Unrealized gain on currency forward contracts	–	151,848	–	151,848
	2,127,268,420	151,848	–	2,127,420,268
Unrealized loss on currency forward contracts	–	(3,662,303)	–	(3,662,303)
	2,127,268,420	(3,510,455)	–	2,123,757,965

December 31, 2017	Level 1	Level 2	Level 3	Total
	(\$)	(\$)	(\$)	(\$)
Equities	1,338,818,909	–	–	1,338,818,909
Underlying funds	866,015,021	–	–	866,015,021
Unrealized gain on currency forward contracts	–	2,735,026	–	2,735,026
	2,204,833,930	2,735,026	–	2,207,568,956
Unrealized loss on currency forward contracts	–	(8,171)	–	(8,171)
	2,204,833,930	2,726,855	–	2,207,560,785

Transfers between levels

During the periods ended June 30, 2018 and December 31, 2017, there were no significant transfers between Level 1 and Level 2.

Scotia Canadian Balanced Fund (Unaudited – Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

Offsetting of financial assets and liabilities (note 2)

The following table presents offsetting of financial assets and liabilities and collateral amounts that would occur if future events, such as bankruptcy or termination of contracts, were to arise. No amounts were offset in the financial statements.

Financial assets – by type	June 30, 2018			
	Gross amount of assets (\$)	Master netting offset (\$)	Collateral pledged/received (\$)	Net Amount (\$)
Currency forward contracts	151,848	(151,848)	–	–
Options contracts – OTC	–	–	–	–
Swap contracts – OTC	–	–	–	–
	151,848	(151,848)	–	–

Financial liabilities – by type	June 30, 2018			
	Gross amount of liabilities (\$)	Master netting offset (\$)	Collateral pledged/received (\$)	Net Amount (\$)
Currency forward contracts	3,662,303	(151,848)	–	3,510,455
Options contracts – OTC	–	–	–	–
Swap contracts – OTC	–	–	–	–
	3,662,303	(151,848)	–	3,510,455

Financial assets – by type	December 31, 2017			
	Gross amount of assets (\$)	Master netting offset (\$)	Collateral pledged/received (\$)	Net Amount (\$)
Currency forward contracts	2,735,026	(8,171)	–	2,726,855
Options contracts – OTC	–	–	–	–
Swap contracts – OTC	–	–	–	–
	2,735,026	(8,171)	–	2,726,855

Financial liabilities – by type	December 31, 2017			
	Gross amount of liabilities (\$)	Master netting offset (\$)	Collateral pledged/received (\$)	Net Amount (\$)
Currency forward contracts	8,171	(8,171)	–	–
Options contracts – OTC	–	–	–	–
Swap contracts – OTC	–	–	–	–
	8,171	(8,171)	–	–

Interest in Underlying Funds (note 2)

The following tables present the percentage of the Underlying Funds owned by the Fund.

Underlying Fund	June 30, 2018	
	Carrying value of the Underlying Fund (\$)	Ownership percentage in Underlying Fund (%)
Scotia Canadian Income Fund Series I	872,433,998	14.5
	872,433,998	

Underlying Fund	December 31, 2017	
	Carrying value of the Underlying Fund (\$)	Ownership percentage in Underlying Fund (%)
Scotia Canadian Income Fund Series I	866,015,021	14.4
	866,015,021	

Comparison of net asset value per unit and net assets per unit (note 2)

As at June 30, 2018 or December 31, 2017, there were no differences between the net asset value per unit and the net assets per unit for any series of the Fund.

Scotia Dividend Balanced Fund (Unaudited)

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	June 30, 2018	December 31, 2017
ASSETS		
Current assets		
Financial assets at fair value through profit or loss (note 2)		
Non-derivative financial assets	243,323,261	280,467,176
Derivatives	82,956	245,767
Cash	4,511,778	10,807,761
Subscriptions receivable	133,844	208,126
Accrued investment income and other	575,578	573,328
	<u>248,627,417</u>	<u>292,302,158</u>
LIABILITIES		
Current liabilities		
Financial liabilities at fair value through profit or loss (note 2)		
Derivatives	207,338	–
Management fee payable	362,923	–
Redemptions payable	324,546	287,656
Accrued expenses	18,157	–
Distributions payable	2,647	82
	<u>915,611</u>	<u>287,738</u>
Net assets attributable to holders of redeemable units	<u>247,711,806</u>	<u>292,014,420</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series A	247,586,206	291,778,736
Series D	125,600	235,684
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series A	11.71	12.10
Series D	9.72	10.04

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended June 30 (note 1),

(in dollars except average units)	2018	2017
INCOME		
Net gain (loss) on financial assets and liabilities at fair value through profit or loss		
Dividends	2,656,171	3,240,736
Interest for distribution purposes	1,607,803	928,866
Net realized gain (loss) on non-derivative financial assets	(1,916,519)	(9,981,394)
Change in unrealized gain (loss) on non-derivative financial assets	(6,929,439)	2,785,956
Net realized gain (loss) on derivatives	(328,837)	(15,965)
Change in unrealized gain (loss) on derivatives	(370,149)	291,708
Net gain (loss) on financial assets and liabilities at fair value through profit or loss	(5,280,970)	(2,750,093)
Securities lending (note 11)	3,764	49,334
Net realized and unrealized foreign currency translation gain (loss)	96,732	(292,160)
Other income	2,696	1,616
Total income (loss), net	<u>(5,177,778)</u>	<u>(2,991,303)</u>
EXPENSES		
Management fees (note 5)	2,159,847	2,588,475
Fixed administration fees (note 6)	104,749	125,524
Independent Review Committee fees	587	576
Interest expense and bank overdraft charges	118	–
Foreign withholding taxes/tax reclaims	39,334	4,938
Harmonized Sales Tax/Goods and Services Tax	242,773	289,595
Transaction costs	66,682	194,756
Total expenses	2,614,090	3,203,864
Expenses absorbed by the Manager	(52,030)	–
Net expenses	<u>2,562,060</u>	<u>3,203,864</u>
Increase (decrease) in net assets attributable to holders of redeemable units from operations	<u>(7,739,838)</u>	<u>(6,195,167)</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A	(7,734,528)	(6,193,786)
Series D	(5,310)	(1,381)
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT[†]		
Series A	(0.35)	(0.24)
Series D	(0.33)	(0.11)
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series A	22,373,607	26,096,539
Series D	16,299	12,339

[†] The increase (decrease) in net assets attributable to holders of redeemable units from operations per unit is calculated by dividing the increase (decrease) in net assets attributable to holders of redeemable units from operations per series by the weighted average number of units per series.

Scotia Dividend Balanced Fund (Unaudited – Continued)

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the periods ended June 30 (note 1),

(in dollars)	2018	2017
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series A	291,778,736	317,229,532
Series D	235,684	135,264
	<u>292,014,420</u>	<u>317,364,796</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A	(7,734,528)	(6,193,786)
Series D	(5,310)	(1,381)
	<u>(7,739,838)</u>	<u>(6,195,167)</u>
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net investment income		
Series A	(1,550,566)	(672,026)
Series D	(1,617)	(699)
	<u>(1,552,183)</u>	<u>(672,725)</u>
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A	12,441,732	24,648,865
Series D	47,345	61,360
Reinvested distributions		
Series A	1,534,116	664,836
Series D	1,617	699
Payments on redemption		
Series A	(48,883,284)	(33,337,429)
Series D	(152,119)	(92,666)
	<u>(35,010,593)</u>	<u>(8,054,335)</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A	(44,192,530)	(14,889,540)
Series D	(110,084)	(32,687)
	<u>(44,302,614)</u>	<u>(14,922,227)</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series A	247,586,206	302,339,992
Series D	125,600	102,577
	<u>247,711,806</u>	<u>302,442,569</u>

STATEMENTS OF CASH FLOWS

For the periods ended June 30 (note 1),

(in dollars)	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	(7,739,838)	(6,195,167)
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	1,916,519	9,981,394
Unrealized foreign currency translation (gain) loss	10,809	248,533
Change in unrealized (gain) loss on non-derivative financial assets	6,929,439	(2,785,956)
Change in unrealized (gain) loss on derivatives	370,149	(291,708)
Non-cash transactions	(1,454,848)	(858,466)
Purchases of portfolio investments	(35,196,768)	(114,457,054)
Proceeds from sale of portfolio investments	64,949,572	124,401,679
Accrued investment income and other	(2,250)	(5,521)
Accrued expenses and other payables	381,080	468,850
Net cash provided by (used in) operating activities	<u>30,163,864</u>	<u>10,506,584</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	12,563,359	24,915,757
Amounts paid on redemption of redeemable units	(48,998,513)	(33,519,981)
Distributions to unitholders of redeemable units	(13,884)	(3,555)
Net cash provided by (used in) financing activities	<u>(36,449,038)</u>	<u>(8,607,779)</u>
Unrealized foreign currency translation gain (loss)	(10,809)	(248,533)
Net increase (decrease) in cash	(6,285,174)	1,898,805
Cash (bank overdraft), beginning of period	10,807,761	11,859,609
CASH (BANK OVERDRAFT), END OF PERIOD	<u>4,511,778</u>	<u>13,509,881</u>
Interest paid ⁽¹⁾	118	–
Interest received, net of withholding taxes ⁽¹⁾	159,089	69,102
Dividends received, net of withholding taxes ⁽¹⁾	2,660,454	3,231,588

⁽¹⁾ Classified as operating items.

Scotia Dividend Balanced Fund (Unaudited – Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at June 30, 2018

Issuer	Number of Shares	Average Cost (\$)	Carrying Value (\$)	Issuer	Number of Shares	Average Cost (\$)	Carrying Value (\$)
EQUITIES – 65.9%				EQUITIES (cont'd)			
Consumer Discretionary – 4.6%				Industrials (cont'd)			
Restaurant Brands International Inc.	26,900	2,135,400	2,133,170	United Parcel Service, Inc., Class B	20,100	2,979,008	2,808,248
Shaw Communications, Inc., Class B	203,500	5,549,209	5,449,730			18,733,531	21,451,590
Uni-Select Inc.	178,400	5,471,723	3,730,344				
		<u>13,156,332</u>	<u>11,313,244</u>	Information Technology – 4.0%			
Consumer Staples – 5.2%				Accenture PLC, Class A	9,100	1,771,823	1,957,899
Alimentation Couche-Tard Inc., Class B	67,300	3,982,951	3,843,503	Activision Blizzard Inc.	26,600	2,295,473	2,670,006
Loblaw Companies Limited	72,500	5,043,058	4,900,999	Microsoft Corporation	41,500	4,471,884	5,382,217
Unilever NV – ADR	55,658	4,011,229	4,078,785			8,539,180	10,010,122
		<u>13,037,238</u>	<u>12,823,287</u>	Materials – 4.7%			
Energy – 8.4%				Agrico-Eagle Mines Limited	32,200	1,759,228	1,940,694
ARC Resources Ltd.	192,400	2,832,541	2,612,792	Chemtrade Logistics Income Fund	218,375	3,780,184	3,269,074
Canadian Natural Resources Ltd.	79,800	2,942,190	3,786,510	Franco-Nevada Corporation	27,900	2,542,986	2,677,005
Enbridge Inc.	119,300	5,693,490	5,607,100	Nutrien Ltd.	29,337	1,754,181	2,098,182
EnCana Corporation	108,400	1,787,727	1,861,228	Teck Resources Ltd., Class B	49,800	1,387,310	1,667,802
Enerflex Ltd.	122,600	1,819,270	1,733,564			11,223,889	11,652,757
PrairieSky Royalty Ltd.	128,500	4,116,822	3,334,575	Real Estate – 1.0%			
TransCanada Corporation	32,901	1,750,006	1,871,409	Granite Real Estate Investment Trust	47,014	2,356,101	2,520,891
		<u>20,942,046</u>	<u>20,807,178</u>	Telecommunication Services – 3.2%			
Financials – 22.3%				BCE Inc.	92,200	5,438,845	4,908,728
Bank of America Corporation	95,000	3,278,560	3,522,174	Rogers Communications, Inc., Class B	48,316	2,327,790	3,016,851
Bank of Nova Scotia, The†	104,700	7,381,037	7,793,868			7,766,635	7,925,579
Brookfield Asset Management Inc., Class A	64,500	3,247,847	3,439,785	Utilities – 2.8%			
Canadian Imperial Bank of Commerce	50,797	5,426,247	5,809,145	Fairfax Financial Holdings Limited	4,500	3,218,270	3,314,970
Industrial Alliance Insurance and Financial Services Inc.	62,800	3,383,777	3,187,100	Northland Power Inc.	152,200	3,579,683	3,733,466
Manulife Financial Corporation	166,900	3,607,400	3,942,178			6,797,953	7,048,436
Power Financial Corporation	128,900	4,480,356	3,963,675	TOTAL EQUITIES		156,559,555	163,137,741
Royal Bank of Canada	75,100	6,444,469	7,434,149	FIXED INCOME FUNDS – 32.4%			
Thomson Reuters Corporation	108,100	5,980,775	5,734,705	Scotia Canadian Income Fund Series I†	4,859,962	65,111,905	64,462,539
Toronto-Dominion Bank, The	136,200	8,401,350	10,363,458	Scotia Private Canadian Corporate Bond Pool Series I†	1,487,383	15,802,300	15,722,981
		<u>51,631,818</u>	<u>55,190,237</u>			80,914,205	80,185,520
Health Care – 1.0%				Transaction Costs		(115,167)	
Novartis AG	24,048	2,374,832	2,394,420	TOTAL INVESTMENT PORTFOLIO		237,358,593	243,323,261
Industrials – 8.7%				Unrealized Gain (Loss) on Derivatives – (0.1%)			(124,382)
Canadian National Railway Company	49,800	4,705,006	5,354,994	OTHER ASSETS, LESS LIABILITIES – 1.8%			4,512,927
Canadian Pacific Railway Limited	17,113	3,381,844	4,122,864	NET ASSETS – 100.0%			247,711,806
Morneau Shepell, Inc.	149,746	2,508,262	4,070,096				
Parker-Hannifin Corporation	14,900	3,124,816	3,054,114				
Toromont Industries Ltd.	35,900	2,034,595	2,041,274				

† These securities are investments in related parties (note 10).

SCHEDULE OF DERIVATIVE INSTRUMENTS

UNREALIZED GAIN ON CURRENCY FORWARD CONTRACTS

Counterparty	Credit Rating	Settlement Date	Currency To Be Received	Contractual Amount	Currency To Be Delivered	Contractual Amount	Contract Price	Market Price	Unrealized Gain (\$)
State Street Bank & Trust Company	A-1+	Aug. 23, 2018	Canadian Dollar	4,619,005	US Dollar	3,475,000	0.752	0.762	57,081
Canadian Imperial Bank of Commerce	A-1	Aug. 23, 2018	Canadian Dollar	664,573	US Dollar	500,000	0.752	0.762	8,181
Bank of Montreal	A-1	Sep. 14, 2018	Canadian Dollar	1,065,017	Swiss Franc	787,500	0.739	0.75	14,653
Canadian Imperial Bank of Commerce	A-1	Sep. 14, 2018	Canadian Dollar	183,103	Swiss Franc	135,000	0.737	0.75	3,041
									<u>82,956</u>

UNREALIZED LOSS ON CURRENCY FORWARD CONTRACTS

Counterparty	Credit Rating	Settlement Date	Currency To Be Received	Contractual Amount	Currency To Be Delivered	Contractual Amount	Contract Price	Market Price	Unrealized Loss (\$)
Royal Bank of Canada	A-1+	Jul. 18, 2018	Canadian Dollar	4,603,816	US Dollar	3,590,000	0.78	0.761	(113,538)
Canadian Imperial Bank of Commerce	A-1	Jul. 18, 2018	Canadian Dollar	3,835,138	US Dollar	2,990,000	0.78	0.761	(93,800)
									<u>(207,338)</u>

The accompanying notes are an integral part of the financial statements.

Scotia Dividend Balanced Fund (Unaudited – Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

The Fund (note 1)

The Fund's objective is to achieve long-term capital growth and current income return. It invests, either directly or through investing in securities of other funds, primarily in equity securities of companies that pay dividends or that are expected to pay dividends, fixed income securities, and other securities that are expected to distribute income.

The Fund also invests a portion of its assets in funds managed by the Manager and/or by third party investment managers (the "Underlying Funds"). In addition to the risks described below, the Fund could be exposed to indirect risk to the extent that the Underlying Funds held financial instruments that were subject to the below risks.

Risks associated with financial instruments (note 4)

Interest rate risk

The majority of the Fund's financial instruments were non-interest bearing as at June 30, 2018 and December 31, 2017. Accordingly, the Fund is not directly subject to significant risk due to fluctuations in the prevailing levels of market interest rates.

Currency risk

The Fund's exposure to currency risk is summarized in the tables below. Amounts shown are based on the carrying value of monetary and non-monetary assets and liabilities of the Fund net of currency contracts, as applicable.

June 30, 2018				
Currency	Gross currency exposure (\$)	Currency contracts (\$)	Net exposure (\$)	Percentage of net assets (%)
US Dollar	27,439,681	(13,864,606)	13,575,075	5.5
Swiss Franc	2,395,607	(1,230,427)	1,165,180	0.5
	29,835,288	(15,095,033)	14,740,255	6.0

December 31, 2017				
Currency	Gross currency exposure (\$)	Currency contracts (\$)	Net exposure (\$)	Percentage of net assets (%)
US Dollar	28,406,534	(13,802,854)	14,603,680	5.0
	28,406,534	(13,802,854)	14,603,680	5.0

If the Canadian dollar strengthened or weakened by 10% in relation to all other currencies, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by \$1,474,026 or 0.6% (December 31, 2017 – \$1,460,368 or 0.5%). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Price risk

Price risk is the risk that the carrying value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) caused by factors specific to a security, its issuer or all factors affecting a market or a market segment. Exposure to price risk is mainly in equities,

underlying funds, derivatives and commodities, as applicable. As at June 30, 2018, approximately 98.3% (December 31, 2017 – 96.0%) of the Fund's net assets were exposed to price risk. If prices of these instruments had decreased or increased by 10%, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by approximately \$24,332,326 (December 31, 2017 – \$28,046,718). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Credit risk

The Fund had no significant exposure to bonds and debentures, money market instruments or preferred shares as at June 30, 2018 or December 31, 2017.

Concentration risk

Concentration risk arises as a result of the concentration of financial instruments within the same category, geographical location, asset type or industry sector, as applicable. The table below is a summary of the Fund's concentration risk by carrying value as a percentage of net assets:

	Percentage of net assets (%)	
	June 30, 2018	December 31, 2017
Consumer Discretionary	4.6	10.0
Consumer Staples	5.2	5.0
Energy	8.4	7.0
Financials	22.3	20.6
Fixed Income Funds	32.4	30.0
Health Care	1.0	3.1
Industrials	8.7	9.3
Information Technology	4.0	1.5
Materials	4.7	4.3
Real Estate	1.0	0.9
Telecommunication Services	3.2	3.1
Utilities	2.8	1.2

Fair Value Classification (note 2)

The tables below illustrate the classification of the Fund's financial instruments within the fair value hierarchy.

	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
June 30, 2018				
Equities	160,743,321	2,394,420	–	163,137,741
Underlying funds	80,185,520	–	–	80,185,520
Unrealized gain on currency forward contracts	–	82,956	–	82,956
	240,928,841	2,477,376	–	243,406,217
Unrealized loss on currency forward contracts	–	(207,338)	–	(207,338)
	240,928,841	2,270,038	–	243,198,879

	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
December 31, 2017				
Equities	192,889,184	–	–	192,889,184
Underlying funds	87,577,992	–	–	87,577,992
Unrealized gain on currency forward contracts	–	245,767	–	245,767
	280,467,176	245,767	–	280,712,943

The accompanying notes are an integral part of the financial statements.

Scotia Dividend Balanced Fund (Unaudited – Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

Transfers between levels

During the periods ended June 30, 2018 and December 31, 2017, there were no significant transfers between Level 1 and Level 2.

Offsetting of financial assets and liabilities (note 2)

The following table presents offsetting of financial assets and liabilities and collateral amounts that would occur if future events, such as bankruptcy or termination of contracts, were to arise. No amounts were offset in the financial statements.

Financial assets – by type	June 30, 2018			
	Gross amount of assets (\$)	Master netting offset (\$)	Collateral pledged/received (\$)	Net Amount (\$)
Currency forward contracts	82,956	(11,222)	–	71,734
Options contracts – OTC	–	–	–	–
Swap contracts – OTC	–	–	–	–
	82,956	(11,222)	–	71,734

Financial liabilities – by type	June 30, 2018			
	Gross amount of liabilities (\$)	Master netting offset (\$)	Collateral pledged/received (\$)	Net Amount (\$)
Currency forward contracts	207,338	(11,222)	–	196,116
Options contracts – OTC	–	–	–	–
Swap contracts – OTC	–	–	–	–
	207,338	(11,222)	–	196,116

Financial assets – by type	December 31, 2017			
	Gross amount of assets (\$)	Master netting offset (\$)	Collateral pledged/received (\$)	Net Amount (\$)
Currency forward contracts	245,767	–	–	245,767
Options contracts – OTC	–	–	–	–
Swap contracts – OTC	–	–	–	–
	245,767	–	–	245,767

Financial liabilities – by type	December 31, 2017			
	Gross amount of liabilities (\$)	Master netting offset (\$)	Collateral pledged/received (\$)	Net Amount (\$)
Currency forward contracts	–	–	–	–
Options contracts – OTC	–	–	–	–
Swap contracts – OTC	–	–	–	–
	–	–	–	–

Interest in Underlying Funds (note 2)

The following tables present the percentage of the Underlying Funds owned by the Fund.

Underlying Fund	June 30, 2018	
	Carrying value of the Underlying Fund (\$)	Ownership percentage in Underlying Fund (%)
Scotia Canadian Income Fund Series I	64,462,539	1.1
Scotia Private Canadian Corporate Bond Pool Series I	15,722,981	0.3
	80,185,520	

Underlying Fund	December 31, 2017	
	Carrying value of the Underlying Fund (\$)	Ownership percentage in Underlying Fund (%)
Scotia Canadian Income Fund Series I	70,356,462	1.2
Scotia Private Canadian Corporate Bond Pool Series I	17,221,530	0.3
	87,577,992	

Comparison of net asset value per unit and net assets per unit (note 2)

As at June 30, 2018 or December 31, 2017, there were no differences between the net asset value per unit and the net assets per unit for any series of the Fund.

The accompanying notes are an integral part of the financial statements.

Scotia Balanced Opportunities Fund (Unaudited)

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	June 30, 2018	December 31, 2017
ASSETS		
Current assets		
Financial assets at fair value through profit or loss (note 2)		
Non-derivative financial assets	899,791,386	892,698,956
Derivatives	1,319,043	1,551,614
Cash	4,853,918	3,697,149
Cash collateral deposited on derivatives	410,547	1,230,668
Receivable for securities sold	26,161,492	7,434,511
Subscriptions receivable	912,700	1,432,862
Accrued investment income and other	2,422,393	2,324,449
	<u>935,871,479</u>	<u>910,370,209</u>
LIABILITIES		
Current liabilities		
Financial liabilities at fair value through profit or loss (note 2)		
Derivatives	682,957	862,529
Management fee payable	1,328,665	-
Payable for securities purchased	22,479,431	7,221,340
Redemptions payable	1,135,198	1,083,404
Accrued expenses	88,902	-
Distributions payable	8,043	927
	<u>25,723,196</u>	<u>9,168,200</u>
Net assets attributable to holders of redeemable units	<u>910,148,283</u>	<u>901,202,009</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series A	908,258,030	899,154,864
Advisor Series	729,527	778,310
Series D	317,665	775,447
Series F	843,061	493,388
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series A	20.23	19.95
Advisor Series	19.71	19.43
Series D	9.99	9.82
Series F	20.43	20.13

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended June 30 (note 1),

(in dollars except average units)	2018	2017
INCOME		
Net gain (loss) on financial assets and liabilities at fair value through profit or loss		
Dividends	9,273,105	9,757,107
Interest for distribution purposes	3,904,749	4,347,070
Net realized gain (loss) on non-derivative financial assets	30,034,994	35,570,453
Change in unrealized gain (loss) on non-derivative financial assets	(15,733,128)	(9,877,539)
Net realized gain (loss) on derivatives	(2,331,539)	(4,042,627)
Change in unrealized gain (loss) on derivatives	(52,999)	574,259
Net gain (loss) on financial assets and liabilities at fair value through profit or loss	<u>25,095,182</u>	<u>36,328,723</u>
Securities lending (note 11)	24,729	36,122
Net realized and unrealized foreign currency translation gain (loss)	(146,823)	(106,669)
Other income	7,630	6,343
Total income (loss), net	<u>24,980,718</u>	<u>36,264,519</u>
EXPENSES		
Management fees (note 5)	7,434,231	7,180,725
Fixed administration fees and operating expense (note 6)	495,644	481,981
Independent Review Committee fees	587	576
Interest expense and bank overdraft charges	-	3,270
Foreign withholding taxes/tax reclaims	853,790	756,394
Harmonized Sales Tax/Goods and Services Tax	819,672	793,092
Transaction costs	350,170	322,337
Total expenses	<u>9,954,094</u>	<u>9,538,375</u>
Expenses absorbed by the Manager	-	(4,526)
Net expenses	<u>9,954,094</u>	<u>9,533,849</u>
Increase (decrease) in net assets attributable to holders of redeemable units from operations	<u>15,026,624</u>	<u>26,730,670</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A	14,992,913	26,692,763
Advisor Series	12,364	24,641
Series D	(4,947)	(310)
Series F	26,294	13,576
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT[†]		
Series A	0.33	0.61
Advisor Series	0.32	0.62
Series D	(0.09)	(0.07)
Series F	0.66	0.64
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series A	44,996,783	43,453,530
Advisor Series	38,995	39,477
Series D	52,574	4,167
Series F	40,069	21,243

[†] The increase (decrease) in net assets attributable to holders of redeemable units from operations per unit is calculated by dividing the increase (decrease) in net assets attributable to holders of redeemable units from operations per series by the weighted average number of units per series.

Scotia Balanced Opportunities Fund (Unaudited – Continued)

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the periods ended June 30 (note 1),

(in dollars)	2018	2017
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series A	899,154,864	852,252,737
Advisor Series	778,310	759,765
Series D	775,447	21,857
Series F	493,388	345,873
	<u>901,202,009</u>	<u>853,380,232</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A	14,992,913	26,692,763
Advisor Series	12,364	24,641
Series D	(4,947)	(310)
Series F	26,294	13,576
	<u>15,026,624</u>	<u>26,730,670</u>
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net investment income		
Series A	(2,532,976)	(5,791,640)
Advisor Series	(2,437)	(5,080)
Series D	(1,706)	(728)
Series F	(5,159)	(5,389)
	<u>(2,542,278)</u>	<u>(5,802,837)</u>
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A	68,892,447	54,263,419
Series D	181,203	54,383
Series F	997,735	161,921
Reinvested distributions		
Series A	2,525,771	5,662,578
Advisor Series	1,952	3,669
Series D	1,488	578
Series F	4,531	5,389
Payments on redemption		
Series A	(74,774,989)	(67,441,603)
Advisor Series	(60,662)	(24,000)
Series D	(633,820)	(5,964)
Series F	(673,728)	(126,339)
	<u>(3,538,072)</u>	<u>(7,445,969)</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A	9,103,166	13,385,517
Advisor Series	(48,783)	(770)
Series D	(457,782)	47,959
Series F	349,673	49,158
	<u>8,946,274</u>	<u>13,481,864</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series A	908,258,030	865,638,254
Advisor Series	729,527	758,995
Series D	317,665	69,816
Series F	843,061	395,031
	<u>910,148,283</u>	<u>866,862,096</u>

STATEMENTS OF CASH FLOWS

For the periods ended June 30 (note 1),

(in dollars)	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	15,026,624	26,730,670
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(30,034,994)	(35,570,453)
Unrealized foreign currency translation (gain) loss	(325)	(27,796)
Change in unrealized (gain) loss on non-derivative financial assets	15,733,128	9,877,539
Change in unrealized (gain) loss on derivatives	52,999	(574,259)
Non-cash transactions	(20,917)	(715,200)
Purchases of portfolio investments	(1,003,376,352)	(865,871,248)
Proceeds from sale of portfolio investments	1,007,137,815	874,265,332
Cash collateral deposited on derivatives	820,121	364,682
Accrued investment income and other	(97,944)	(448,937)
Accrued expenses and other payables	1,417,567	1,363,971
Net cash provided by (used in) operating activities	<u>6,657,722</u>	<u>9,394,301</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	69,548,032	54,500,257
Amounts paid on redemption of redeemable units	(75,047,889)	(67,044,659)
Distributions to unitholders of redeemable units	(1,421)	(7,939)
Net cash provided by (used in) financing activities	<u>(5,501,278)</u>	<u>(12,552,341)</u>
Unrealized foreign currency translation gain (loss)	325	27,796
Net increase (decrease) in cash	1,156,444	(3,158,040)
Cash (bank overdraft), beginning of period	3,697,149	7,036,216
CASH (BANK OVERDRAFT), END OF PERIOD	<u>4,853,918</u>	<u>3,905,972</u>
Interest paid ⁽¹⁾	–	3,270
Interest received, net of withholding taxes ⁽¹⁾	3,898,137	4,562,651
Dividends received, net of withholding taxes ⁽¹⁾	8,307,066	7,620,994

⁽¹⁾ Classified as operating items.

Scotia Balanced Opportunities Fund (Unaudited – Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at June 30, 2018

Issuer	Face Value (\$)	Average Cost (\$)	Carrying Value (\$)	Issuer	Face Value (\$)	Average Cost (\$)	Carrying Value (\$)
BONDS AND DEBENTURES – 25.8%				BONDS AND DEBENTURES (cont'd)			
Corporate Bonds – 8.7%				Corporate Bonds (cont'd)			
407 International Inc. (Callable) 2.47% Aug 08, 2022	70,000	69,285	68,835	CIT Group Inc. 5.00% Aug 15, 2022	USD	85,000	112,109
407 International Inc. (Callable) 3.60% Nov 21, 2046	180,000	177,624	182,167	Cominar Real Estate Investment Trust 4.16% Jun 01, 2022		185,000	182,430
407 International Inc. (Callable) 3.65% Mar 08, 2044	200,000	208,606	204,435	CommScope Technologies LLC (Callable) 5.00% Mar 15, 2022	USD	70,000	87,044
407 International Inc. (Callable) 3.72% Nov 11, 2047	640,000	640,000	662,942	Continental Resources Inc. (Callable) 4.90% Dec 01, 2043	USD	40,000	46,831
407 International Inc. (Callable) 3.83% Nov 11, 2045	194,000	194,989	203,543	CPPIB Capital Inc. 3.00% Jun 15, 2028		826,000	826,000
407 International Inc. 5.75% Feb 14, 2036	260,000	341,353	334,968	Crew Energy Inc. (Callable) 6.50% Mar 14, 2020		40,000	39,900
ADT Corporation, The 3.50% Jul 15, 2022	USD	90,000	111,832	CSC Holdings LLC (Callable) 5.50% Apr 15, 2022	USD	55,000	72,547
AECOM (Callable) 5.13% Dec 15, 2026	USD	25,000	33,440	CU Inc. (Callable) 3.96% Jan 27, 2045		337,000	357,904
AECOM (Callable) 5.13% Dec 15, 2026	USD	45,000	58,426	CU Inc. (Callable) 4.72% Mar 09, 2043		241,000	284,064
AES Corporation (Callable) 5.50% Apr 15, 2020	USD	60,000	79,236	CU Inc. 4.54% Oct 24, 2041		1,594,000	1,807,750
Air Canada (Callable) 4.75% Oct 06, 2019		50,000	50,188	CU Inc. 5.58% May 26, 2038		478,000	607,313
Alcoa Inc. (Callable) 5.13% Jul 01, 2024	USD	175,000	237,831	CU Inc. 5.90% Nov 20, 2034		417,000	535,908
Allison Transmission Inc. (Callable) 5.00% Oct 01, 2019	USD	100,000	127,916	DCP Midstream LLC 4.75% Sep 30, 2021	USD	150,000	206,455
Ally Financial Inc. 5.13% Sep 30, 2024	USD	250,000	336,756	DCP Midstream Operating LP (Callable) 3.88% Dec 15, 2022	USD	97,000	120,566
AltaGas Ltd. (Callable) 4.40% Dec 15, 2023		341,000	354,770	Dell Inc. 5.40% Sep 10, 2040	USD	15,000	17,260
AltaGas Ltd. (Callable) 4.99% Apr 04, 2047		757,000	780,858	Diamond 1 Finance Corporation / Diamond 2 Finance Corporation (Callable) 5.88% Jun 15, 2018	USD	140,000	196,139
AltaLink LP (Callable) 4.09% Dec 30, 2044		99,000	106,837	Embarq Corporation 8.00% Jun 01, 2036	USD	20,000	26,652
AltaLink LP 4.92% Sep 17, 2043		390,000	486,272	Emera Inc. (Callable) 6.75% Jun 15, 2026	USD	45,000	64,378
AltaLink LP 5.38% Mar 26, 2040		312,000	392,075	Empire Life Insurance Co, The (Callable) 3.66% Mar 15, 2023		818,000	820,521
Altice US Finance I Corporation (Callable) 5.50% May 15, 2021	USD	55,000	72,015	Empire Life Insurance Company, The (Callable) 3.38% Dec 16, 2021		535,000	535,000
AmeriGas Partners LP / AmeriGas Finance Corporation (Callable) 5.75% Feb 20, 2027	USD	65,000	88,058	Enbridge Inc. (Callable) 3.20% Mar 08, 2027		268,000	255,645
Antero Resources Corporation (Callable) 5.13% Dec 01, 2022	USD	25,000	33,732	Enbridge Inc. (Callable) 3.94% Mar 30, 2023		200,000	209,262
Ashland LLC (Callable) 4.75% May 15, 2022	USD	50,000	64,928	Enbridge Inc. (Callable) 4.57% Sep 11, 2043		2,113,000	2,120,617
AutoCanada Inc. (Callable) 5.63% May 25, 2021		185,000	178,921	Enbridge Inc. (Callable) 5.38% Sep 27, 2027		1,427,000	1,382,714
Ball Corporation 5.25% Jul 01, 2025	USD	80,000	112,891	Enbridge Inc. (Floating Rate) 6.63% Apr 12, 2078		287,000	287,000
Bank of Montreal (Floating Rate) 3.40% Apr 23, 2021		2,459,000	2,579,722	Enbridge Inc. 4.24% Aug 27, 2042		401,000	371,315
Bank of Montreal 1.61% Oct 28, 2021		2,571,000	2,477,761	Enbridge Income Fund (Callable) 3.95% Aug 19, 2024		568,000	578,427
Bank of Montreal 1.88% Mar 31, 2021		4,000,000	3,917,755	Enbridge Income Fund (Callable) 4.87% May 21, 2044		563,000	576,321
Bank of Montreal 2.27% Jul 11, 2022		73,000	72,996	Enbridge Pipelines Inc. (Callable) 4.55% Mar 29, 2045		109,000	115,465
Bank of Montreal 2.89% Jun 20, 2023		917,000	916,835	Energizer Gamma Acquisition Inc. (Callable) 6.38% Jul 15, 2021	USD	20,000	26,606
Baytex Energy Corporation 6.63% Jul 19, 2022		60,000	57,750	Energy Transfer Equity LP (Callable) 5.88% Oct 15, 2023	USD	80,000	106,524
Bell Canada (Callable) 2.90% May 12, 2026		106,000	105,717	Enso PLC (Callable) 8.00% Oct 31, 2023	USD	30,000	39,138
Bell Canada (Callable) 4.35% Jun 18, 2045		194,000	195,416	Equinix Inc. (Callable) 5.38% May 15, 2022	USD	95,000	130,457
Bell Canada (Callable) 4.45% Aug 27, 2046		423,000	426,160	First Capital Realty Inc. (Callable) 3.60% Feb 06, 2026		1,300,000	1,289,522
Bell Canada (Callable) 4.75% Mar 29, 2044		649,000	695,732	First Capital Realty Inc. 4.79% Aug 30, 2024		125,000	136,208
Bell Canada Inc. (Callable) 3.35% Jan 12, 2025		142,000	141,788	FortisBC Energy Inc. 5.80% May 13, 2038		806,000	1,093,513
Bombardier Inc. 8.75% Dec 01, 2021	USD	25,000	33,507	Freeport-McMoRan Inc. (Callable) 3.55% Dec 01, 2021	USD	225,000	278,691
Brookfield Residential Properties Inc. (Callable) 6.13% May 15, 2018		100,000	97,875	Gibson Energy Inc. (Callable) 5.38% Jul 15, 2022		150,000	149,115
BWX Technologies Inc. (Callable) 5.38% Jul 15, 2021	USD	11,000	14,160	GLP Capital LP / GLP Financing II Inc. (Callable) 4.88% Aug 01, 2020	USD	25,000	34,981
Canadian Imperial Bank of Commerce 2.30% Jul 11, 2022		1,335,000	1,311,531	GLP Capital LP / GLP Financing II Inc. 5.25% Jun 01, 2025	USD	25,000	32,215
Canadian Tire Corporation Ltd. (Callable) 3.17% Jun 06, 2023		594,000	594,000	Goodyear Tire & Rubber Company, The (Callable) 5.13% Nov 15, 2018	USD	115,000	158,649
Capital Power Corporation (Callable) 4.28% Jul 18, 2024		706,000	709,490	Greater Toronto Airports Authority 7.05% Jun 12, 2030		142,000	200,897
Cascades Inc. 5.50% Jul 15, 2021		100,000	103,000	Greater Toronto Airports Authority 7.10% Jun 04, 2031		211,000	305,552
CCO Holdings LLC / CCO Holdings Capital Corporation (Callable) 5.50% May 01, 2021	USD	100,000	131,622	H&R Real Estate Investment Trust (Callable) 3.37% Nov 30, 2023		155,000	155,363
CCO Holdings LLC / CCO Holdings Capital Corporation (Callable) 5.75% Feb 15, 2021	USD	75,000	99,672	H&R Real Estate Investment Trust 2.92% May 06, 2022		40,000	40,038
CDK Global Inc. (Callable) 5.88% Jun 15, 2021	USD	50,000	64,650	Hanesbrands Inc. (Callable) 4.88% Feb 15, 2026	USD	65,000	82,891
Centene Corporation (Callable) 4.75% Jan 15, 2020	USD	70,000	92,595	HCA Inc. (Callable) 4.50% Aug 15, 2026	USD	25,000	31,714
Centene Escrow I Corporation (Callable) 5.38% Jun 01, 2021	USD	40,000	51,420	HCA Inc. (Callable) 5.50% Dec 15, 2046	USD	100,000	132,922
Chemours Co, The (Callable) 5.38% Feb 15, 2027	USD	25,000	31,861	HCA Inc. 5.25% Apr 15, 2025	USD	230,000	305,131
Cheniere Corpus Christi Holdings LLC (Callable) 5.13% Jan 01, 2027	USD	80,000	106,466	Hilcorp Energy I LP / Hilcorp Finance Company (Callable) 5.75% Apr 01, 2020	USD	50,000	66,034
Choice Properties LP (Callable) 3.60% Jan 20, 2020		2,564,000	2,700,758	Hilton Domestic Operating Co Inc. (Callable) 4.25% Sep 01, 2019	USD	50,000	61,440
Choice Properties LP (Callable) 3.60% Jun 20, 2021		835,000	890,711	Hughes Satellite Systems Corporation 5.25% Aug 01, 2026	USD	25,000	33,089
Choice Properties Real Estate Investment Trust (Callable) 3.20% Feb 07, 2023		719,000	723,280	Huntsman International LLC (Callable) 5.13% Aug 15, 2022	USD	50,000	66,856
Choice Properties Real Estate Investment Trust (Callable) 4.06% Aug 24, 2025		593,000	603,681	Hydro One Inc. (Callable) 3.63% Dec 25, 2048		527,000	526,905
Choice Properties Real Estate Investment Trust (Callable) 4.18% Dec 08, 2027		60,000	60,000	Hydro One Inc. (Callable) 4.17% Dec 06, 2043		127,000	135,480
Choice Properties Real Estate Investment Trust (Callable) 4.29% Nov 08, 2023		522,000	564,628	Hydro One Inc. 6.93% Jun 01, 2032		172,000	247,357
Choice Properties Real Estate Investment Trust (Callable) 4.90% Apr 05, 2023		2,000,000	2,242,757	Hydro One Inc. 7.35% Jun 03, 2030		1,246,000	1,815,766
			2,134,183	Icahn Enterprises LP / Icahn Enterprises Finance Corporation (Callable) 5.88% Feb 01, 2022	USD	130,000	171,386
				Intact Financial Corporation (Callable) 2.85% Mar 07, 2027		851,000	850,855
				Intact Financial Corporation 4.70% Aug 18, 2021		721,000	781,468
				International Game Technology PLC (Callable) 6.50% Aug 15, 2024	USD	80,000	111,691

The accompanying notes are an integral part of the financial statements.

Scotia Balanced Opportunities Fund (Unaudited – Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at June 30, 2018

Issuer	Face Value (\$)	Average Cost (\$)	Carrying Value (\$)	Issuer	Face Value (\$)	Average Cost (\$)	Carrying Value (\$)
BONDS AND DEBENTURES (cont'd)				BONDS AND DEBENTURES (cont'd)			
Corporate Bonds (cont'd)				Corporate Bonds (cont'd)			
Iron Mountain Canada Operations ULC (Callable) 5.38% Sep 15, 2019	125,000	130,250	127,575	TELUS Corporation (Callable) 4.40% Oct 01, 2042	44,000	44,484	43,498
Ivanhoe Cambridge II Inc. (Callable) 2.91% May 27, 2023	450,000	450,000	448,968	TELUS Corporation (Callable) 4.70% Sep 06, 2047	115,000	119,340	119,211
L Brands Inc. 6.69% Jan 15, 2027	USD 265,000	334,758	335,532	TELUS Corporation (Callable) 4.75% Jul 17, 2044	155,000	161,264	161,666
Lamar Media Corporation (Callable) 5.75% Feb 01, 2021	USD 50,000	69,930	67,165	TELUS Corporation (Callable) 4.85% Oct 05, 2043	521,000	553,325	550,413
Lennar Corporation (Callable) 4.75% Aug 15, 2022	USD 135,000	179,594	178,641	TELUS Corporation (Callable) 5.15% May 26, 2043	218,000	240,526	239,961
Level 3 Financing Inc. (Callable) 5.38% Jan 15, 2019	USD 70,000	94,542	90,432	TELUS Corporation 3.60% Jan 26, 2021	73,000	77,947	74,493
Loblaws Companies Limited 6.50% Jan 22, 2029	625,000	786,705	760,095	Tenet Healthcare Corporation 6.00% Oct 01, 2020	USD 175,000	241,741	238,154
Loblaws Companies Limited 6.54% Feb 17, 2033	77,000	100,835	97,242	T-Mobile US Inc. (Callable) 6.50% Jan 15, 2021	USD 170,000	245,712	231,860
Manulife Financial Corporation (Callable) 3.32% May 09, 2023	983,000	983,000	987,631	TransCanada PipeLines Ltd. (Callable) 4.18% Jan 03, 2048	420,000	419,857	418,335
Mattamy Group Corporation (Callable) 6.50% Oct 01, 2020	80,000	81,125	79,967	TransCanada PipeLines Ltd. (Callable) 4.33% Mar 16, 2047	445,000	453,674	456,931
MGM Resorts International 6.00% Mar 15, 2023	USD 80,000	114,341	108,733	TransCanada PipeLines Ltd. (Callable) 4.35% Dec 06, 2045	960,000	977,754	989,466
Micon Technology Inc. (Callable) 5.50% Aug 01, 2019	USD 45,000	54,762	61,565	TransCanada PipeLines Ltd. 4.55% Nov 15, 2041	386,000	411,614	408,813
Mueller Water Products Inc. (Callable) 5.50% Jun 15, 2021	USD 25,000	32,440	33,296	TransCanada PipeLines Ltd. 8.05% Feb 17, 2039	261,000	410,378	398,463
Murphy Oil Corporation (Callable) 6.88% Aug 15, 2019	USD 140,000	199,571	195,314	TRI Pointe Group Inc. / TRI Pointe Homes Inc. 5.88% Jun 15, 2024	USD 25,000	32,216	32,685
Navient Corporation 5.88% Oct 25, 2024	USD 270,000	346,675	345,449	United Rentals North America Inc. (Callable) 4.88% Jan 15, 2023	USD 95,000	118,983	116,309
Newfield Exploration Company 5.63% Jul 01, 2024	USD 110,000	149,191	152,399	Valeant Pharmaceuticals International Inc. (Callable) 5.50% Nov 01, 2020	USD 45,000	56,346	58,615
Nielsen Finance LLC / Nielsen Finance Co. (Callable) 5.00% Jan 04, 2018	USD 170,000	224,591	220,812	Valeant Pharmaceuticals International Inc. (Callable) 7.00% Mar 15, 2020	USD 20,000	27,414	27,648
Nokia Oyj 4.38% Jun 12, 2027	USD 55,000	70,306	68,015	VeriSign Inc. (Callable) 4.75% Jul 15, 2022	USD 60,000	75,411	76,075
Norbord Inc. 5.38% Dec 01, 2020	USD 136,000	181,159	185,056	VICI Properties 1 LLC / VICI FC Inc. (Callable) 8.00% Oct 15, 2020	USD 55,000	78,880	80,474
North West Redwater Partnership / NWR Financing Co., Ltd. (Callable) 4.25% Mar 01, 2029	342,000	373,584	364,721	Videotron Ltd. (Callable) 5.63% Mar 15, 2025	340,000	342,441	357,363
NOVA Chemicals Corporation 5.25% Jun 01, 2027	USD 55,000	69,977	67,893	Videotron Ltd. / Videotron Ltee (Callable) 5.13% Apr 15, 2022	USD 55,000	73,172	70,361
Olin Corporation (Callable) 5.13% Mar 15, 2022	USD 65,000	82,489	83,422	WellCare Health Plans Inc. (Callable) 5.25% Apr 01, 2020	USD 35,000	47,862	46,005
Ontario Power Generation Inc. (Callable) 3.84% Dec 22, 2047	576,000	576,000	581,346	Western Digital Corporation (Callable) 4.75% Nov 15, 2025	USD 88,000	108,442	113,005
Park Aerospace Holdings Ltd. 5.50% Feb 15, 2024	USD 95,000	120,920	124,128	Williams Cos Inc., The (Callable) 3.70% Oct 15, 2022	USD 165,000	205,249	210,335
Parkland Fuel Corporation (Callable) 5.63% May 09, 2020	180,000	180,881	181,088			<u>79,708,061</u>	<u>78,857,139</u>
Parkland Fuel Corporation (Callable) 6.00% Apr 01, 2021	USD 45,000	58,905	58,598	Federal Bonds – 3.2%			
Pilgrim's Pride Corporation (Callable) 5.88% Sep 30, 2022	30,000	36,725	36,804	Canada Housing Trust No. 1 2.35% Sep 15, 2023	1,180,000	1,195,234	1,177,013
Plenary Properties LTAP LP 6.29% Jan 31, 2044	95,485	120,864	125,430	Canada Housing Trust No. 1 2.40% Dec 15, 2022	628,000	632,584	629,547
PulteGroup Inc. (Callable) 5.50% Dec 01, 2025	USD 75,000	104,212	98,405	Government of Canada 1.50% Jun 01, 2026	632,000	605,653	602,624
Quicken Loans Inc. (Callable) 5.25% Jan 15, 2023	USD 45,000	56,950	54,787	Government of Canada 1.75% Mar 01, 2023	1,430,000	1,414,699	1,410,183
QVC Inc. (Callable) 4.45% Nov 15, 2024	USD 75,000	93,550	95,551	Government of Canada 2.00% Sep 01, 2023	4,195,000	4,199,262	4,175,971
Qwest Corporation 6.75% Dec 01, 2021	USD 120,000	165,300	168,697	Government of Canada 2.50% Jun 01, 2024	640,000	654,857	653,556
Rockies Express Pipeline LLC 6.88% Apr 15, 2040	USD 25,000	35,402	37,583	Government of Canada 2.75% Dec 01, 2048	2,407,000	2,698,953	2,698,127
Rogers Communications Inc. (Callable) 4.00% Dec 13, 2023	109,000	118,293	113,721	Government of Canada 5.00% Jun 01, 2037	6,968,000	9,887,741	9,964,093
Rogers Communications Inc. (Callable) 6.11% Feb 25, 2040	244,000	307,122	304,850	Government of Canada 5.75% Jun 01, 2033	1,897,000	2,800,778	2,747,670
Royal Bank of Canada (Floating Rate) 1.59% Oct 19, 2018	3,000,000	3,007,500	2,915,398	Government of Canada Bonds 1.00% Jun 01, 2027	1,797,000	1,616,581	1,629,337
Royal Bank of Canada 1.65% Jul 15, 2021	2,695,000	2,617,211	2,611,266	United States Treasury Notes 3.13% May 15, 2048	USD 2,637,000	3,584,008	3,573,462
Royal Bank of Canada 2.86% Mar 04, 2021	4,148,000	4,308,064	4,167,711			<u>29,290,350</u>	<u>29,261,583</u>
Royal Bank of Canada 2.95% May 01, 2023	2,737,000	2,737,000	2,742,304	Provincial Bonds – 13.9%			
Russel Metals Inc. (Callable) 6.00% Apr 19, 2022	75,000	76,875	76,391	Province of Alberta 1.60% Sep 01, 2022	799,000	797,090	772,800
Russel Metals Inc. (Callable) 6.00% Mar 16, 2021	60,000	60,000	60,225	Province of Alberta 2.20% Jun 01, 2026	1,003,000	972,354	965,315
Sealed Air Corporation (Callable) 5.50% Jun 15, 2025	USD 65,000	92,200	88,166	Province of Alberta 2.35% Jun 01, 2025	935,000	924,135	916,805
Sensata Technologies UK Financing Co. PLC (Callable) 6.25% Feb 15, 2021	USD 60,000	84,394	81,821	Province of Alberta 2.90% Dec 01, 2028	401,000	399,560	402,774
Shaw Communications Inc. 6.75% Nov 09, 2039	297,000	375,514	374,156	Province of Alberta 3.05% Dec 01, 2048	3,652,000	3,641,290	3,702,651
Sirius XM Radio Inc. (Callable) 5.38% Jul 15, 2021	USD 150,000	202,388	190,573	Province of Alberta 3.10% Jun 01, 2024	450,000	479,453	462,344
Smart Real Estate Investment Trust 3.56% Feb 06, 2025	884,000	885,220	870,311	Province of Alberta 3.30% Dec 01, 2046	1,807,000	1,806,718	1,910,846
Sobeys Inc. (Callable) 4.70% May 08, 2023	222,000	228,583	230,906	Province of Manitoba 4.60% Mar 05, 2038	319,000	372,713	389,777
Sobeys Inc. 3.52% Aug 08, 2018	220,000	221,980	220,387	Province of Manitoba 6.30% Mar 05, 2031	510,000	678,106	685,521
Southwestern Energy Company (Callable) 6.70% Oct 23, 2024	USD 50,000	63,330	64,606	Province of New Brunswick 4.55% Mar 26, 2037	643,000	764,752	768,324
Sprint Communications Inc. 7.00% Mar 01, 2020	USD 100,000	142,865	136,736	Province of New Brunswick 4.80% Jun 03, 2041	605,000	725,811	762,858
Standard Industries Inc. (Callable) 6.00% Oct 15, 2020	USD 50,000	70,853	66,069	Province of Newfoundland and Labrador 2.30% Jun 02, 2025	1,181,000	1,142,036	1,146,329
Steel Dynamics Inc. (Callable) 5.00% Dec 15, 2021	USD 30,000	38,571	39,641	Province of Newfoundland and Labrador 2.85% Jun 02, 2028	1,658,000	1,653,059	1,641,566
Superior Plus Corporation (Callable) 5.25% Feb 27, 2020	105,000	105,225	102,134	Province of Newfoundland and Labrador 3.00% Jun 02, 2026	1,434,000	1,434,956	1,448,826
Superior Plus LP (Callable) 5.13% Feb 27, 2021	45,000	45,000	43,031	Province of Newfoundland and Labrador 3.30% Oct 17, 2046	78,000	72,088	79,487
Symantec Corporation (Callable) 5.00% Apr 15, 2020	USD 70,000	90,235	89,149	Province of Nova Scotia 4.70% Jun 01, 2041	291,000	306,907	369,418
Targa Resources Partners LP / Targa Resources Partners Finance Corporation (Callable) 4.25% May 15, 2018	USD 105,000	130,937	132,766	Province of Ontario 2.60% Jun 02, 2025	3,652,000	3,607,701	3,632,479
Teck Resources Ltd. (Callable) 3.75% Nov 01, 2022	USD 205,000	266,013	256,170	Province of Ontario 2.60% Sep 08, 2023	2,520,000	2,517,125	2,525,913
Telecom Italia SpA, Milano 5.30% May 30, 2024	USD 170,000	231,632	219,248	Province of Ontario 2.65% Feb 05, 2025	1,444,000	1,440,520	1,445,071
TELUS Corporation (Callable) 4.40% Jul 29, 2045	426,000	421,364	421,129	Province of Ontario 2.80% Jun 02, 2048	1,314,000	1,260,871	1,262,058
				Province of Ontario 2.85% Jun 02, 2023	26,035,000	26,568,950	26,423,988
				Province of Ontario 2.90% Dec 02, 2046	1,191,000	1,164,270	1,164,484

The accompanying notes are an integral part of the financial statements.

Scotia Balanced Opportunities Fund (Unaudited – Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at June 30, 2018

Issuer	Face Value (\$)/ Number of Shares	Average Cost (\$)	Carrying Value (\$)	Issuer	Number of Shares	Average Cost (\$)	Carrying Value (\$)
BONDS AND DEBENTURES (cont'd)				EQUITIES (cont'd)			
Provincial Bonds (cont'd)				Consumer Discretionary (cont'd)			
Province of Ontario 2.90% Jun 02, 2049	1,183,000	1,114,091	1,160,035	Magna International Inc.	37,446	1,867,805	2,863,121
Province of Ontario 3.50% Jun 02, 2024	28,510,000	30,017,951	29,878,031	Marriott International Inc., Class A	2,800	491,816	466,212
Province of Ontario 5.60% Jun 02, 2035	663,000	897,165	892,235	McDonald's Corporation	19,700	3,958,377	4,059,754
Province of Ontario 5.85% Mar 08, 2033	528,000	720,768	708,544	Melco International Development Ltd.	162,000	490,820	654,838
Province of Ontario 6.50% Mar 08, 2029	410,000	564,726	544,931	Mitsuba Corporation	26	447	274
Province of Quebec 2.45% Mar 01, 2023	413,000	412,401	413,572	Monder SpA	500	31,010	29,895
Province of Quebec 2.50% Sep 01, 2026	1,064,000	1,032,182	1,046,921	NIKE, Inc., Class B	2,300	211,725	241,029
Province of Quebec 2.75% Sep 01, 2028	2,532,000	2,522,626	2,518,767	Nine Entertainment Co Holdings Ltd.	12,700	28,011	30,785
Province of Quebec 3.00% Sep 01, 2023	14,891,000	15,559,135	15,232,872	Onward Holdings Co., Ltd.	33,900	344,412	341,296
Province of Quebec 3.50% Dec 01, 2022	5,421,000	5,964,483	5,658,354	O'Reilly Automotive, Inc.	100	36,689	35,980
Province of Quebec 3.50% Dec 01, 2045	253,000	267,092	277,826	Persimmon PLC	26,400	1,176,453	1,159,557
Province of Quebec 3.50% Dec 01, 2048	8,452,000	9,179,942	9,366,013	Puma SE	33	20,710	25,326
Province of Saskatchewan 2.65% Jun 02, 2027	1,587,000	1,580,319	1,568,503	Restaurant Brands International Inc.	31,754	2,104,836	2,518,092
Province of Saskatchewan 3.30% Jun 02, 2048	3,693,000	3,808,618	3,929,044	Round One Corporation	44,800	940,944	925,417
		126,371,964	126,075,282	Sands China Ltd.	74,800	513,694	524,182
		235,370,375	234,194,004	Seiko Holdings Corporation	23,500	850,451	664,063
TOTAL BONDS AND DEBENTURES				Showa Corporation	10,000	180,387	215,375
				Signet Jewelers Ltd.	19,200	1,042,387	1,407,791
EQUITIES – 71.3%				Starbucks Corporation	6,100	414,500	391,910
Consumer Discretionary – 6.7%				Stars Group Inc., The	25,000	1,183,780	1,192,000
Compagnie Financiere Richemont SA, Class A	9,100	1,052,948	1,013,400	Sumitomo Forestry Co., Ltd.	21,300	437,556	422,936
Abercrombie & Fitch Company	7,900	258,639	254,349	Swatch Group AG, Class B	100	56,194	62,441
Adidas-Salomon AG	8,000	2,388,433	2,296,288	Tailored Brands Inc.	32,200	596,745	1,080,759
Aimia Inc.	101,400	359,528	235,248	T-Gaia Corporation	35,800	1,062,336	1,201,890
Amazon.com, Inc.	2,800	5,104,918	6,259,621	Thule Group AB	12,800	411,607	417,751
Arcland Sakamoto Co., Ltd.	5,000	106,297	98,707	TIJX Companies, Inc., The	1,300	163,954	162,735
Aristocrat Leisure Ltd.	4,400	131,760	132,058	Tokyo Dome Corporation	14,500	171,657	170,264
Ascena Retail Group, Inc.	34,400	90,088	180,293	Trigano SA	800	139,467	186,749
Belluna Co., Ltd.	10,200	178,899	168,934	TS Tech Co., Ltd.	6,900	337,906	378,270
Bloomberry Resorts Corporation	754,800	202,333	181,347	TUI AG	9,000	205,919	259,457
Booking Holdings Inc.	100	243,186	266,603	Unibet Group PLC	26,000	441,922	430,036
Boyd Gaming Corporation	19	477	866	Uni-Select Inc.	14,500	309,000	303,195
Burlington Stores Inc.	1,200	243,161	237,573	Volkswagen AG	100	22,841	21,826
Callaway Golf Company	38	536	948	Wacoal Holdings Corporation	2,800	106,300	107,250
Carnival Corporation	25,300	2,123,655	1,906,967	Walt Disney Company, The	9,400	1,226,360	1,295,755
Carnival PLC – ADR	11,800	1,021,105	894,692	Wynn Macau Ltd.	184,800	728,595	780,426
CBS Corporation, Class B	21,200	1,457,626	1,567,541	Xinyi Glass Holdings Ltd.	184,000	303,044	294,505
Chico's FAS Inc.	15,300	175,705	163,798	Yum! Brands, Inc.	4,600	489,273	473,225
Chow Tai Fook Jewellery Group Ltd.	42,000	67,967	62,203			55,558,588	60,661,044
Comcast Corporation, Class A	39,500	1,658,458	1,704,494	Consumer Staples – 4.4%			
Darden Restaurants, Inc.	1,800	257,851	253,450	a2 Milk Co., Ltd.	90,800	647,808	924,106
Dollarama Inc.	28,900	1,316,395	1,472,744	Altria Group, Inc.	51,300	3,754,342	3,831,611
Domino's Pizza Inc.	300	101,839	111,333	Avon Products Inc.	126,100	435,500	268,672
Exedy Corporation	13,800	526,634	561,205	Coca-Cola Company, The	71,400	3,725,361	4,118,689
Express Inc.	5,800	52,722	69,798	Coca-Cola HBC AG	11,100	284,484	487,226
Fast Retailing Co., Ltd.	3,100	1,743,649	1,869,325	Colgate-Palmolive Company	14,800	1,381,373	1,261,525
Fiat Chrysler Automobiles NV	7,300	192,975	182,654	ConAgra Foods, Inc.	12,000	566,727	563,906
Foot Locker, Inc.	18,900	1,036,815	1,308,737	Constellation Brands, Inc., Class A	1,400	409,994	403,001
Fossil Group Inc.	24,500	298,897	865,817	Costco Wholesale Corporation	100	28,220	27,485
Galaxy Entertainment Group Ltd.	247,000	2,185,455	2,493,235	Diageo PLC	75,300	2,650,893	3,552,353
General Motors Company	2,800	149,026	145,093	Essity AB	19,300	667,972	625,880
Gildan Activewear Inc.	36,800	1,081,486	1,362,704	Estee Lauder Companies Inc., The	16,200	2,816,313	3,040,190
Giordano International Ltd.	88,000	67,672	72,616	Health and Happiness H&H International Holdings Ltd.	25,500	241,940	230,793
GNC Holdings Inc.	25,200	137,600	116,664	Hershey Company, The	400	47,505	48,957
Guangzhou Automobile Group Co., Ltd.	206,000	429,355	262,962	Kimberly-Clark Corporation	11,800	1,614,663	1,634,811
Hai-O Enterprise Berhad	20,700	22,469	33,027	Koninklijke Ahold Delhaize NV	23,600	743,553	742,128
Haseko Corporation	58,900	893,553	1,068,658	Kroger Company, The	5,100	197,874	190,829
Hilton Worldwide Holdings Inc.	6,200	664,121	645,490	Loblaw Companies Limited	22,900	1,661,623	1,548,446
Home Depot Inc., The	5,100	1,240,654	1,308,638	L'Oreal SA	4,100	1,185,388	1,329,625
InterContinental Hotels Group PLC – ADR	1,300	106,644	107,151	Mondelez International, Inc.	3,800	218,597	204,908
Kering SA	700	471,320	518,980	PepsiCo, Inc.	16,600	1,920,904	2,376,887
Liberty Global PLC	39,600	1,558,195	1,385,901	Procter & Gamble Company, The	40,400	4,577,994	4,147,650
Liberty Global PLC, Class A	6,700	269,536	242,678	PT Japfa Comfeed Indonesia TBK	811,400	121,497	119,457
Lowe's Companies, Inc.	3,200	407,023	402,220				
Lululemon Athletica Inc.	2,300	381,053	377,667				

The accompanying notes are an integral part of the financial statements.

Scotia Balanced Opportunities Fund (Unaudited – Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at June 30, 2018

Issuer	Number of Shares	Average Cost (\$)	Carrying Value (\$)	Issuer	Number of Shares	Average Cost (\$)	Carrying Value (\$)
EQUITIES (cont'd)				EQUITIES (cont'd)			
Industrials (cont'd)				Information Technology (cont'd)			
Triumph Group, Inc.	39,000	1,590,630	1,005,340	QUALCOMM, Inc.	6,200	456,116	457,616
Union Pacific Corporation	4,200	790,140	782,618	REA Group Ltd.	5,100	429,258	452,072
Volvo AB, Class B	105,000	2,448,378	2,198,937	SAP AG – ADR	15,900	2,342,442	2,418,647
Waste Connections Inc.	39,152	2,964,977	3,877,223	SCSK Corporation	9,500	512,175	580,213
Waste Management, Inc.	4,300	463,506	460,007	Shopify Inc., Class A	4,000	637,905	766,840
Weichai Power Co., Ltd.	288,000	346,419	521,230	SK Hynix Inc.	23,645	1,428,790	2,385,382
WestJet Airlines Ltd.	141,700	3,147,635	2,569,021	Skyworks Solutions, Inc.	3,900	505,982	495,745
Yangzijiang Shipbuilding Holdings Ltd.	161,700	227,382	140,664	Sopra Steria Group	200	52,138	53,557
				Syntel Inc.	13,600	569,260	573,985
				Telefonaktiebolaget LM Ericsson	1,200	12,198	12,105
Information Technology – 10.5%				Telefonaktiebolaget LM Ericsson, Class B	17,800	183,421	180,122
58.com Inc.	9,000	919,977	820,764	Tencent Holdings Limited	84,300	4,408,764	5,520,763
Accenture PLC, Class A	10,400	2,026,507	2,237,599	Texas Instruments Incorporated	19,300	2,605,973	2,798,518
Alibaba Group Holding Ltd.	15,100	3,540,407	3,684,540	Ulvac Inc.	4,500	382,418	225,305
Alphabet Inc., Class A	200	289,611	297,022	Unisys Corporation	18,800	199,442	318,963
Alphabet Inc., Class C	2,300	2,335,429	3,374,799	Venture Corporation Ltd.	5,100	68,311	87,413
Amadeus IT Group S.A.	16,300	1,599,324	1,688,095	Visa Inc.	29,200	4,229,264	5,086,593
Amkor Technology Inc.	52,200	669,218	589,734	Weibo Corporation – ADR	9,600	1,490,499	1,120,678
Apple Inc.	35,700	7,584,074	8,691,410	Wirecard AG	1,800	377,134	380,841
Arista Networks Inc.	2,200	758,532	745,032	Worldline SA	8,300	459,719	617,645
Automatic Data Processing, Inc.	3,200	545,589	564,547	YY Inc. – ADR	9,300	1,282,388	1,228,886
Baidu, Inc.	10,100	3,030,230	3,227,898				
Broadridge Financial Solutions Inc.	1,400	215,553	211,932				
Brother Industries, Ltd.	800	22,039	20,741	Materials – 6.5%			
Canon Electronics Inc.	19,400	497,345	512,647	Agnico-Eagle Mines Limited	35,306	1,792,255	2,127,893
CDW Corporation	2,600	279,711	276,263	Alexandria Mineral Oils Company	674,850	330,819	583,174
Celestica Inc.	68,900	925,921	1,076,907	Anglo American PLC	1,200	19,887	35,024
CGI Group Inc., Class A	52,444	3,384,452	4,369,110	ArcelorMittal	12,700	560,227	480,714
Cisco Systems, Inc.	16,900	960,743	956,423	Barrick Gold Corporation	187,008	4,375,292	3,229,628
Constellation Software Inc.	2,400	2,397,939	2,446,920	BASF SE	4,200	528,226	527,735
Daiwabo Holdings Co., Ltd.	700	35,624	48,970	Boliden AB	15,800	710,821	672,194
Dell Technologies Inc.	1,400	167,575	155,736	Braskem SA – ADR, 0.00%, Preferred, Series A	6,900	226,363	235,947
Facebook Inc.	6,200	1,362,683	1,584,533	CCL Industries Inc., Class B	17,802	1,135,636	1,147,339
Fuji Soft Inc.	35,200	1,490,756	1,951,188	China National Building Material Co., Ltd.	436,000	643,873	564,862
Fujitsu Ltd.	15,000	117,246	119,453	Covestro AG	20,700	2,307,727	2,426,069
GDS Holdings Ltd. – ADR	8,700	505,278	458,720	Detour Gold Corporation	62,300	656,106	736,386
Gree Inc.	4,300	42,535	30,246	Eregli Demir ve Celik Fabrikalari TAS (Erdemir)	684,000	1,702,947	1,995,857
Hexagon AB	2,100	157,369	153,777	Evrax PLC	19,200	123,610	169,243
Hitachi Ltd.	154,000	1,316,059	1,426,258	Ezz Steel	275,600	367,527	596,224
Hochiki Corporation	4,600	80,981	120,873	Ferrexpo PLC	11,800	62,455	37,482
Infosys Ltd. – Sponsored ADR	124,626	2,980,040	3,184,737	First Quantum Minerals Ltd.	29,404	456,660	569,555
Intel Corporation	23,200	1,541,108	1,516,785	Fortescue Metals Group Ltd.	51,400	290,910	219,167
International Business Machines Corporation	100	20,035	18,373	Goldcorp, Inc.	255,500	4,726,464	4,611,775
Intuit Inc.	1,000	268,229	268,702	Hanwha Chemical Corporation	14,661	443,776	377,747
IT Holdings Corporation	17,800	845,914	1,076,176	Hokuetsu Kishu Paper Co., Ltd.	127,500	985,038	861,841
Itochu Techno-Solutions Corporation	18,500	480,809	419,705	Holmen AB	5,500	174,973	164,159
Kaga Electronics Co., Ltd.	1,100	39,311	34,207	Indah Kiat Pulp & Paper Corporation Tbk PT	770,700	404,520	1,314,040
Kinaxis Inc.	10,106	871,868	894,381	Interfor Corporation	64,290	1,429,580	1,623,323
Konami Holdings Corporation	18,500	1,183,153	1,236,415	Koninklijke DSM NV	1,100	144,977	145,182
Malaysian Pacific Industries Berhad	149,000	272,407	496,099	Kumba Iron Ore Ltd.	31,600	857,166	886,215
MasterCard, Inc., Class A	17,400	3,023,851	4,497,262	Lotte Chemical Corporation	216	75,708	88,644
Micro Focus International PLC	3,700	69,003	84,558	Lundin Mining Corporation	201,800	1,217,185	1,475,158
Micro Focus International PLC – ADR	38,600	889,529	876,742	Major Drilling Group International Inc.	196,900	1,441,225	1,366,486
Micron Technology, Inc.	19,200	1,129,845	1,324,208	Methanex Corporation	13,500	707,113	1,254,960
Microsoft Corporation	30,400	2,829,774	3,942,636	Mitsubishi Chemical Holdings Corporation	49,600	577,950	545,062
Mixi Inc.	14,500	770,668	481,516	Mitsubishi Gas Chemical Co., Inc.	30,900	943,229	918,936
Net 1 UEPS Technologies Inc.	40,020	470,035	477,920	Navigator Company S.A., The	103,200	835,656	807,133
Nexon Co., Ltd.	32,600	630,803	621,707	Norbord Inc.	31,500	1,461,301	1,702,890
Nice Ltd.	14,500	1,853,303	1,978,937	Nutrien Ltd.	105,561	5,721,023	7,549,723
Nihon Unisys Ltd.	26,700	755,638	880,908	POSCO – ADR	500	48,898	48,741
Nintendo Co., Ltd.	300	144,075	128,729	Resolute Forest Products Inc.	23,900	323,293	325,335
Nomura Research Institute Ltd.	6,200	356,149	394,586	Rio Tinto Limited	27,400	1,702,850	2,235,856
NSD Co., Ltd.	28,500	758,524	853,470	Rio Tinto PLC	6,000	252,351	434,909
Open Text Corporation	42,668	1,688,980	1,974,248	Sanyo Chemical Industries Ltd.	2,700	173,881	153,675
Paychex, Inc.	2,600	234,566	233,724	Sherritt International Corporation	757,420	2,590,736	840,736
Progress Software Corporation	3,800	196,189	194,013	Sinopac Shanghai Petrochemical Co., Ltd.	494,000	306,055	392,199

The accompanying notes are an integral part of the financial statements.

Scotia Balanced Opportunities Fund (Unaudited – Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at June 30, 2018

Issuer	Number of Shares	Average Cost (\$)	Carrying Value (\$)	Issuer	Number of Shares/ Face Value (\$)	Average Cost (\$)	Carrying Value (\$)
EQUITIES (cont'd)				EQUITIES (cont'd)			
Materials (cont'd)				Utilities (cont'd)			
Sinopec Shanghai Petrochemical Co., Ltd. – ADR	1,800	145,845	141,994	American Electric Power Company, Inc.	26,100	2,240,444	2,377,127
Stora Enso Oyj – Class R	19,800	526,383	508,447	APA Group	27,900	218,650	267,159
Sumitomo Seika Chemicals Co., Ltd.	700	47,493	45,903	Beijing Enterprises Holdings Ltd.	39,000	255,458	249,413
Suzzano Papel e Celulose S.A.	73,700	1,140,584	1,124,803	Capital Power Corporation	35,800	841,236	903,234
Teck Resources Ltd., Class B	161,102	5,026,837	5,395,306	CEZ AS	15,600	514,330	486,613
Tokuyama Corporation	17,100	616,626	720,308	CMS Energy Corporation	2,300	138,245	143,020
UPM-Kymmene Oyj	12,600	600,997	591,379	Dominion Resources, Inc.	11,100	910,007	995,342
Vale S.A. – ADR	155,200	2,893,256	2,616,808	DTE Energy Company	4,000	516,798	545,177
West Fraser Timber Co., Ltd.	8,400	714,384	760,116	Duke Energy Corporation	13,100	1,296,875	1,362,480
Western Forest Products Inc.	121,000	309,994	324,280	Electric Power Development Co., Ltd.	13,500	468,982	458,023
		<u>55,858,688</u>	<u>58,708,562</u>	Entergy Corporation	15,200	1,537,969	1,615,077
Real Estate – 1.8%				FirstEnergy Corporation	2,500	116,795	118,072
Agile Property Holdings Ltd.	370,000	725,713	828,813	Hera SpA	89,700	378,725	367,375
Altares SCA	600	167,832	187,371	Just Energy Group, Inc.	31,800	172,719	150,732
Apartment Investment & Management Company	8,300	455,787	461,754	NextEra Energy, Inc.	2,000	415,666	439,356
Aroundtown SA	11,100	100,651	120,015	Northland Power Inc.	72,604	1,691,906	1,780,976
AvalonBay Communities Inc.	1,600	349,123	361,712	NRG Energy, Inc.	17	286	686
Boston Properties Inc.	300	48,591	49,486	Osted A/S	6,000	462,697	477,790
Cheung Kong Property Holdings Ltd	143,500	1,590,567	1,491,090	PGE Polska Grupa Energetyczna SA	47,700	214,246	156,260
China Vanke Co., Ltd.	117,100	472,070	537,711	PPL Corporation	24,200	953,049	908,686
Colliers International Group Inc.	5,100	503,308	510,102	Shizuoka Gas Co., Ltd.	24,200	262,741	291,683
CoreCivic Inc.	28,100	884,683	882,906	Southern Company	3,500	211,900	213,174
Country Garden Holdings Co., Ltd.	80,000	175,502	183,547	Tokyo Electric Power Company Holdings Inc.	289,300	1,629,743	1,770,339
Equity Residential Real Estate Investment Trust	6,300	526,357	527,720	Tokyo Gas Co., Ltd.	500	17,033	17,445
Essex Property Trust, Inc.	900	279,942	282,983	TransAlta Corporation	227,900	1,615,843	1,504,140
Extra Space Storage Inc	1,200	156,964	157,524	Verbund AG	2,400	97,129	101,974
Fabege AB	4,700	73,853	73,666	Vistra Energy Corporation	2,500	78,931	77,794
Fastighets AB Balder, Series B	26,000	854,147	891,461	WEC Energy Group Inc.	13,100	1,053,423	1,113,864
First Industrial Realty Trust Inc.	800	34,858	35,079	Xcel Energy, Inc.	17,800	1,030,894	1,069,395
Gaming and Leisure Properties Inc.	7,400	337,092	348,423			<u>20,094,084</u>	<u>20,741,108</u>
Guangzhou R&F Properties Co., Ltd.	197,200	543,777	520,115	TOTAL EQUITIES		<u>597,506,856</u>	<u>648,872,317</u>
H&R Real Estate Investment Trust	77,900	1,583,054	1,567,348	MONEY MARKET INSTRUMENTS – 1.8%			
Highwoods Properties Inc.	1,800	112,273	120,096	Bankers' Acceptances – 1.6%			
Hongkong Land Holdings Limited	124,500	1,108,884	1,171,440	Bank of Montreal 0.00% Jul 26, 2018	250,000	249,033	249,711
Hospitality Properties Trust	12,800	479,368	481,637	Bank of Montreal 0.00% Sep 04, 2018	3,000,000	2,989,050	2,991,187
Host Hotels & Resorts Inc.	2,300	64,241	63,736	Bank of Montreal 0.00% Sep 20, 2018	5,950,000	5,926,303	5,928,328
Kenya Properties Ltd.	66,000	352,633	414,677	Canadian Imperial Bank of Commerce 0.00% Sep 10, 2018	3,200,000	3,187,328	3,189,501
KSL Holdings Berhad	204,700	143,397	55,994	Canadian Imperial Bank of Commerce 0.00% Sep 28, 2018	800,000	796,624	796,661
Longfor Properties Co., Ltd.	187,000	583,690	661,815	Royal Bank of Canada 0.00% Aug 17, 2018	100,000	99,593	99,785
Public Storage Real Estate Investment Trust	3,000	848,512	895,100	Royal Bank of Canada 0.00% Aug 31, 2018	200,000	199,201	199,440
Regency Centers Corporation	300	25,068	24,494	Royal Bank of Canada 0.00% Jul 04, 2018	250,000	249,043	249,956
Safestore Holdings PLC	38,400	159,980	365,763	Royal Bank of Canada 0.00% Sep 24, 2018	900,000	896,337	896,538
Simon Property Group Inc.	8,000	1,791,446	1,790,673			<u>14,592,512</u>	<u>14,601,107</u>
Sswire Properties Ltd.	6,800	32,820	33,051	Treasury Bills – 0.2%			
UDR Inc.	4,700	229,772	232,051	Government of Canada 0.00% Nov 01, 2018	950,000	945,526	945,666
Ventas Inc.	2,800	203,254	209,722	United States Treasury Bills 0.00% Sep 13, 2018	USD 150,000	198,897	196,515
Weyerhaeuser Company	1,500	72,579	71,928	United States Treasury Bills 0.00% Sep 27, 2018	USD 750,000	992,086	981,777
Wheelock & Co., Ltd.	2,000	19,698	18,282			<u>2,136,509</u>	<u>2,123,958</u>
		<u>16,091,486</u>	<u>16,629,285</u>	TOTAL MONEY MARKET INSTRUMENTS		<u>16,729,021</u>	<u>16,725,065</u>
Telecommunication Services – 2.0%				Transaction Costs		<u>(295,870)</u>	
AT&T Inc.	67,100	2,880,873	2,833,707	TOTAL INVESTMENT PORTFOLIO		<u>849,310,382</u>	<u>899,791,386</u>
BCE Inc.	14,441	694,307	768,839	Unrealized Gain (Loss) on Derivatives – 0.1%			630,550
Global Telecom Holding SAE	910,910	524,916	316,318	OTHER ASSETS, LESS LIABILITIES – 1.0%			<u>9,726,347</u>
Rogers Communications, Inc., Class B	73,700	3,745,470	4,601,825	NET ASSETS – 100.0%			<u>910,148,283</u>
SK Telecom Co., Ltd. – ADR	16,200	498,818	496,862				
TELUS Corporation	98,104	3,710,858	4,581,454				
Verizon Communications Inc.	73,100	4,589,929	4,836,861				
		<u>16,645,171</u>	<u>18,435,866</u>				
Utilities – 2.3%							
AZA SpA	71,300	154,237	162,471				
Ameren Corporation	7,700	597,127	616,231				

† These securities are investments in related parties (note 10).

Instruments with a 0.00% stated interest rate are purchased at a discount to face value. The discount represents the implied effective interest.

The accompanying notes are an integral part of the financial statements.

Scotia Balanced Opportunities Fund (Unaudited – Continued)

SCHEDULE OF DERIVATIVE INSTRUMENTS

UNREALIZED GAIN ON CURRENCY FORWARD CONTRACTS

Counterparty	Credit Rating	Settlement Date	Currency To Be Received	Contractual Amount	Currency To Be Delivered	Contractual Amount	Contract Price	Market Price	Unrealized Gain (\$)
Royal Bank of Canada	A-1+	Sep. 20, 2018	US Dollar	60,000	Canadian Dollar	77,818	1.297	1.312	914
Toronto-Dominion Bank, The	A-1+	Sep. 20, 2018	Canadian Dollar	144,592	US Dollar	110,000	0.761	0.762	252
Toronto-Dominion Bank, The	A-1+	Sep. 20, 2018	Canadian Dollar	1,784,375	US Dollar	1,341,000	0.752	0.762	24,740
Royal Bank of Canada	A-1+	Sep. 20, 2018	Canadian Dollar	1,836,564	US Dollar	1,387,000	0.755	0.762	16,569
Royal Bank of Canada	A-1+	Sep. 20, 2018	US Dollar	1,606,743	Brazilian Real	6,033,000	3.755	3.911	84,564
Royal Bank of Canada	A-1+	Sep. 20, 2018	US Dollar	6,878,849	China Renminbi	44,350,000	6.447	6.665	295,479
Royal Bank of Canada	A-1+	Sep. 20, 2018	US Dollar	24,231	Danish Krone	152,000	6.273	6.336	317
Royal Bank of Canada	A-1+	Sep. 20, 2018	US Dollar	4,309,144	Hong Kong Dollar	33,761,000	7.835	7.835	69
Royal Bank of Canada	A-1+	Sep. 20, 2018	US Dollar	1,407	New Zealand Dollar	2,000	1.422	1.475	67
Royal Bank of Canada	A-1+	Sep. 20, 2018	US Dollar	5,054,609	Swedish Krona	43,193,000	8.545	8.898	263,558
Royal Bank of Canada	A-1+	Sep. 20, 2018	US Dollar	4,179,848	Turkish Lira	19,882,000	4.757	4.76	4,397
Royal Bank of Canada	A-1+	Sep. 20, 2018	US Dollar	672	South African Rand	9,000	13.386	13.869	31
Royal Bank of Canada	A-1+	Sep. 20, 2018	US Dollar	5,938,056	Japanese Yen	650,436,000	109.537	110.025	34,672
Royal Bank of Canada	A-1+	Sep. 20, 2018	US Dollar	1,398,326	South Korean Won	1,502,809,000	1074.72	1112.079	61,782
Bank of Nova Scotia, The	A-1	Sep. 20, 2018	US Dollar	2,202,064	Russian Ruble	139,340,000	63.277	63.366	4,074
Royal Bank of Canada	A-1+	Sep. 20, 2018	Turkish Lira	1,414,000	US Dollar	289,964	0.205	0.21	9,549
Royal Bank of Canada	A-1+	Sep. 20, 2018	US Dollar	284,772	British Pound	214,000	0.751	0.754	1,480
Royal Bank of Canada	A-1+	Sep. 20, 2018	Swiss Franc	327,000	US Dollar	332,260	1.016	1.017	310
Royal Bank of Canada	A-1+	Sep. 20, 2018	Canadian Dollar	778,000	US Dollar	585,689	0.753	0.762	9,470
Royal Bank of Canada	A-1+	Sep. 20, 2018	US Dollar	1,952,006	Swedish Krona	17,360,000	8.893	8.898	1,334
Royal Bank of Canada	A-1+	Sep. 20, 2018	Swiss Franc	229,000	US Dollar	232,163	1.014	1.017	897
Royal Bank of Canada	A-1+	Sep. 20, 2018	Japanese Yen	406,766,000	US Dollar	3,692,125	0.009	0.009	7,026
									<u>821,551</u>

UNREALIZED LOSS ON CURRENCY FORWARD CONTRACTS

Counterparty	Credit Rating	Settlement Date	Currency To Be Received	Contractual Amount	Currency To Be Delivered	Contractual Amount	Contract Price	Market Price	Unrealized Loss (\$)
Toronto-Dominion Bank, The	A-1+	Sep. 20, 2018	Canadian Dollar	4,907,173	US Dollar	3,777,000	0.77	0.762	(48,935)
Royal Bank of Canada	A-1+	Sep. 20, 2018	US Dollar	16,000	Canadian Dollar	21,282	1.33	1.312	(288)
Toronto-Dominion Bank, The	A-1+	Sep. 20, 2018	US Dollar	38,000	Canadian Dollar	50,498	1.329	1.312	(638)
Royal Bank of Canada	A-1+	Sep. 20, 2018	US Dollar	37,000	Canadian Dollar	48,571	1.313	1.312	(21)
Royal Bank of Canada	A-1+	Sep. 20, 2018	Canadian Dollar	816,000	US Dollar	629,507	0.771	0.762	(10,027)
Royal Bank of Canada	A-1+	Sep. 20, 2018	Swiss Franc	1,268,000	US Dollar	1,298,748	1.024	1.017	(12,314)
Royal Bank of Canada	A-1+	Sep. 20, 2018	Australian Dollar	2,160,000	US Dollar	1,645,378	0.762	0.74	(60,759)
Royal Bank of Canada	A-1+	Sep. 20, 2018	British Pound	5,887,000	US Dollar	7,896,975	1.341	1.325	(123,153)
Royal Bank of Canada	A-1+	Sep. 20, 2018	European Euro	9,332,000	US Dollar	11,081,125	1.187	1.176	(144,921)
Royal Bank of Canada	A-1+	Sep. 20, 2018	Hong Kong Dollar	1,749,000	US Dollar	223,232	0.128	0.128	(9)
Royal Bank of Canada	A-1+	Sep. 20, 2018	US Dollar	373,840	European Euro	320,000	0.856	0.851	(3,069)
Royal Bank of Canada	A-1+	Sep. 20, 2018	Swedish Krona	5,978,000	US Dollar	675,430	0.113	0.112	(4,732)
Royal Bank of Canada	A-1+	Sep. 20, 2018	US Dollar	1,213,230	Canadian Dollar	1,594,000	1.314	1.312	(2,053)
Royal Bank of Canada	A-1+	Sep. 20, 2018	US Dollar	1,931,761	European Euro	1,645,000	0.852	0.851	(2,642)
Royal Bank of Canada	A-1+	Sep. 20, 2018	Hong Kong Dollar	6,010,000	US Dollar	767,085	0.128	0.128	(37)
Royal Bank of Canada	A-1+	Sep. 20, 2018	Turkish Lira	4,242,000	US Dollar	895,452	0.211	0.21	(6,200)
									<u>(419,798)</u>

UNREALIZED GAIN ON FUTURES CONTRACTS

Expiry Date	Number of Contracts	Futures Contracts	Counterparty	Credit Risk	Contractual Value Canadian (\$)	Fair Value Canadian (\$)	Unrealized Gain (\$)
INDEX FUTURES CONTRACTS							
Sep. 2018	(27)	S&P 500 Composite Stock Index - E-Mini Futures	BMO Capital Markets	A-1	(4,948,378)	(4,832,259)	116,119
Sep. 2018	(15)	E-mini MSCI Emerging Markets Index Futures	BMO Capital Markets	A-1	(1,109,629)	(1,048,840)	60,789
Sep. 2018	(25)	mini MSCI EAFE Index Futures	BMO Capital Markets	A-1	(3,325,815)	(3,214,680)	111,134
BOND FUTURES CONTRACTS							
Sep. 2018	60	Canada 10 Year Bond Future	BMO Capital Markets	A-1	8,001,470	8,202,600	201,130
Sep. 2018	4	U.S. 10 Year Treasury Note Futures	BMO Capital Markets	A-1	631,913	632,283	370
Sep. 2018	(5)	Canada 10 Year Bond Future	BMO Capital Markets	A-1	(685,964)	(683,550)	2,414
							<u>491,956</u>

UNREALIZED LOSS ON FUTURES CONTRACTS

Expiry Date	Number of Contracts	Futures Contracts	Counterparty	Credit Risk	Contractual Value Canadian (\$)	Fair Value Canadian (\$)	Unrealized Loss (\$)
CURRENCY FUTURES CONTRACTS							
Sep. 2018	214	CME Canadian Dollar Currency Future	BMO Capital Markets	A-1	21,698,622	21,435,463	(263,159)
							<u>(263,159)</u>

The accompanying notes are an integral part of the financial statements.

Scotia Balanced Opportunities Fund (Unaudited – Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

The Fund (note 1)

The Fund's objective is to obtain capital growth over the long term, while providing modest income. It invests primarily in a broad range of Canadian equity and fixed income securities. It may also invest in equity and fixed income securities from around the world.

Risks associated with financial instruments (note 4)

Interest rate risk

The majority of the Fund's financial instruments were non-interest bearing as at June 30, 2018 and December 31, 2017. Accordingly, the Fund is not directly subject to significant risk due to fluctuations in the prevailing levels of market interest rates.

	June 30, 2018 (\$)	December 31, 2017 (\$)
Interest rate exposure		
Less than 1 year	20,064,764	20,804,203
1-3 years	14,233,450	10,091,962
3-5 years	51,342,928	39,984,338
5-10 years	91,089,863	98,562,405
> 10 years	74,391,978	67,818,602
	251,122,983	237,261,510

As at June 30, 2018, had the prevailing interest rates increased or decreased by 0.25%, assuming a parallel shift in the yield curve and all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by \$9,066,031 or approximately 1.0% (December 31, 2017 – \$4,341,860 or approximately 0.5%).

Currency risk

The Fund's exposure to currency risk is summarized in the tables below. Amounts shown are based on the carrying value of monetary and non-monetary assets and liabilities of the Fund net of currency contracts, as applicable.

Currency	June 30, 2018			
	Gross currency exposure (\$)	Currency contracts (\$)	Net exposure (\$)	Percentage of net assets (%)
US Dollar	280,114,372	18,973	280,133,345	30.8
European Euro	27,568,261	11,431,187	38,999,448	4.3
Japanese Yen	34,279,651	(2,951,585)	31,328,066	3.4
British Pound	9,824,564	9,961,014	19,785,578	2.2
Hong Kong Dollar	21,843,706	(4,366,693)	17,477,013	1.9
Australian Dollar	6,260,602	2,161,844	8,422,446	0.9
Swiss Franc	5,629,072	2,432,293	8,061,365	0.9
South Korean Won	6,483,724	(1,777,298)	4,706,426	0.5
Indonesian Rupiah	3,441,805	–	3,441,805	0.4
Swedish Krona	11,894,500	(8,067,979)	3,826,521	0.4
Danish Krone	2,532,913	(31,553)	2,501,360	0.3
Egyptian Pound	1,495,716	–	1,495,716	0.2
Malaysian Ringgit	1,627,334	–	1,627,334	0.2
Polish Zloty	1,528,820	–	1,528,820	0.2
Singapore Dollar	1,484,530	–	1,484,530	0.2
Chile Peso	723,502	–	723,502	0.1
Czech Koruna	538,897	–	538,897	0.1
Hungary Forint	543,937	–	543,937	0.1
New Zealand Dollar	924,106	(1,783)	922,323	0.1
South African Rand	886,215	(853)	885,362	0.1
Turkish Lira	4,460,060	(3,876,739)	583,321	0.1
Israel Shekel	13,208	–	13,208	0.0
Mexican Peso	(55)	–	(55)	0.0
Norwegian Krone	59,491	–	59,491	0.0
Philippines Peso	216,692	–	216,692	0.0
Thai Baht	3,798	–	3,798	0.0
Brazilian Real	1,158,233	(2,028,627)	(870,394)	(0.1)
Russian Ruble	–	(2,892,083)	(2,892,083)	(0.3)
	425,537,654	10,118	425,547,772	47.0

Currency	December 31, 2017			
	Gross currency exposure (\$)	Currency contracts (\$)	Net exposure (\$)	Percentage of net assets (%)
US Dollar	256,837,479	1,469,566	258,307,045	28.7
European Euro	30,057,863	9,504,608	39,562,471	4.4
Japanese Yen	44,267,423	(11,114,863)	33,152,560	3.7
Hong Kong Dollar	21,100,958	(315,822)	20,785,136	2.3
British Pound	15,158,505	4,045,735	19,204,240	2.1
Swiss Franc	9,598,804	–	9,598,804	1.1
Australian Dollar	7,871,488	56,376	7,927,864	0.9
South Korean Won	9,125,986	(1,770,859)	7,355,127	0.8
Swedish Krona	9,026,336	(3,983,839)	5,042,497	0.6
Indonesian Rupiah	4,453,540	–	4,453,540	0.5
South African Rand	3,051,472	(46,210)	3,005,262	0.3
Norwegian Krone	2,890,156	–	2,890,156	0.3
Singapore Dollar	1,982,844	–	1,982,844	0.2
Malaysian Ringgit	1,668,055	–	1,668,055	0.2
Brazilian Real	1,726,309	(121,752)	1,604,557	0.2
Czech Koruna	1,394,481	–	1,394,481	0.2
Egyptian Pound	1,327,234	–	1,327,234	0.1
Chile Peso	980,448	–	980,448	0.1
Danish Krone	993,733	(30,928)	962,805	0.1
Turkish Lira	2,941,603	(2,135,770)	805,833	0.1
New Zealand Dollar	601,737	(1,779)	599,958	0.1
Mexican Peso	412,574	–	412,574	0.0
Hungary Forint	252,215	–	252,215	0.0
Israel Shekel	236,439	–	236,439	0.0
Philippines Peso	183,609	–	183,609	0.0
Thai Baht	12,904	–	12,904	0.0
	428,154,195	(4,445,537)	423,708,658	47.0

If the Canadian dollar strengthened or weakened by 10% in relation to all other currencies, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by \$42,554,777 or 4.7% (December 31, 2017 – \$42,370,866 or 4.7%). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Price risk

Price risk is the risk that the carrying value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) caused by factors specific to a security, its issuer or all factors affecting a market or a market segment. Exposure to price risk is mainly in equities, underlying funds, derivatives and commodities, as applicable. As at June 30, 2018, approximately 71.3% (December 31, 2017 – 72.7%) of the Fund's net assets were exposed to price risk. If prices of these instruments had decreased or increased by 10%, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by approximately \$64,916,036 (December 31, 2017 – \$65,561,515). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Credit risk

The table below summarizes the credit ratings of bonds and debentures, money market instruments and preferred shares held by the Fund, as applicable.

Scotia Balanced Opportunities Fund (Unaudited – Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

Credit ratings	June 30, 2018		December 31, 2017	
	Percentage of total credit rated instruments (%)	Percentage of net assets (%)	Percentage of total credit rated instruments (%)	Percentage of net assets (%)
Short Term Rating				
A-1+	1.4	0.4	6.1	1.7
A-1	5.2	1.4	1.3	0.3
Bond Credit Rating				
AAA	12.0	3.3	20.8	5.4
AA	23.7	6.6	19.8	5.2
A	41.7	11.4	31.9	8.6
BBB	11.6	3.2	15.8	4.1
BB	4.1	1.2	3.9	1.0
B	0.3	0.1	0.4	0.1
	100.0	27.6	100.0	26.4

Concentration risk

Concentration risk arises as a result of the concentration of financial instruments within the same category, geographical location, asset type or industry sector, as applicable. The table below is a summary of the Fund's concentration risk by carrying value as a percentage of net assets:

	Percentage of net assets (%)	
	June 30, 2018	December 31, 2017
Bankers' Acceptances	1.6	1.3
Consumer Discretionary	6.7	6.4
Consumer Staples	4.4	4.9
Corporate Bonds	8.7	8.1
Energy	8.3	7.7
Federal Bonds	3.2	5.3
Financials	16.4	16.9
Health Care	5.5	5.5
Industrials	6.9	8.8
Information Technology	10.5	10.4
Materials	6.5	7.0
Provincial Bonds	13.9	11.0
Real Estate	1.8	1.3
Telecommunication Services	2.0	2.3
Treasury Bills	0.2	0.7
Utilities	2.3	1.4

Fair Value Classification (note 2)

The tables below illustrate the classification of the Fund's financial instruments within the fair value hierarchy.

June 30, 2018	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Equities	499,936,702	148,930,820	–	648,867,522
Bonds and debentures	–	234,194,004	–	234,194,004
Money market instruments	–	16,725,065	–	16,725,065
Warrants, rights and options	4,795	–	–	4,795
Unrealized gain on currency forward contracts	–	821,551	–	821,551
Unrealized gain on currency spot contracts	–	5,536	–	5,536
Unrealized gain on futures contracts	491,956	–	–	491,956
	500,433,453	400,676,976	–	901,110,429
Unrealized loss on currency forward contracts	–	(419,798)	–	(419,798)
Unrealized loss on futures contracts	(263,159)	–	–	(263,159)
	500,170,294	400,257,178	–	900,427,472

December 31, 2017	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Equities	484,518,333	171,349,488	–	655,867,821
Bonds and debentures	–	219,350,521	–	219,350,521
Money market instruments	–	17,467,710	–	17,467,710
Warrants, rights and options	12,904	–	–	12,904
Unrealized gain on currency forward contracts	–	428,785	–	428,785
Unrealized gain on futures contracts	1,122,829	–	–	1,122,829
	485,654,066	408,596,504	–	894,250,570
Unrealized loss on currency forward contracts	–	(352,010)	–	(352,010)
Unrealized loss on currency spot contracts	–	(351)	–	(351)
Unrealized loss on futures contracts	(510,168)	–	–	(510,168)
	485,143,898	408,244,143	–	893,388,041

Transfers between levels

During the periods ended June 30, 2018 and December 31, 2017, there were no significant transfers between Level 1 and Level 2.

Reconciliation of Level 3 financial instruments

The following table presents the movement in the Fund's Level 3 financial instruments for the periods ended:

	June 30, 2018 (\$)	December 31, 2017 (\$)
-		
Beginning of period	–	–
Purchases	–	–
Sales	(2,137)	–
Transfers into Level 3	–	–
Transfers out of Level 3	–	–
Net realized gains (losses)	(230)	–
Net change in unrealized gain (loss)*	2,367	–
End of period	–	–

* Net change in unrealized gain (loss) for Level 3 financial instruments held as at June 30, 2018 and December 31, 2017 was nil and nil, respectively.

Offsetting of financial assets and liabilities (note 2)

The following table presents offsetting of financial assets and liabilities and collateral amounts that would occur if future events, such as bankruptcy or termination of contracts, were to arise. No amounts were offset in the financial statements.

Financial assets – by type	June 30, 2018			
	Gross amount of assets (\$)	Master netting offset (\$)	Collateral pledged/received (\$)	Net Amount (\$)
Currency forward contracts	821,551	(395,217)	–	426,334
Options contracts – OTC	–	–	–	–
Swap contracts – OTC	–	–	–	–
	821,551	(395,217)	–	426,334

Financial liabilities – by type	June 30, 2018			
	Gross amount of liabilities (\$)	Master netting offset (\$)	Collateral pledged/received (\$)	Net Amount (\$)
Currency forward contracts	419,798	(395,217)	–	24,581
Options contracts – OTC	–	–	–	–
Swap contracts – OTC	–	–	–	–
	419,798	(395,217)	–	24,581

The accompanying notes are an integral part of the financial statements.

Scotia Balanced Opportunities Fund (Unaudited – Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

December 31, 2017				
Financial assets – by type	Gross amount of assets (\$)	Master netting offset (\$)	Collateral pledged/ received (\$)	Net Amount (\$)
Currency forward contracts	428,785	(347,696)	–	81,089
Options contracts – OTC	–	–	–	–
Swap contracts – OTC	–	–	–	–
	428,785	(347,696)	–	81,089

December 31, 2017				
Financial liabilities – by type	Gross amount of liabilities (\$)	Master netting offset (\$)	Collateral pledged/ received (\$)	Net Amount (\$)
Currency forward contracts	352,010	(347,696)	–	4,314
Options contracts – OTC	–	–	–	–
Swap contracts – OTC	–	–	–	–
	352,010	(347,696)	–	4,314

Interest in Underlying Funds (note 2)

The Fund did not hold any interest in Underlying Funds as at June 30, 2018 or December 31, 2017.

Comparison of net asset value per unit and net assets per unit (note 2)

As at June 30, 2018 or December 31, 2017, there were no differences between the net asset value per unit and the net assets per unit for any series of the Fund.

Scotia Global Balanced Fund (Unaudited)

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	June 30, 2018	December 31, 2017
ASSETS		
Current assets		
Financial assets at fair value through profit or loss (note 2)		
Non-derivative financial assets	107,543,427	108,843,294
Derivatives	183,281	281,136
Cash	4,206,418	4,819,544
Subscriptions receivable	67,552	213,167
Accrued investment income and other	128,754	105,674
	<u>112,129,432</u>	<u>114,262,815</u>
LIABILITIES		
Current liabilities		
Financial liabilities at fair value through profit or loss (note 2)		
Derivatives	5,863	40,937
Management fee payable	162,211	–
Payable for securities purchased	173,709	179,732
Redemptions payable	103,387	144,690
Accrued expenses	15,354	–
Distributions payable	2,364	2
	<u>462,888</u>	<u>365,361</u>
Net assets attributable to holders of redeemable units	<u>111,666,544</u>	<u>113,897,454</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series A	111,327,420	113,612,272
Series D	339,124	285,182
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series A	14.33	14.58
Series D	9.35	9.52

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended June 30 (note 1),

(in dollars except average units)	2018	2017
INCOME		
Net gain (loss) on financial assets and liabilities at fair value through profit or loss		
Dividends	1,080,007	1,036,723
Interest for distribution purposes	865,832	810,714
Net realized gain (loss) on non-derivative financial assets	1,712,033	2,711,590
Change in unrealized gain (loss) on non-derivative financial assets	(3,232,085)	3,482,937
Net realized gain (loss) on derivatives	(363,973)	(285,611)
Change in unrealized gain (loss) on derivatives	(62,781)	415,142
Net gain (loss) on financial assets and liabilities at fair value through profit or loss	(967)	8,171,495
Securities lending (note 11)	355	139
Net realized and unrealized foreign currency translation gain (loss)	37,745	(28,371)
Other income	1,435	1,487
Total income (loss), net	<u>38,568</u>	<u>8,144,750</u>
EXPENSES		
Management fees (note 5)	929,654	890,988
Fixed administration fees (note 6)	84,620	80,225
Independent Review Committee fees	587	576
Interest expense and bank overdraft charges	901	–
Foreign withholding taxes/tax reclaims	129,857	144,635
Harmonized Sales Tax/Goods and Services Tax	102,462	98,377
Transaction costs	27,319	47,004
Total expenses	<u>1,275,400</u>	<u>1,261,805</u>
Increase (decrease) in net assets attributable to holders of redeemable units from operations	<u>(1,236,832)</u>	<u>6,882,945</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A	(1,235,167)	6,875,652
Series D	(1,665)	7,293
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT[†]		
Series A	(0.16)	0.93
Series D	(0.05)	0.45
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series A	7,828,568	7,355,732
Series D	33,105	16,329

[†] The increase (decrease) in net assets attributable to holders of redeemable units from operations per unit is calculated by dividing the increase (decrease) in net assets attributable to holders of redeemable units from operations per series by the weighted average number of units per series.

Scotia Global Balanced Fund (Unaudited – Continued)

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the periods ended June 30 (note 1),

(in dollars)	2018	2017
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series A	113,612,272	104,987,374
Series D	285,182	118,916
	<u>113,897,454</u>	<u>105,106,290</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A	(1,235,167)	6,875,652
Series D	(1,665)	7,293
	<u>(1,236,832)</u>	<u>6,882,945</u>
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net investment income		
Series A	(664,914)	–
Series D	(3,470)	–
From net realized gains on investments		
Series A	–	(444,504)
Series D	–	(1,759)
	<u>(668,384)</u>	<u>(446,263)</u>
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A	11,649,616	9,784,992
Series D	67,176	125,377
Reinvested distributions		
Series A	660,964	431,911
Series D	3,407	1,759
Payments on redemption		
Series A	(12,695,351)	(12,562,606)
Series D	(11,506)	(28,979)
	<u>(325,694)</u>	<u>(2,247,546)</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A	(2,284,852)	4,085,445
Series D	53,942	103,691
	<u>(2,230,910)</u>	<u>4,189,136</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series A	111,327,420	109,072,819
Series D	339,124	222,607
	<u>111,666,544</u>	<u>109,295,426</u>

STATEMENTS OF CASH FLOWS

For the periods ended June 30 (note 1),

(in dollars)	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	(1,236,832)	6,882,945
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(1,712,033)	(2,711,590)
Unrealized foreign currency translation (gain) loss	1,235	21,310
Change in unrealized (gain) loss on non-derivative financial assets	3,232,085	(3,482,937)
Change in unrealized (gain) loss on derivatives	62,781	(415,142)
Non-cash transactions	(842,998)	(802,553)
Purchases of portfolio investments	(25,230,359)	(45,627,112)
Proceeds from sale of portfolio investments	25,847,149	50,422,254
Accrued investment income and other	(23,080)	27,936
Accrued expenses and other payables	177,565	173,425
Net cash provided by (used in) operating activities	275,513	4,488,536
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	11,849,881	9,832,175
Amounts paid on redemption of redeemable units	(12,735,634)	(12,565,107)
Distributions to unitholders of redeemable units	(1,651)	(505)
Net cash provided by (used in) financing activities	(887,404)	(2,733,437)
Unrealized foreign currency translation gain (loss)	(1,235)	(21,310)
Net increase (decrease) in cash	(611,891)	1,755,099
Cash (bank overdraft), beginning of period	4,819,544	2,704,766
CASH (BANK OVERDRAFT), END OF PERIOD	<u>4,206,418</u>	<u>4,438,555</u>
Interest paid ⁽¹⁾	901	–
Interest received, net of withholding taxes ⁽¹⁾	23,504	7,382
Dividends received, net of withholding taxes ⁽¹⁾	926,399	920,806

⁽¹⁾ Classified as operating items.

Scotia Global Balanced Fund (Unaudited – Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at June 30, 2018

Issuer	Number of Shares	Average Cost (\$)	Carrying Value (\$)
EQUITIES – 96.4%			
Belgium – 1.5%			
Anheuser-Busch InBev NV	12,900	1,817,531	1,710,492
Canada – 42.4%			
Canadian Imperial Bank of Commerce	8,600	866,136	983,496
Enbridge Inc.	32,929	1,689,944	1,547,663
Scotia Private Global Credit Pool Series I [†]	4,600,289	45,660,747	43,705,048
TransCanada Corporation	18,732	1,155,938	1,065,476
		<u>49,372,765</u>	<u>47,301,683</u>
Denmark – 0.5%			
Danske Bank A/S	14,800	675,034	608,047
France – 2.4%			
Danone	11,235	946,465	1,082,550
Gecina SA	1,000	219,303	219,782
Thales SA	8,400	1,129,551	1,421,530
		<u>2,295,319</u>	<u>2,723,862</u>
Germany – 3.9%			
Bayer AG	12,282	1,727,753	1,778,642
GEA Group AG	18,400	1,026,969	815,219
Siemens AG	10,100	1,705,105	1,754,350
		<u>4,459,827</u>	<u>4,348,211</u>
Hong Kong – 1.2%			
CK Hutchison Holdings Ltd.	97,100	1,558,213	1,347,697
Japan – 2.1%			
SoftBank Group Corporation	13,000	1,402,402	1,226,448
Sony Corporation	16,400	999,653	1,106,284
		<u>2,402,055</u>	<u>2,332,732</u>
Netherlands – 2.0%			
ING Groep NV	64,100	1,321,761	1,208,983
Unilever NV	13,300	943,665	974,506
		<u>2,265,426</u>	<u>2,183,489</u>
Spain – 1.2%			
Ferrovial S.A.	51,138	1,315,531	1,377,976
Sweden – 0.9%			
Assa Abloy AB, Class B	34,500	904,587	965,335
Switzerland – 1.2%			
Novartis AG	13,100	1,366,801	1,304,345
United Kingdom – 4.3%			
British American Tobacco PLC	20,900	1,598,269	1,387,236
Lloyds Banking Group PLC	1,214,200	1,393,082	1,327,558
National Grid PLC	74,266	1,208,039	1,079,843
Prudential PLC	32,300	919,118	969,935
		<u>5,118,508</u>	<u>4,764,572</u>
United States – 32.8%			
3M Company	1,200	319,243	310,472
Affiliated Managers Group, Inc.	3,300	796,963	645,252
Allergan PLC	7,600	2,025,128	1,666,454
American Tower Corporation	4,000	566,777	758,450
Anthem, Inc.	5,200	1,117,482	1,627,898
Apple Inc.	6,900	1,163,917	1,679,852
Bank of America Corporation	17,700	677,153	656,237
Broadcom Ltd.	3,900	1,236,642	1,244,570
Cisco Systems, Inc.	17,800	997,541	1,007,357
Citigroup Inc.	15,400	1,329,101	1,355,404
Coca-Cola Company, The	18,500	1,040,184	1,067,167
Comcast Corporation, Class A	32,300	1,382,724	1,393,801
DowDuPont Inc.	17,700	1,491,709	1,534,556
Equinix Inc.	2,100	1,112,085	1,187,323
Intel Corporation	14,500	994,199	947,990
Johnson & Johnson	6,300	997,007	1,005,395

Issuer	Number of Shares	Average Cost (\$)	Carrying Value (\$)
EQUITIES (cont'd)			
United States (cont'd)			
McDonald's Corporation	6,800	1,197,104	1,401,336
Medtronic PLC	11,800	1,219,665	1,328,614
Merck & Co., Inc.	12,500	961,541	997,909
Microsoft Corporation	15,300	1,315,293	1,984,287
Mondelez International, Inc.	26,900	1,397,883	1,450,535
Morgan Stanley	15,100	1,008,128	941,342
Nielsen Holdings PLC	25,600	1,427,688	1,041,387
Oracle Corporation	29,500	1,588,699	1,709,459
Pfizer Inc.	31,000	1,334,861	1,479,180
Philip Morris International Inc.	13,500	1,628,801	1,433,556
Texas Instruments Incorporated	9,000	1,052,881	1,305,008
United Technologies Corporation	9,900	1,404,634	1,627,952
Visa Inc.	5,700	596,544	992,931
Wells Fargo & Company	10,880	685,185	793,312
		<u>34,066,762</u>	<u>36,574,986</u>
Transaction Costs		(40,966)	
TOTAL INVESTMENT PORTFOLIO		<u>107,577,393</u>	<u>107,543,427</u>
Unrealized Gain (Loss) on Derivatives – 0.2%			177,418
OTHER ASSETS, LESS LIABILITIES – 3.4%			<u>3,945,699</u>
NET ASSETS – 100.0%			<u>111,666,544</u>

[†] These securities are investments in related parties (note 10).

The accompanying notes are an integral part of the financial statements.

Scotia Global Balanced Fund (Unaudited – Continued)

SCHEDULE OF DERIVATIVE INSTRUMENTS

UNREALIZED GAIN ON CURRENCY FORWARD CONTRACTS

Counterparty	Credit Rating	Settlement Date	Currency To Be Received	Contractual Amount	Currency To Be Delivered	Contractual Amount	Contract Price	Market Price	Unrealized Gain (\$)
Toronto-Dominion Bank, The	A-1+	Jul. 18, 2018	Canadian Dollar	26,361	US Dollar	20,000	0.759	0.761	80
Canadian Imperial Bank of Commerce	A-1	Aug. 23, 2018	Canadian Dollar	2,738,039	US Dollar	2,060,000	0.752	0.762	33,704
Toronto-Dominion Bank, The	A-1+	Aug. 23, 2018	Canadian Dollar	2,584,584	US Dollar	1,945,000	0.753	0.762	31,219
Bank of Montreal	A-1	Aug. 23, 2018	Canadian Dollar	1,814,406	US Dollar	1,365,000	0.752	0.762	22,456
Royal Bank of Canada	A-1+	Aug. 23, 2018	Canadian Dollar	373,470	US Dollar	281,000	0.752	0.762	4,578
State Street Bank & Trust Company	A-1+	Aug. 23, 2018	Canadian Dollar	132,921	US Dollar	100,000	0.752	0.762	1,643
State Street Bank & Trust Company	A-1+	Sep. 14, 2018	Canadian Dollar	62,431	European Euro	40,000	0.641	0.649	752
Bank of Montreal	A-1	Sep. 14, 2018	Canadian Dollar	108,192	Swiss Franc	80,000	0.739	0.75	1,489
Bank of Montreal	A-1	Sep. 14, 2018	Canadian Dollar	479,285	British Pound	271,000	0.565	0.575	8,055
Canadian Imperial Bank of Commerce	A-1	Sep. 14, 2018	Canadian Dollar	162,758	Swiss Franc	120,000	0.737	0.75	2,703
Canadian Imperial Bank of Commerce	A-1	Sep. 14, 2018	Canadian Dollar	1,171,510	British Pound	661,000	0.564	0.575	22,125
Canadian Imperial Bank of Commerce	A-1	Sep. 14, 2018	Canadian Dollar	87,944	Japanese Yen	7,200,000	81.87	83.876	2,103
Toronto-Dominion Bank, The	A-1+	Sep. 14, 2018	Canadian Dollar	171,549	European Euro	110,000	0.641	0.649	1,929
Toronto-Dominion Bank, The	A-1+	Sep. 14, 2018	Canadian Dollar	35,914	Japanese Yen	2,950,000	82.14	83.876	743
Royal Bank of Canada	A-1+	Sep. 14, 2018	Canadian Dollar	245,331	Swiss Franc	181,000	0.738	0.75	3,914
Royal Bank of Canada	A-1+	Sep. 14, 2018	Canadian Dollar	2,365,794	European Euro	1,515,000	0.64	0.649	29,670
Royal Bank of Canada	A-1+	Sep. 14, 2018	Canadian Dollar	262,173	British Pound	148,000	0.565	0.575	4,822
Royal Bank of Canada	A-1+	Sep. 14, 2018	Canadian Dollar	488,548	Japanese Yen	40,030,000	81.937	83.876	11,296
									<u>183,281</u>

UNREALIZED LOSS ON CURRENCY FORWARD CONTRACTS

Counterparty	Credit Rating	Settlement Date	Currency To Be Received	Contractual Amount	Currency To Be Delivered	Contractual Amount	Contract Price	Market Price	Unrealized Loss (\$)
Canadian Imperial Bank of Commerce	A-1	Jul. 18, 2018	Canadian Dollar	51,146	US Dollar	40,000	0.782	0.761	(1,415)
Bank of Montreal	A-1	Jul. 18, 2018	Canadian Dollar	51,898	US Dollar	40,000	0.771	0.761	(663)
Canadian Imperial Bank of Commerce	A-1	Jul. 18, 2018	US Dollar	60,000	Canadian Dollar	79,869	1.331	1.314	(1,029)
Bank of Montreal	A-1	Jul. 18, 2018	US Dollar	91,000	Canadian Dollar	120,905	1.329	1.314	(1,330)
Royal Bank of Canada	A-1+	Sep. 14, 2018	British Pound	50,000	Canadian Dollar	88,369	1.767	1.739	(1,426)
									<u>(5,863)</u>

The accompanying notes are an integral part of the financial statements.

Scotia Global Balanced Fund (Unaudited – Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

The Fund (note 1)

The Fund aims to generate income and long term capital growth. It primarily invests in a combination of equity and fixed income securities from anywhere in the world.

The Fund also invests a portion of its assets in funds managed by the Manager and/or by third party investment managers (the “Underlying Funds”). In addition to the risks described below, the Fund could be exposed to indirect risk to the extent that the Underlying Funds held financial instruments that were subject to the below risks.

Risks associated with financial instruments (note 4)

Interest rate risk

The majority of the Fund’s financial instruments were non-interest bearing as at June 30, 2018 and December 31, 2017. Accordingly, the Fund is not directly subject to significant risk due to fluctuations in the prevailing levels of market interest rates.

Currency risk

The Fund’s exposure to currency risk is summarized in the tables below. Amounts shown are based on the carrying value of monetary and non-monetary assets and liabilities of the Fund net of currency contracts, as applicable.

Currency	June 30, 2018			
	Gross currency exposure (\$)	Currency contracts (\$)	Net exposure (\$)	Percentage of net assets (%)
US Dollar	37,357,640	(7,480,268)	29,877,372	26.8
European Euro	12,456,749	(2,567,424)	9,889,325	8.9
British Pound	5,057,036	(1,789,817)	3,267,219	2.9
Japanese Yen	2,406,093	(598,263)	1,807,830	1.6
Hong Kong Dollar	1,405,154	–	1,405,154	1.3
Swedish Krona	984,975	–	984,975	0.9
Swiss Franc	1,326,841	(508,176)	818,665	0.7
Danish Krone	630,307	–	630,307	0.6
	61,624,795	(12,943,948)	48,680,847	43.7

Currency	December 31, 2017			
	Gross currency exposure (\$)	Currency contracts (\$)	Net exposure (\$)	Percentage of net assets (%)
US Dollar	33,312,320	(8,072,635)	25,239,685	22.2
European Euro	10,125,970	(3,106,943)	7,019,027	6.2
British Pound	9,247,291	(4,572,342)	4,674,949	4.1
Japanese Yen	2,522,831	(643,541)	1,879,290	1.6
Swedish Krona	1,441,185	–	1,441,185	1.3
Hong Kong Dollar	1,341,228	–	1,341,228	1.2
Danish Krone	722,815	–	722,815	0.6
Swiss Franc	987,977	(361,079)	626,898	0.6
	59,701,617	(16,756,540)	42,945,077	37.8

If the Canadian dollar strengthened or weakened by 10% in relation to all other currencies, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by \$4,868,085 or 4.4% (December 31, 2017 – \$4,294,508 or 3.8%). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Price risk

Price risk is the risk that the carrying value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) caused by factors specific to a security, its issuer or all factors affecting a market or a market segment. Exposure to price risk is mainly in equities, underlying funds, derivatives and commodities, as applicable. As at June 30, 2018, approximately 96.4% (December 31, 2017 – 95.6%) of the Fund’s net assets were exposed to price risk. If prices of these instruments had decreased or increased by 10%, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by approximately \$10,754,343 (December 31, 2017 – \$10,884,329). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Credit risk

The Fund had no significant exposure to bonds and debentures, money market instruments or preferred shares as at June 30, 2018 or December 31, 2017.

Concentration risk

Concentration risk arises as a result of the concentration of financial instruments within the same category, geographical location, asset type or industry sector, as applicable. The table below is a summary of the Fund’s concentration risk by carrying value as a percentage of net assets:

	Percentage of net assets (%)	
	June 30, 2018	December 31, 2017
Belgium	1.5	1.2
Canada	42.4	43.5
Denmark	0.5	0.6
France	2.4	1.7
Germany	3.9	3.3
Hong Kong	1.2	1.2
Japan	2.1	2.2
Netherlands	2.0	1.2
Spain	1.2	1.6
Sweden	0.9	1.3
Switzerland	1.2	0.9
United Kingdom	4.3	8.0
United States	32.8	28.9

Scotia Global Balanced Fund (Unaudited – Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

Fair Value Classification (note 2)

The tables below illustrate the classification of the Fund's financial instruments within the fair value hierarchy.

	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
June 30, 2018				
Equities	40,171,621	23,666,758	–	63,838,379
Underlying funds	43,705,048	–	–	43,705,048
Unrealized gain on currency forward contracts	–	183,281	–	183,281
	83,876,669	23,850,039	–	107,726,708
Unrealized loss on currency forward contracts	–	(5,863)	–	(5,863)
	83,876,669	23,844,176	–	107,720,845

	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
December 31, 2017				
Equities	37,823,581	26,143,769	–	63,967,350
Underlying funds	44,875,944	–	–	44,875,944
Unrealized gain on currency forward contracts	–	280,717	–	280,717
Unrealized gain on currency spot contracts	–	419	–	419
	82,699,525	26,424,905	–	109,124,430
Unrealized loss on currency forward contracts	–	(40,937)	–	(40,937)
	82,699,525	26,383,968	–	109,083,493

Transfers between levels

During the periods ended June 30, 2018 and December 31, 2017, there were no significant transfers between Level 1 and Level 2.

Offsetting of financial assets and liabilities (note 2)

The following table presents offsetting of financial assets and liabilities and collateral amounts that would occur if future events, such as bankruptcy or termination of contracts, were to arise. No amounts were offset in the financial statements.

	June 30, 2018			
	Gross amount of assets (\$)	Master netting offset (\$)	Collateral pledged/received (\$)	Net Amount (\$)
Financial assets – by type				
Currency forward contracts	183,281	(5,863)	–	177,418
Options contracts – OTC	–	–	–	–
Swap contracts – OTC	–	–	–	–
	183,281	(5,863)	–	177,418

	Gross amount of liabilities (\$)	Master netting offset (\$)	Collateral pledged/received (\$)	Net Amount (\$)
Financial liabilities – by type				
Currency forward contracts	5,863	(5,863)	–	–
Options contracts – OTC	–	–	–	–
Swap contracts – OTC	–	–	–	–
	5,863	(5,863)	–	–

	December 31, 2017			
	Gross amount of assets (\$)	Master netting offset (\$)	Collateral pledged/received (\$)	Net Amount (\$)
Financial assets – by type				
Currency forward contracts	280,717	(40,937)	–	239,780
Options contracts – OTC	–	–	–	–
Swap contracts – OTC	–	–	–	–
	280,717	(40,937)	–	239,780

	Gross amount of liabilities (\$)	Master netting offset (\$)	Collateral pledged/received (\$)	Net Amount (\$)
Financial liabilities – by type				
Currency forward contracts	40,937	(40,937)	–	–
Options contracts – OTC	–	–	–	–
Swap contracts – OTC	–	–	–	–
	40,937	(40,937)	–	–

Interest in Underlying Funds (note 2)

The following tables present the percentage of the Underlying Funds owned by the Fund.

	June 30, 2018	
Underlying Fund	Carrying value of the Underlying Fund (\$)	Ownership percentage in Underlying Fund (%)
Scotia Private Global Credit Pool Series I	43,705,048	10.6
	43,705,048	

	December 31, 2017	
Underlying Fund	Carrying value of the Underlying Fund (\$)	Ownership percentage in Underlying Fund (%)
Scotia Private Global Credit Pool Series I	44,875,944	10.6
	44,875,944	

Comparison of net asset value per unit and net assets per unit (note 2)

As at June 30, 2018 or December 31, 2017, there were no differences between the net asset value per unit and the net assets per unit for any series of the Fund.

Scotia U.S. \$ Balanced Fund (Unaudited)

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	June 30, 2018	December 31, 2017
	U.S. \$	U.S. \$
ASSETS		
Current assets		
Financial assets at fair value through profit or loss (note 2)		
Non-derivative financial assets	77,850,527	83,445,728
Derivatives	–	6,313
Cash	364,691	1,337,789
Cash collateral deposited on derivatives	–	41,888
Receivable for securities sold	639,836	–
Subscriptions receivable	16,471	1,850
Accrued investment income and other	233,484	278,363
	<u>79,105,009</u>	<u>85,111,931</u>
LIABILITIES		
Current liabilities		
Management fee payable	116,461	–
Payable for securities purchased	651,154	–
Redemptions payable	42,773	11,099
Accrued expenses	6,939	–
	<u>817,327</u>	<u>11,099</u>
Net assets attributable to holders of redeemable units	<u>78,287,682</u>	<u>85,100,832</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series A	<u>78,287,682</u>	<u>85,100,832</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series A	<u>11.02</u>	<u>11.12</u>

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended June 30 (note 1),

(in dollars except average units)	2018	2017
	U.S. \$	U.S. \$
INCOME		
Net gain (loss) on financial assets and liabilities at fair value through profit or loss		
Dividends	450,287	359,701
Interest for distribution purposes	425,949	495,554
Net realized gain (loss) on non-derivative financial assets	996,307	808,348
Change in unrealized gain (loss) on non-derivative financial assets	(1,748,406)	(1,514,310)
Net realized gain (loss) on derivatives	29,859	–
Change in unrealized gain (loss) on derivatives	(6,313)	–
Net gain (loss) on financial assets and liabilities at fair value through profit or loss	147,683	149,293
Securities lending (note 11)	1,184	–
Net realized and unrealized foreign currency translation gain (loss)	–	3,982
Other income	15	33
Total income (loss), net	<u>148,882</u>	<u>153,308</u>
EXPENSES		
Management fees (note 5)	677,951	765,682
Fixed administration fees (note 6)	36,979	41,510
Independent Review Committee fees	587	427
Interest expense and bank overdraft charges	2	2
Foreign withholding taxes/tax reclaims	64,574	43,836
Harmonized Sales Tax/Goods and Services Tax	81,216	91,374
Transaction costs	30,827	38,570
Total expenses	892,136	981,401
Expenses absorbed by the Manager	(12,000)	–
Net expenses	<u>880,136</u>	<u>981,401</u>
Increase (decrease) in net assets attributable to holders of redeemable units from operations	<u>(731,254)</u>	<u>(828,093)</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A	<u>(731,254)</u>	<u>(828,093)</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT[†]		
Series A	<u>(0.10)</u>	<u>(0.10)</u>
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series A	7,396,790	8,573,044

[†] The increase (decrease) in net assets attributable to holders of redeemable units from operations per unit is calculated by dividing the increase (decrease) in net assets attributable to holders of redeemable units from operations per series by the weighted average number of units per series.

The accompanying notes are an integral part of the financial statements.

Scotia U.S. \$ Balanced Fund (Unaudited – Continued)

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the periods ended June 30 (note 1),

(in dollars)	2018	2017
	U.S. \$	U.S. \$
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series A	85,100,832	93,998,505
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A	(731,254)	(828,093)
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A	4,105,917	6,217,640
Payments on redemption		
Series A	(10,187,813)	(10,251,666)
	(6,081,896)	(4,034,026)
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A	(6,813,150)	(4,862,119)
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series A	78,287,682	89,136,386

STATEMENTS OF CASH FLOWS

For the periods ended June 30 (note 1),

(in dollars)	2018	2017
	U.S. \$	U.S. \$
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	(731,254)	(828,093)
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(996,307)	(808,348)
Change in unrealized (gain) loss on non-derivative financial assets	1,748,406	1,514,310
Change in unrealized (gain) loss on derivatives	6,313	–
Purchases of portfolio investments	(119,151,774)	(40,701,204)
Proceeds from sale of portfolio investments	124,006,194	45,729,521
Cash collateral deposited on derivatives	41,888	2
Accrued investment income and other	44,879	36,777
Accrued expenses and other payables	123,400	138,438
Net cash provided by (used in) operating activities	5,091,745	5,081,403
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	4,091,296	6,229,064
Amounts paid on redemption of redeemable units	(10,156,139)	(10,328,817)
Net cash provided by (used in) financing activities	(6,064,843)	(4,099,753)
Net increase (decrease) in cash	(973,098)	981,650
Cash (bank overdraft), beginning of period	1,337,789	3,729,919
CASH (BANK OVERDRAFT), END OF PERIOD	364,691	4,711,569
Interest paid ⁽¹⁾	2	2
Interest received, net of withholding taxes ⁽¹⁾	475,518	512,732
Dividends received, net of withholding taxes ⁽¹⁾	393,025	335,465

⁽¹⁾ Classified as operating items.

Scotia U.S. \$ Balanced Fund (Unaudited – Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at June 30, 2018

Issuer	Face Value (\$)/			Issuer	Number of Shares	Average Cost (\$)	Carrying Value (\$)	Number of Shares	Average Cost (\$)	Carrying Value (\$)
	Number of Shares	Average Cost (\$)	Carrying Value (\$)							
	U.S. \$	U.S. \$	U.S. \$		U.S. \$	U.S. \$	U.S. \$	U.S. \$	U.S. \$	U.S. \$
BONDS AND DEBENTURES – 39.1%				EQUITIES (cont'd)						
Corporate Bonds – 11.9%				Consumer Staples – 4.0%						
Aetna Inc. (Callable) 2.75% Aug 15, 2022	295,000	292,167	283,688	Archer-Daniels-Midland Company	9,619	421,869	440,839			
Aetna Inc. (Callable) 2.80% Apr 15, 2023	383,000	366,217	365,813	Mondelez International, Inc.	10,711	432,703	439,151			
Anheuser-Busch InBev Finance Inc. (Callable) 3.65% Nov 01, 2025	493,000	482,307	483,847	PepsiCo, Inc.	6,524	729,521	710,268			
Bank of America Corporation (Callable) 3.37% Jan 23, 2025	723,000	723,000	695,078	Philip Morris International Inc.	5,760	485,547	465,062			
Bank of America Corporation 4.10% Jul 24, 2023	367,000	387,295	373,448	Procter & Gamble Company, The	6,165	505,708	481,240			
Boston Properties LP (Callable) 5.63% Aug 15, 2020	221,000	236,310	231,996	Walgreens Boots Alliance Inc.	10,498	748,203	630,037			
Crown Castle Towers LLC (Callable) 3.22% May 15, 2021	730,000	727,069	717,154					3,323,551	3,166,597	
Fortis Inc. (Callable) 2.10% Sep 04, 2021	401,000	386,843	382,973	Energy – 3.6%						
Fortis Inc. 3.06% Oct 04, 2026	182,000	177,326	165,795	Chevron Corporation	9,599	1,191,483	1,213,602			
Great-West Lifeco Finance 2018 LP (Callable) 4.05% Feb 17, 2028	389,000	389,000	394,500	Halliburton Company	12,458	583,568	561,357			
Heathrow Funding Ltd. 4.88% Jul 15, 2021	560,000	620,207	585,519	Marathon Oil Corporation	27,783	598,058	579,553			
JPMorgan Chase & Co. (Callable) 3.90% Apr 15, 2025	576,000	605,364	575,240	Marathon Petroleum Corporation	6,992	378,440	490,559			
Kimco Realty Corporation (Callable) 2.70% Jan 01, 2024	830,000	805,540	768,335					2,751,549	2,845,071	
Medtronic Inc. 3.50% Mar 15, 2025	300,000	297,108	297,986	Financials – 8.2%						
Morgan Stanley (Callable) 3.74% Apr 24, 2023	432,000	429,622	429,211	Bank of America Corporation	40,496	1,199,552	1,141,582			
National Hockey League Inc. 3.33% Aug 10, 2024*	500,000	500,000	500,000	Berkshire Hathaway Inc., Class B	770	147,983	143,721			
Pemod Ricard SA 4.25% Jul 15, 2022	260,000	266,360	266,488	Capital One Financial Corporation	6,476	619,476	595,144			
Reynolds American Inc. 8.13% Jun 23, 2019	200,000	244,272	209,800	Citigroup Inc.	9,299	627,011	622,289			
Reynolds American Inc. 4.00% Jun 12, 2022	97,000	102,926	97,794	Jefferies Financial Group Inc.	6,684	160,253	151,994			
Suncor Energy Inc. (Callable) 3.60% Sep 01, 2024	302,000	297,274	298,702	JPMorgan Chase & Co.	10,989	1,190,043	1,145,054			
Thermo Fisher Scientific Inc. (Callable) 2.95% Jun 19, 2026	500,000	463,840	463,508	Morgan Stanley	3,620	186,224	171,588			
United Parcel Service Inc. (Callable) 2.80% Sep 15, 2024	240,000	239,158	230,694	Northern Trust Corporation	1,156	121,684	118,941			
Ventas Realty LP 3.13% Jun 15, 2023	155,000	151,984	150,187	Prudential Financial, Inc.	12,045	1,221,584	1,126,328			
Wells Fargo & Company 3.00% Feb 19, 2025	385,000	386,028	362,522	State Street Corporation	11,899	1,170,904	1,107,678			
		9,577,217	9,330,278	Unum Group	3,068	120,528	113,485			
Federal Bonds – 27.2%						6,765,242	6,437,804			
United States Treasury Notes 1.13% Feb 28, 2021	1,535,000	1,532,961	1,477,760	Health Care – 8.7%						
United States Treasury Notes 1.50% Aug 15, 2026	440,000	404,044	397,870	Agilent Technologies, Inc.	10,338	675,121	639,302			
United States Treasury Notes 1.63% Nov 15, 2022	2,760,000	2,682,241	2,637,677	Anthem, Inc.	2,680	594,128	637,920			
United States Treasury Notes 1.75% Oct 31, 2020	2,055,000	2,030,305	2,017,712	Biogen Inc.	407	118,345	118,128			
United States Treasury Notes 2.00% Feb 15, 2022	880,000	874,038	859,835	Bristol-Myers Squibb Company	7,740	401,759	428,332			
United States Treasury Notes 2.00% Nov 15, 2026	635,000	604,788	595,795	Centene Corporation	6,195	710,073	763,286			
United States Treasury Notes 2.13% Dec 31, 2021	580,000	572,931	569,638	CIGNA Corporation	1,479	288,892	251,356			
United States Treasury Notes 2.13% May 15, 2025	1,050,000	1,009,682	1,005,674	Danaher Corporation	11,874	1,194,014	1,171,726			
United States Treasury Notes 2.13% Nov 30, 2023	2,750,000	2,715,910	2,663,526	Gilead Sciences, Inc.	17,660	1,234,410	1,251,034			
United States Treasury Notes 2.25% Nov 15, 2025	1,600,000	1,572,000	1,540,176	Johnson & Johnson	7,410	894,506	899,129			
United States Treasury Notes 2.25% Nov 15, 2027	3,100,000	3,001,017	2,951,355	Mylan NV	15,260	608,216	551,496			
United States Treasury Notes 2.50% Feb 15, 2046	75,000	68,499	68,349	UnitedHealth Group Incorporated	490	106,473	120,217			
United States Treasury Notes 2.50% May 31, 2020	1,050,000	1,051,395	1,049,605			6,825,937	6,831,926			
United States Treasury Notes 2.63% Feb 15, 2028	900,000	888,512	893,799	Industrials – 5.8%						
United States Treasury Notes 3.63% Feb 15, 2021	2,500,000	2,774,609	2,565,100	Ametek Inc.	3,403	244,378	245,560			
		21,782,932	21,293,871	Delta Air Lines, Inc.	2,783	146,343	137,870			
TOTAL BONDS AND DEBENTURES		31,360,149	30,624,149	FedEx Corporation	994	236,335	225,698			
EQUITIES – 60.3%				General Dynamics Corporation	3,957	780,732	737,624			
Consumer Discretionary – 8.7%				Honeywell International Inc.	6,721	961,747	968,160			
Amazon.com, Inc.	738	717,305	1,254,452	Jacobs Engineering Group, Inc.	2,161	141,705	137,202			
Booking Holdings Inc.	334	677,818	677,048	Norfolk Southern Corporation	791	122,723	119,338			
Dollar General Corporation	4,987	453,573	491,718	Raytheon Company	2,845	561,717	549,597			
General Motors Company	5,578	235,271	219,773	Southwest Airlines Company	4,587	233,839	233,387			
LKQ Corporation	3,749	147,096	119,593	Stanley Black & Decker Inc.	6,054	858,507	804,032			
McDonald's Corporation	747	119,086	117,047	Union Pacific Corporation	841	111,751	119,153			
Michael Kors Holdings Limited	10,407	641,305	693,106	Waste Management, Inc.	2,880	242,457	234,259			
News Corporation, Class A	61,625	946,944	955,188			4,642,234	4,511,880			
Ross Stores, Inc.	14,836	1,184,501	1,257,351	Information Technology – 15.2%						
Royal Caribbean Cruises Ltd.	9,550	1,056,021	989,380	Alphabet Inc., Class A	676	607,810	763,332			
		6,178,920	6,774,656	Applied Materials, Inc.	23,441	1,164,820	1,082,740			
				Cadence Design Systems Inc.	7,282	275,706	315,383			

The accompanying notes are an integral part of the financial statements.

Scotia U.S. \$ Balanced Fund (Unaudited – Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at June 30, 2018

Issuer	Number of	Average	Carrying
	Shares	Cost (\$)	Value (\$)
	U.S. \$	U.S. \$	U.S. \$
EQUITIES (cont'd)			
Information Technology (cont'd)			
Cisco Systems, Inc.	16,691	738,151	718,214
Cognizant Technology Solutions Corporation	7,901	607,033	624,100
DXC Technology Company	6,469	532,559	521,466
eBay Inc.	30,344	1,181,815	1,100,273
Facebook Inc.	3,100	530,366	602,392
Hewlett Packard Enterprise Company	65,508	1,062,381	957,072
HP Inc.	54,075	1,156,054	1,226,962
International Business Machines Corporation	3,964	572,673	553,771
MasterCard, Inc., Class A	2,962	451,624	582,092
Micron Technology, Inc.	4,863	284,426	255,016
Microsoft Corporation	12,034	926,086	1,186,673
Synopsys Inc.	13,532	1,153,198	1,157,933
Xilinx Inc.	4,105	288,397	267,892
		<u>11,533,099</u>	<u>11,915,311</u>
Materials – 2.0%			
Air Products and Chemicals, Inc.	6,211	1,013,067	967,239
Avery Dennison Corporation	1,863	197,860	190,212
Freeport-McMoRan Copper & Gold Inc.	21,871	370,618	377,493
		<u>1,581,545</u>	<u>1,534,944</u>
Real Estate – 1.4%			
Duke Realty Corporation	37,808	964,827	1,097,566
Telecommunication Services – 1.3%			
Verizon Communications Inc.	20,153	973,120	1,013,897
Utilities – 1.4%			
Ameren Corporation	4,160	239,489	253,136
American Electric Power Company, Inc.	8,439	564,154	584,401
CMS Energy Corporation	5,482	248,753	259,189
		<u>1,052,396</u>	<u>1,096,726</u>
TOTAL EQUITIES		<u>46,592,420</u>	<u>47,226,378</u>
Transaction Costs		<u>(8,690)</u>	
TOTAL INVESTMENT PORTFOLIO		<u>77,943,879</u>	<u>77,850,527</u>
OTHER ASSETS, LESS LIABILITIES – 0.6%			<u>437,155</u>
NET ASSETS – 100.0%			<u>78,287,682</u>

* These securities have no quoted values and are classified as Level 3 securities.

Scotia U.S. \$ Balanced Fund (Unaudited – Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

All amounts are in U.S.\$ unless otherwise stated

The Fund (note 1)

The Fund's objective is to provide long term capital growth and current income in U.S. dollars. It invests primarily in a combination of fixed income and equity securities that are denominated in U.S. dollars.

Risks associated with financial instruments (note 4)

Interest rate risk

The table below summarizes the Fund's exposure to interest rate risk by the remaining term to maturity of the Fund's portfolio, excluding underlying funds, preferred shares, cash and overdrafts, as applicable.

Interest rate exposure	June 30, 2018 (\$)	December 31, 2017 (\$)
Less than 1 year	209,800	1,281,260
1-3 years	8,059,327	9,056,592
3-5 years	6,199,612	12,755,684
5-10 years	16,087,061	9,233,264
> 10 years	68,349	1,628,952
	30,624,149	33,955,752

As at June 30, 2018, had the prevailing interest rates increased or decreased by 0.25%, assuming a parallel shift in the yield curve and all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by \$380,038 or approximately 0.5% (December 31, 2017 – \$389,641 or approximately 0.5%).

Currency risk

The Fund did not have significant currency risk exposure as at June 30, 2018 or December 31, 2017.

Price risk

Price risk is the risk that the carrying value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) caused by factors specific to a security, its issuer or all factors affecting a market or a market segment. Exposure to price risk is mainly in equities, underlying funds, derivatives and commodities, as applicable. As at June 30, 2018, approximately 60.3% (December 31, 2017 – 58.3%) of the Fund's net assets were exposed to price risk. If prices of these instruments had decreased or increased by 10%, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by approximately \$4,722,638 (December 31, 2017 – \$4,949,629). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Credit risk

The table below summarizes the credit ratings of bonds and debentures, money market instruments and preferred shares held by the Fund, as applicable.

	June 30, 2018		December 31, 2017	
	Percentage of total credit rated instruments (%)	Percentage of net assets (%)	Percentage of total credit rated instruments (%)	Percentage of net assets (%)
Credit ratings				
AAA	69.6	27.2	68.9	27.4
AA	–	–	1.2	0.5
A	18.3	7.2	16.6	6.6
BBB	12.1	4.7	11.8	4.7
NOT RATED	–	–	1.5	0.6
	100.0	39.1	100.0	39.8

Concentration risk

Concentration risk arises as a result of the concentration of financial instruments within the same category, geographical location, asset type or industry sector, as applicable. The table below is a summary of the Fund's concentration risk by carrying value as a percentage of net assets:

	Percentage of net assets (%)	
	June 30, 2018	December 31, 2017
Consumer Discretionary	8.7	6.3
Consumer Staples	4.0	4.7
Corporate Bonds	11.9	12.4
Energy	3.6	3.5
Federal Bonds	27.2	27.4
Financials	8.2	8.2
Health Care	8.7	8.7
Industrials	5.8	6.2
Information Technology	15.2	15.0
Materials	2.0	2.0
Real Estate	1.4	1.4
Telecommunication Services	1.3	0.9
Utilities	1.4	1.4

Fair Value Classification (note 2)

The tables below illustrate the classification of the Fund's financial instruments within the fair value hierarchy.

June 30, 2018	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Equities	47,226,378	–	–	47,226,378
Bonds and debentures	–	30,124,149	500,000	30,624,149
	47,226,378	30,124,149	500,000	77,850,527

December 31, 2017	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Equities	49,496,289	–	–	49,496,289
Bonds and debentures	–	33,449,439	500,000	33,949,439
Unrealized gain on futures contracts	6,313	–	–	6,313
	49,502,602	33,449,439	500,000	83,452,041

Transfers between levels

During the periods ended June 30, 2018 and December 31, 2017, there were no significant transfers between Level 1 and Level 2.

Scotia U.S. \$ Balanced Fund (Unaudited – Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

All amounts are in U.S.\$ unless otherwise stated

Reconciliation of Level 3 financial instruments

The following table presents the movement in the Fund's Level 3 financial instruments for the periods ended:

	June 30, 2018 (\$)	December 31, 2017 (\$)
-		
Beginning of period	500,000	-
Purchases	-	500,000
Sales	-	-
Transfers into Level 3	-	-
Transfers out of Level 3	-	-
Net realized gains (losses)	-	-
Net change in unrealized gain (loss)*	-	-
End of period	500,000	500,000

* Net change in unrealized gain (loss) for Level 3 financial instruments held as at June 30, 2018 and December 31, 2017 was nil and nil, respectively.

Level 3 valuation techniques

The tables below summarize the significant unobservable inputs used in the fair value measurement of Level 3 financial instruments. The significant unobservable inputs in the valuation techniques to estimate the fair values of level 3 investments can vary considerably over time to time depending on company specific factors and economic or market conditions. The tables also illustrate the potential impact on the Fund if the significant unobservable inputs used in the valuation techniques had increased or decreased by 5%, with all other variables held constant. Certain significant unobservable inputs used in the valuation techniques are not reasonably expected to shift and are indicated in the tables below as "n/a". Securities where the reasonable possible shift in the significant unobservable input did not result in a material impact on the Fund are indicated in the table below as nil.

Security	Valuation technique	Significant unobservable input	Carrying value as at June 30, 2018 (\$)	Change in valuation (\$)
Debt	Fair value based on transaction price	Transaction price	500,000	n/a
			500,000	

Security	Valuation technique	Significant unobservable input	Carrying value as at December 31, 2017 (\$)	Change in valuation (\$)
Debt	Fair value based on transaction price	Transaction price	500,000	n/a
			500,000	

Offsetting of financial assets and liabilities (note 2)

As at June 30, 2018 and December 31, 2017, the Fund did not enter into any agreement whereby the financial instruments were eligible for offset.

Interest in Underlying Funds (note 2)

The Fund did not hold any interest in Underlying Funds as at June 30, 2018 or December 31, 2017.

Comparison of net asset value per unit and net assets per unit (note 2)

As at June 30, 2018 or December 31, 2017, there were no differences between the net asset value per unit and the net assets per unit for any series of the Fund.

Scotia Canadian Dividend Fund (Unaudited)

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	June 30, 2018	December 31, 2017
ASSETS		
Current assets		
Financial assets at fair value through profit or loss (note 2)		
Non-derivative financial assets	8,597,113,069	8,533,971,697
Derivatives	15,381,058	42,741,305
Cash	964,319,366	862,839,695
Subscriptions receivable	6,282,831	8,668,235
Accrued investment income and other	24,389,177	22,745,921
	<u>9,607,485,501</u>	<u>9,470,966,853</u>
LIABILITIES		
Current liabilities		
Financial liabilities at fair value through profit or loss (note 2)		
Derivatives	28,459,092	–
Management fee payable	6,690,898	–
Payable for securities purchased	16,930,340	–
Redemptions payable	9,177,824	5,925,737
Accrued expenses	346,001	–
Distributions payable	1,517,523	2,962
	<u>63,121,678</u>	<u>5,928,699</u>
Net assets attributable to holders of redeemable units	<u>9,544,363,823</u>	<u>9,465,038,154</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series A	4,886,949,578	4,900,617,634
Advisor Series	21,623,308	24,528,433
Series F	71,691,062	64,033,762
Series I	2,711,956,473	2,689,256,517
Series K	43,010,598	28,514,410
Series M	1,809,132,804	1,758,087,398
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series A	62.29	62.88
Advisor Series	62.06	62.63
Series F	62.05	62.57
Series I	62.08	62.73
Series K	11.19	11.22
Series M	60.66	61.22

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended June 30 (note 1),

(in dollars except average units)	2018	2017
INCOME		
Net gain (loss) on financial assets and liabilities at fair value through profit or loss		
Dividends	125,921,699	116,485,372
Interest for distribution purposes	2,332,347	8,250,630
Net realized gain (loss) on non-derivative financial assets	160,624,508	78,220,242
Change in unrealized gain (loss) on non-derivative financial assets	(143,414,518)	243,762,208
Net realized gain (loss) on derivatives	(50,246,154)	(14,459,587)
Change in unrealized gain (loss) on derivatives	<u>(55,819,339)</u>	<u>80,183,128</u>
Net gain (loss) on financial assets and liabilities at fair value through profit or loss	39,398,543	512,441,993
Securities lending (note 11)	136,946	121,319
Net realized and unrealized foreign currency translation gain (loss)	2,192,781	756,120
Other income	<u>26,850</u>	<u>25,404</u>
Total income (loss), net	<u>41,755,120</u>	<u>513,344,836</u>
EXPENSES		
Management fees (note 5)	37,453,296	34,389,074
Fixed administration fees and operating expense (note 6)	1,944,925	1,759,437
Independent Review Committee fees	587	574
Interest expense and bank overdraft charges	2,656	759
Foreign withholding taxes/tax reclaims	4,885,163	6,026,688
Harmonized Sales Tax/Goods and Services Tax	4,285,469	3,946,311
Transaction costs	863,440	668,056
Total expenses	<u>49,435,536</u>	<u>46,790,899</u>
Expenses absorbed by the Manager	–	(2,483)
Net expenses	<u>49,435,536</u>	<u>46,788,416</u>
Increase (decrease) in net assets attributable to holders of redeemable units from operations	<u>(7,680,416)</u>	<u>466,556,420</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A	(25,572,320)	234,239,841
Advisor Series	(165,613)	1,711,820
Series F	150,601	2,411,582
Series I	9,342,343	144,651,836
Series K	579,293	317,089
Series M	7,985,280	83,224,252
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT[†]		
Series A	(0.32)	3.10
Advisor Series	(0.45)	3.61
Series F	0.13	3.09
Series I	0.22	3.45
Series K	0.18	0.35
Series M	0.27	3.24
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series A	78,696,864	75,534,542
Advisor Series	370,063	474,160
Series F	1,120,625	780,803
Series I	43,279,693	41,898,406
Series K	3,176,334	910,671
Series M	29,244,715	25,723,115

[†] The increase (decrease) in net assets attributable to holders of redeemable units from operations per unit is calculated by dividing the increase (decrease) in net assets attributable to holders of redeemable units from operations per series by the weighted average number of units per series.

Scotia Canadian Dividend Fund (Unaudited – Continued)

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the periods ended June 30 (note 1),

(in dollars)	2018	2017
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series A	4,900,617,634	4,192,115,154
Advisor Series	24,528,433	28,449,067
Series F	64,033,762	40,001,736
Series I	2,689,256,517	2,386,648,016
Series K	28,514,410	4,240,512
Series M	1,758,087,398	1,392,537,046
	<u>9,465,038,154</u>	<u>8,043,991,531</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A	(25,572,320)	234,239,841
Advisor Series	(165,613)	1,711,820
Series F	150,601	2,411,582
Series I	9,342,343	144,651,836
Series K	579,293	317,089
Series M	7,985,280	83,224,252
	<u>(7,680,416)</u>	<u>466,556,420</u>
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net investment income		
Series A	(20,740,595)	(24,542,732)
Advisor Series	(93,133)	(133,076)
Series F	(640,987)	(515,827)
Series I	(35,937,617)	(36,045,658)
Series K	(484,714)	(183,020)
Series M	(22,764,320)	(21,123,636)
	<u>(80,661,366)</u>	<u>(82,543,949)</u>
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A	398,132,104	446,283,512
Advisor Series	14,974	23,387
Series F	19,698,971	15,151,975
Series I	71,895,682	34,774,204
Series K	16,271,684	14,518,089
Series M	211,612,051	209,533,742
Reinvested distributions		
Series A	20,427,689	23,883,605
Advisor Series	81,520	122,696
Series F	469,017	387,966
Series I	35,937,603	32,450,578
Series K	484,685	182,965
Series M	19,889,906	18,154,839
Payments on redemption		
Series A	(385,914,934)	(267,483,977)
Advisor Series	(2,742,873)	(3,252,784)
Series F	(12,020,302)	(6,989,873)
Series I	(58,538,055)	(47,468,486)
Series K	(2,354,760)	(2,239,159)
Series M	(165,677,511)	(121,798,694)
	<u>167,667,451</u>	<u>346,234,585</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A	(13,668,056)	412,380,249
Advisor Series	(2,905,125)	(1,527,957)
Series F	7,657,300	10,445,823
Series I	22,699,956	128,362,474
Series K	14,496,188	12,595,964
Series M	51,045,406	167,990,503
	<u>79,325,669</u>	<u>730,247,056</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series A	4,886,949,578	4,604,495,403
Advisor Series	21,623,308	26,921,110
Series F	71,691,062	50,447,559
Series I	2,711,956,473	2,515,010,490
Series K	43,010,598	16,836,476
Series M	1,809,132,804	1,560,527,549
	<u>9,544,363,823</u>	<u>8,774,238,587</u>

STATEMENTS OF CASH FLOWS

For the periods ended June 30 (note 1),

(in dollars)	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	(7,680,416)	466,556,420
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(160,624,508)	(78,220,242)
Unrealized foreign currency translation (gain) loss	138,925	25,339
Change in unrealized (gain) loss on non-derivative financial assets	143,414,518	(243,762,208)
Change in unrealized (gain) loss on derivatives	55,819,339	(80,183,128)
Non-cash transactions	–	(463,224)
Purchases of portfolio investments	(776,858,022)	(686,138,256)
Proceeds from sale of portfolio investments	747,856,980	541,982,802
Accrued investment income and other	(1,643,256)	(4,332,789)
Accrued expenses and other payables	7,036,899	6,676,846
Net cash provided by (used in) operating activities	<u>7,460,459</u>	<u>(77,858,440)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	699,658,886	696,422,229
Amounts paid on redemption of redeemable units	(603,644,364)	(435,795,202)
Distributions to unitholders of redeemable units	(1,856,385)	(1,555,914)
Net cash provided by (used in) financing activities	<u>94,158,137</u>	<u>259,071,113</u>
Unrealized foreign currency translation gain (loss)		
	(138,925)	(25,339)
Net increase (decrease) in cash		
	101,618,596	181,212,673
Cash (bank overdraft), beginning of period		
	862,839,695	634,288,984
CASH (BANK OVERDRAFT), END OF PERIOD	<u>964,319,366</u>	<u>815,476,318</u>
Interest paid ⁽¹⁾	2,656	759
Interest received, net of withholding taxes ⁽¹⁾	2,332,347	8,189,404
Dividends received, net of withholding taxes ⁽¹⁾	117,685,406	107,372,708

⁽¹⁾ Classified as operating items.

Scotia Canadian Dividend Fund (Unaudited – Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at June 30, 2018

Issuer	Number of Shares	Average Cost (\$)	Carrying Value (\$)	Issuer	Number of Shares	Average Cost (\$)	Carrying Value (\$)
EQUITIES – 90.0%				EQUITIES (cont'd)			
Consumer Discretionary – 3.9%				Information Technology – 8.8%			
Comcast Corporation, Class A	3,988,200	55,532,137	172,097,801	Apple Inc.	810,200	114,689,417	197,248,760
McDonald's Corporation	968,000	114,299,822	199,484,336	Microsoft Corporation	1,946,000	107,474,005	252,380,593
		169,831,959	371,582,137	Oracle Corporation	3,100,500	168,048,834	179,667,031
				Visa Inc.	1,183,300	64,663,579	206,128,949
Consumer Staples – 8.4%						454,875,835	835,425,333
Alimentation Couche-Tard Inc., Class B	2,335,100	55,930,586	133,357,561	Materials – 1.0%			
Coca-Cola Company, The	2,706,400	153,880,685	156,117,926	DowDuPont Inc.	722,400	64,045,986	62,630,676
Costco Wholesale Corporation	558,804	109,724,379	153,587,684	Nutrien Ltd.	397,200	23,458,142	28,407,744
Loblaw Companies Limited	2,677,641	108,261,188	181,008,530			87,504,128	91,038,420
Mondelez International, Inc.	3,336,200	181,513,977	179,898,730				
		609,310,815	803,970,431	Real Estate – 3.5%			
Energy – 13.7%				American Tower Corporation	1,129,000	160,375,970	214,072,560
Canadian Natural Resources Ltd.	6,084,200	237,774,417	288,695,290	First Capital Realty, Inc.	1,209,727	14,890,380	24,992,960
Enbridge Inc.	4,965,666	221,754,779	233,386,302	Weyerhaeuser Company	2,000,000	81,274,524	95,904,464
Pembina Pipeline Corporation	4,493,632	168,220,480	204,595,065			256,540,874	334,969,984
Suncor Energy, Inc.	5,576,678	194,852,165	298,352,273	Telecommunication Services – 5.4%			
TransCanada Corporation	4,955,669	215,458,728	281,878,453	BCE Inc.	3,017,000	145,633,000	160,625,080
		1,038,060,569	1,306,907,383	Rogers Communications, Inc., Class B	2,859,100	119,711,302	178,522,204
Financials – 22.5%				TELUS Corporation	3,868,000	102,284,225	180,635,600
Bank of Nova Scotia, The [†]	5,065,900	274,089,277	377,105,594			367,628,527	519,782,884
Brookfield Asset Management Inc., Class A	4,109,570	101,379,858	219,163,368	Utilities – 6.2%			
Canadian Imperial Bank of Commerce	2,665,000	253,653,229	304,769,399	Brookfield Infrastructure Partners LP	2,649,500	45,405,576	133,640,780
Citigroup Inc.	796,100	69,705,296	70,067,354	Emera Inc.	2,100,000	96,287,340	89,880,000
Intact Financial Corporation	877,039	45,091,677	81,783,887	Fortis Inc.	5,125,889	185,097,634	215,389,856
Manulife Financial Corporation	6,870,153	132,080,487	162,273,014	Hydro One Limited	7,619,200	173,358,269	152,688,768
Royal Bank of Canada	3,619,300	254,578,003	358,274,507			500,148,819	591,599,404
Sun Life Financial Inc.	3,743,700	145,997,551	197,779,671				
Toronto-Dominion Bank, The	4,980,800	174,164,010	378,989,072	Transaction Costs		(4,327,330)	
		1,450,739,388	2,150,205,866	TOTAL INVESTMENT PORTFOLIO		6,136,621,652	8,597,113,069
Health Care – 8.9%				Unrealized Gain (Loss) on Derivatives – (0.1%)			(13,078,034)
Allergan PLC	814,403	223,159,118	178,574,412	OTHER ASSETS, LESS LIABILITIES – 10.1%			960,328,788
Johnson & Johnson	1,196,633	132,321,413	190,966,473	NET ASSETS – 100.0%			9,544,363,823
Medtronic PLC	1,687,900	169,535,845	190,048,030				
Pfizer Inc.	4,000,000	160,001,736	190,861,983				
UnitedHealth Group Incorporated	320,200	91,142,541	103,319,394				
		776,160,653	853,770,292				
Industrials – 7.7%							
Canadian National Railway Company	2,243,480	88,362,518	241,241,404				
Canadian Pacific Railway Limited	1,001,000	167,982,467	241,160,920				
Honeywell International Inc.	1,088,000	124,647,970	206,126,733				
United Technologies Corporation	300,000	49,154,460	49,331,878				
		430,147,415	737,860,935				

[†] These securities are investments in related parties (note 10).

SCHEDULE OF DERIVATIVE INSTRUMENTS

UNREALIZED GAIN ON CURRENCY FORWARD CONTRACTS

Counterparty	Credit Rating	Settlement Date	Currency To Be Received	Contractual Amount	Currency To Be Delivered	Contractual Amount	Contract Price	Market Price	Unrealized Gain (\$)
Bank of Montreal	A-1	Jul. 18, 2018	US Dollar	11,636,000	Canadian Dollar	15,097,245	1.297	1.314	192,865
Toronto-Dominion Bank, The	A-1+	Jul. 18, 2018	Canadian Dollar	4,494,482	US Dollar	3,410,000	0.759	0.761	13,654
Bank of Montreal	A-1	Jul. 18, 2018	Canadian Dollar	6,984,499	US Dollar	5,300,000	0.759	0.761	20,162
Bank of Montreal	A-1	Jul. 18, 2018	Canadian Dollar	128,737,887	US Dollar	97,035,000	0.754	0.761	1,231,383
Royal Bank of Canada	A-1+	Aug. 23, 2018	Canadian Dollar	432,127,471	US Dollar	325,134,000	0.752	0.762	5,296,794
Canadian Imperial Bank of Commerce	A-1	Aug. 23, 2018	Canadian Dollar	374,186,217	US Dollar	281,524,000	0.752	0.762	4,606,045
State Street Bank & Trust Company	A-1+	Aug. 23, 2018	Canadian Dollar	164,079,012	US Dollar	123,441,000	0.752	0.762	2,027,656
Bank of Montreal	A-1	Aug. 23, 2018	Canadian Dollar	80,578,226	US Dollar	60,620,000	0.752	0.762	997,266
Toronto-Dominion Bank, The	A-1+	Aug. 23, 2018	Canadian Dollar	51,718,258	US Dollar	38,920,000	0.753	0.762	624,709
Bank of Nova Scotia, The	A-1	Aug. 23, 2018	Canadian Dollar	30,210,102	US Dollar	22,730,000	0.752	0.762	370,524
									15,381,058

The accompanying notes are an integral part of the financial statements.

Scotia Canadian Dividend Fund (Unaudited – Continued)

SCHEDULE OF DERIVATIVE INSTRUMENTS

UNREALIZED LOSS ON CURRENCY FORWARD CONTRACTS

Counterparty	Credit Rating	Settlement Date	Currency To Be Received	Contractual Amount	Currency To Be Delivered	Contractual Amount	Contract Price	Market Price	Unrealized Loss (\$)
Bank of Montreal	A-1	Jul. 18, 2018	Canadian Dollar	404,611,424	US Dollar	315,628,000	0.78	0.761	(10,131,947)
Toronto-Dominion Bank, The	A-1+	Jul. 18, 2018	Canadian Dollar	580,328,925	US Dollar	452,597,000	0.78	0.761	(14,395,261)
State Street Bank & Trust Company	A-1+	Jul. 18, 2018	Canadian Dollar	151,102,848	US Dollar	117,846,000	0.78	0.761	(3,749,849)
Canadian Imperial Bank of Commerce	A-1	Jul. 18, 2018	Canadian Dollar	3,193,811	US Dollar	2,490,000	0.78	0.761	(78,114)
Canadian Imperial Bank of Commerce	A-1	Jul. 18, 2018	Canadian Dollar	4,526,629	US Dollar	3,489,000	0.771	0.761	(58,008)
Royal Bank of Canada	A-1+	Jul. 18, 2018	Canadian Dollar	2,251,332	US Dollar	1,732,000	0.769	0.761	(24,561)
Toronto-Dominion Bank, The	A-1+	Jul. 18, 2018	US Dollar	5,320,000	Canadian Dollar	7,011,920	1.318	1.314	(21,352)
									<u>(28,459,092)</u>

The accompanying notes are an integral part of the financial statements.

Scotia Canadian Dividend Fund (Unaudited – Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

The Fund (note 1)

The Fund's objective is to earn a high level of dividend income with some potential for long-term capital growth. It invests primarily in dividend-paying common shares and in a broad range of preferred shares, such as floating rate, convertible and retractable preferred shares of Canadian companies.

Risks associated with financial instruments (note 4)

Interest rate risk

The majority of the Fund's financial instruments were non-interest bearing as at June 30, 2018 and December 31, 2017. Accordingly, the Fund is not directly subject to significant risk due to fluctuations in the prevailing levels of market interest rates.

Currency risk

The Fund's exposure to currency risk is summarized in the tables below. Amounts shown are based on the carrying value of monetary and non-monetary assets and liabilities of the Fund net of currency contracts, as applicable.

Currency	June 30, 2018			
	Gross currency exposure (\$)	Currency contracts (\$)	Net exposure (\$)	Percentage of net assets (%)
US Dollar	3,297,532,484	(2,410,251,633)	887,280,851	9.3
	3,297,532,484	(2,410,251,633)	887,280,851	9.3

Currency	December 31, 2017			
	Gross currency exposure (\$)	Currency contracts (\$)	Net exposure (\$)	Percentage of net assets (%)
US Dollar	3,415,326,527	(2,418,458,311)	996,868,216	10.5
	3,415,326,527	(2,418,458,311)	996,868,216	10.5

If the Canadian dollar strengthened or weakened by 10% in relation to all other currencies, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by \$88,728,085 or 0.9% (December 31, 2017 – \$99,686,822 or 1.1%). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Price risk

Price risk is the risk that the carrying value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) caused by factors specific to a security, its issuer or all factors affecting a market or a market segment. Exposure to price risk is mainly in equities, underlying funds, derivatives and commodities, as applicable. As at June 30, 2018, approximately 90.0% (December 31, 2017 – 90.1%) of the Fund's net assets were exposed to price risk. If prices of these instruments had decreased or increased by 10%, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by approximately

\$859,711,307 (December 31, 2017 – \$853,397,170). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Credit risk

The Fund had no significant exposure to bonds and debentures, money market instruments or preferred shares as at June 30, 2018 or December 31, 2017.

Concentration risk

Concentration risk arises as a result of the concentration of financial instruments within the same category, geographical location, asset type or industry sector, as applicable. The table below is a summary of the Fund's concentration risk by carrying value as a percentage of net assets:

	Percentage of net assets (%)	
	June 30, 2018	December 31, 2017
Consumer Discretionary	3.9	5.6
Consumer Staples	8.4	8.0
Energy	13.7	11.0
Financials	22.5	22.0
Health Care	8.9	7.5
Industrials	7.7	8.5
Information Technology	8.8	8.0
Materials	1.0	1.4
Real Estate	3.5	3.3
Telecommunication Services	5.4	7.9
Utilities	6.2	6.9

Fair Value Classification (note 2)

The tables below illustrate the classification of the Fund's financial instruments within the fair value hierarchy.

June 30, 2018	Level 1	Level 2	Level 3	Total
	(\$)	(\$)	(\$)	(\$)
Equities	8,597,113,069	–	–	8,597,113,069
Unrealized gain on currency forward contracts	–	15,381,058	–	15,381,058
	8,597,113,069	15,381,058	–	8,612,494,127
Unrealized loss on currency forward contracts	–	(28,459,092)	–	(28,459,092)
	8,597,113,069	(13,078,034)	–	8,584,035,035

December 31, 2017	Level 1	Level 2	Level 3	Total
	(\$)	(\$)	(\$)	(\$)
Equities	8,533,971,697	–	–	8,533,971,697
Unrealized gain on currency forward contracts	–	42,741,305	–	42,741,305
	8,533,971,697	42,741,305	–	8,576,713,002

Transfers between levels

During the periods ended June 30, 2018 and December 31, 2017, there were no significant transfers between Level 1 and Level 2.

Offsetting of financial assets and liabilities (note 2)

The following table presents offsetting of financial assets and liabilities and collateral amounts that would occur if future events, such as

Scotia Canadian Dividend Fund (Unaudited – Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

bankruptcy or termination of contracts, were to arise. No amounts were offset in the financial statements.

June 30, 2018				
Financial assets – by type	Gross amount of assets (\$)	Master netting offset (\$)	Collateral pledged/received (\$)	Net Amount (\$)
Currency forward contracts	15,381,058	(5,268,378)	–	10,112,680
Options contracts – OTC	–	–	–	–
Swap contracts – OTC	–	–	–	–
	15,381,058	(5,268,378)	–	10,112,680

June 30, 2018				
Financial liabilities – by type	Gross amount of liabilities (\$)	Master netting offset (\$)	Collateral pledged/received (\$)	Net Amount (\$)
Currency forward contracts	28,459,092	(5,268,378)	–	23,190,714
Options contracts – OTC	–	–	–	–
Swap contracts – OTC	–	–	–	–
	28,459,092	(5,268,378)	–	23,190,714

December 31, 2017				
Financial assets – by type	Gross amount of assets (\$)	Master netting offset (\$)	Collateral pledged/received (\$)	Net Amount (\$)
Currency forward contracts	42,741,305	–	–	42,741,305
Options contracts – OTC	–	–	–	–
Swap contracts – OTC	–	–	–	–
	42,741,305	–	–	42,741,305

December 31, 2017				
Financial liabilities – by type	Gross amount of liabilities (\$)	Master netting offset (\$)	Collateral pledged/received (\$)	Net Amount (\$)
Currency forward contracts	–	–	–	–
Options contracts – OTC	–	–	–	–
Swap contracts – OTC	–	–	–	–
	–	–	–	–

Interest in Underlying Funds (note 2)

The Fund did not hold any interest in Underlying Funds as at June 30, 2018 or December 31, 2017.

Comparison of net asset value per unit and net assets per unit (note 2)

As at June 30, 2018 or December 31, 2017, there were no differences between the net asset value per unit and the net assets per unit for any series of the Fund.

Scotia Canadian Blue Chip Fund (Unaudited)

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	June 30, 2018	December 31, 2017
ASSETS		
Current assets		
Financial assets at fair value through profit or loss (note 2)		
Non-derivative financial assets	266,651,651	264,122,696
Derivatives	38,782	549,381
Cash	12,829,017	18,015,482
Subscriptions receivable	125,412	224,298
Accrued investment income and other	672,820	540,619
	<u>280,317,682</u>	<u>283,452,476</u>
LIABILITIES		
Current liabilities		
Financial liabilities at fair value through profit or loss (note 2)		
Derivatives	727,853	2,487
Management fee payable	431,192	–
Redemptions payable	187,170	189,187
Accrued expenses	26,680	–
	<u>1,372,895</u>	<u>191,674</u>
Net assets attributable to holders of redeemable units	<u>278,944,787</u>	<u>283,260,802</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series A	277,863,162	282,409,455
Series F	675,600	429,405
Series I	406,025	421,942
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series A	31.20	31.17
Series F	33.14	32.96
Series I	39.73	39.31

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended June 30 (note 1),

(in dollars except average units)	2018	2017
INCOME		
Net gain (loss) on financial assets and liabilities at fair value through profit or loss		
Dividends	3,219,268	2,863,383
Interest for distribution purposes	66,036	44,328
Net realized gain (loss) on non-derivative financial assets	8,116,164	6,363,461
Change in unrealized gain (loss) on non-derivative financial assets	(6,760,606)	3,101,817
Net realized gain (loss) on derivatives	(306,639)	(173,817)
Change in unrealized gain (loss) on derivatives	(1,235,965)	1,372,610
Net gain (loss) on financial assets and liabilities at fair value through profit or loss	3,098,258	13,571,782
Securities lending (note 11)	4,143	2,828
Net realized and unrealized foreign currency translation gain (loss)	53,769	(64,121)
Other income	1,092	503
Total income (loss), net	<u>3,157,262</u>	<u>13,510,992</u>
EXPENSES		
Management fees (note 5)	2,414,150	2,345,829
Fixed administration fees and operating expense (note 6)	151,797	148,711
Independent Review Committee fees	587	572
Interest expense and bank overdraft charges	4	–
Foreign withholding taxes/tax reclaims	63,252	85,894
Harmonized Sales Tax/Goods and Services Tax	281,531	274,763
Transaction costs	75,072	69,391
Total expenses	2,986,393	2,925,160
Expenses absorbed by the Manager	–	(492)
Net expenses	<u>2,986,393</u>	<u>2,924,668</u>
Increase (decrease) in net assets attributable to holders of redeemable units from operations	<u>170,869</u>	<u>10,586,324</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A	159,175	10,538,685
Series F	8,011	19,581
Series I	3,683	28,058
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT[†]		
Series A	0.02	1.13
Series F	0.46	1.22
Series I	0.36	2.33
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series A	8,993,958	9,289,748
Series F	17,425	14,505
Series I	10,327	12,021

[†] The increase (decrease) in net assets attributable to holders of redeemable units from operations per unit is calculated by dividing the increase (decrease) in net assets attributable to holders of redeemable units from operations per series by the weighted average number of units per series.

Scotia Canadian Blue Chip Fund (Unaudited – Continued)

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the periods ended June 30 (note 1),

(in dollars)	2018	2017
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series A	282,409,455	263,006,241
Series F	429,405	198,256
Series I	421,942	407,824
	<u>283,260,802</u>	<u>263,612,321</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A	159,175	10,538,685
Series F	8,011	19,581
Series I	3,683	28,058
	<u>170,869</u>	<u>10,586,324</u>
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A	13,332,082	10,071,699
Series F	249,590	2,202,095
Series I	40,000	30,620
Payments on redemption		
Series A	(18,037,550)	(16,683,243)
Series F	(11,406)	(2,104,329)
Series I	(59,600)	(59,340)
	<u>(4,486,884)</u>	<u>(6,542,498)</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A	(4,546,293)	3,927,141
Series F	246,195	117,347
Series I	(15,917)	(662)
	<u>(4,316,015)</u>	<u>4,043,826</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series A	277,863,162	266,933,382
Series F	675,600	315,603
Series I	406,025	407,162
	<u>278,944,787</u>	<u>267,656,147</u>

STATEMENTS OF CASH FLOWS

For the periods ended June 30 (note 1),

(in dollars)	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	170,869	10,586,324
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(8,116,164)	(6,363,461)
Unrealized foreign currency translation (gain) loss	6,277	36,013
Change in unrealized (gain) loss on non-derivative financial assets	6,760,606	(3,101,817)
Change in unrealized (gain) loss on derivatives	1,235,965	(1,372,610)
Non-cash transactions	–	(16,104)
Purchases of portfolio investments	(46,035,407)	(46,099,761)
Proceeds from sale of portfolio investments	44,862,010	52,219,019
Accrued investment income and other	(132,201)	5,739
Accrued expenses and other payables	457,872	444,670
Net cash provided by (used in) operating activities	<u>(790,173)</u>	<u>6,338,012</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	13,552,767	12,226,709
Amounts paid on redemption of redeemable units	(17,942,782)	(18,532,897)
Distributions to unitholders of redeemable units	–	(1,442)
Net cash provided by (used in) financing activities	<u>(4,390,015)</u>	<u>(6,307,630)</u>
Unrealized foreign currency translation gain (loss)	(6,277)	(36,013)
Net increase (decrease) in cash	(5,180,188)	30,382
Cash (bank overdraft), beginning of period	18,015,482	14,003,885
CASH (BANK OVERDRAFT), END OF PERIOD	<u>12,829,017</u>	<u>13,998,254</u>
Interest paid ⁽¹⁾	4	–
Interest received, net of withholding taxes ⁽¹⁾	66,036	45,139
Dividends received, net of withholding taxes ⁽¹⁾	3,023,814	2,766,311

⁽¹⁾ Classified as operating items.

Scotia Canadian Blue Chip Fund (Unaudited – Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at June 30, 2018

Issuer	Number of Shares	Average Cost (\$)	Carrying Value (\$)	Issuer	Number of Shares	Average Cost (\$)	Carrying Value (\$)
EQUITIES – 95.5%				EQUITIES (cont'd)			
Consumer Discretionary – 11.6%				Industrials – 10.0%			
Canadian Tire Corporation, Limited, Class A	22,300	2,829,249	3,826,680	Canadian National Railway Company	63,540	2,812,490	6,832,456
Dollarama Inc.	62,666	651,807	3,193,459	Canadian Pacific Railway Limited	11,600	2,137,981	2,794,672
Gildan Activewear Inc.	85,800	3,218,939	3,177,174	Toromont Industries Ltd.	105,700	3,232,061	6,010,102
Linamar Corporation	54,200	3,110,032	3,133,302	United Parcel Service, Inc., Class B	46,500	6,355,342	6,496,692
NIKE, Inc., Class B	31,600	2,291,730	3,311,529	Waste Connections Inc.	57,500	3,498,762	5,694,225
Restaurant Brands International Inc.	99,400	4,811,078	7,882,420			18,036,636	27,828,147
Shaw Communications, Inc., Class B	292,400	7,787,313	7,830,472				
		24,700,148	32,355,036	Information Technology – 11.6%			
Consumer Staples – 7.3%				Activision Blizzard Inc.			
Alimentation Couche-Tard Inc., Class B	104,800	6,394,806	5,985,127	Alphabet Inc., Class C	4,040	1,729,600	5,927,909
Costco Wholesale Corporation	16,400	3,407,925	4,507,552	CGI Group Inc., Class A	99,500	4,386,657	8,289,345
Loblaws Companies Limited	83,400	4,011,766	5,637,840	Microsoft Corporation	57,000	2,095,524	7,392,443
Saputo Inc.	100,000	4,270,717	4,365,000	Visa Inc.	35,300	3,356,720	6,149,203
		18,085,214	20,495,519			15,827,428	32,426,391
Energy – 11.6%				Materials – 11.2%			
Canadian Natural Resources Ltd.	133,100	4,495,257	6,315,595	CCL Industries Inc., Class B	105,000	6,228,327	6,767,250
Enbridge Inc.	171,200	8,244,770	8,046,400	Chemtrade Logistics Income Fund	250,000	3,877,352	3,742,500
Enerflex Ltd.	363,900	5,314,238	5,145,546	Franco-Nevada Corporation	70,500	4,919,309	6,764,475
Mullen Group Limited	200,000	2,874,301	3,098,000	Martin Marietta Materials Inc.	13,000	3,920,712	3,818,410
PrairieSky Royalty Ltd.	377,028	9,987,030	9,783,877	Nutrien Ltd.	95,818	5,418,829	6,852,903
		30,915,596	32,389,418	Teck Resources Ltd., Class B	100,000	3,227,091	3,349,000
						27,591,620	31,294,538
Financials – 24.9%				Telecommunication Services – 2.2%			
Bank of Nova Scotia, The [†]	108,100	5,754,147	8,046,964	BCE Inc.	116,200	6,601,633	6,186,488
Brookfield Asset Management Inc., Class A	120,100	5,202,946	6,404,933	Transaction Costs		(151,528)	
Canadian Imperial Bank of Commerce	82,500	7,999,127	9,434,700	TOTAL INVESTMENT PORTFOLIO		206,468,403	266,651,651
Intact Financial Corporation	76,500	6,857,591	7,133,625	Unrealized Gain (Loss) on Derivatives – (0.2%)			(689,071)
JPMorgan Chase & Co.	39,600	4,074,652	5,426,941	OTHER ASSETS, LESS LIABILITIES – 4.7%			12,982,207
Manulife Financial Corporation	329,600	7,324,456	7,785,152	NET ASSETS – 100.0%			278,944,787
Power Corporation of Canada	203,300	5,998,487	5,985,152				
Royal Bank of Canada	106,400	5,157,563	10,532,536				
Toronto-Dominion Bank, The	113,196	3,495,349	8,613,084				
		51,864,318	69,363,087				
Health Care – 5.1%							
Anthem, Inc.	16,900	4,928,163	5,290,669				
Johnson & Johnson	31,100	4,422,079	4,963,140				
Thermo Fisher Scientific, Inc.	14,900	3,647,096	4,059,218				
		12,997,338	14,313,027				

[†] These securities are investments in related parties (note 10).

SCHEDULE OF DERIVATIVE INSTRUMENTS

UNREALIZED GAIN ON CURRENCY FORWARD CONTRACTS

Counterparty	Credit Rating	Settlement Date	Currency To Be Received	Contractual Amount	Currency To Be Delivered	Contractual Amount	Contract Price	Market Price	Unrealized Gain (\$)
Bank of Montreal	A-1	Jul. 18, 2018	US Dollar	410,000	Canadian Dollar	531,094	1.295	1.314	7,661
Toronto-Dominion Bank, The	A-1+	Jul. 18, 2018	Canadian Dollar	1,328,380	US Dollar	1,000,000	0.753	0.761	14,354
Bank of Montreal	A-1	Jul. 18, 2018	Canadian Dollar	531,953	US Dollar	400,000	0.752	0.761	6,343
Canadian Imperial Bank of Commerce	A-1	Jul. 18, 2018	Canadian Dollar	266,457	US Dollar	200,000	0.751	0.761	3,652
Bank of Montreal	A-1	Jul. 18, 2018	Canadian Dollar	265,725	US Dollar	200,000	0.753	0.761	2,920
Toronto-Dominion Bank, The	A-1+	Aug. 23, 2018	Canadian Dollar	318,920	US Dollar	240,000	0.753	0.762	3,852
									38,782

UNREALIZED LOSS ON CURRENCY FORWARD CONTRACTS

Counterparty	Credit Rating	Settlement Date	Currency To Be Received	Contractual Amount	Currency To Be Delivered	Contractual Amount	Contract Price	Market Price	Unrealized Loss (\$)
Bank of Montreal	A-1	Jul. 18, 2018	Canadian Dollar	3,653,486	US Dollar	2,850,000	0.78	0.761	(91,488)
Canadian Imperial Bank of Commerce	A-1	Jul. 18, 2018	Canadian Dollar	17,636,506	US Dollar	13,750,000	0.78	0.761	(431,349)
Royal Bank of Canada	A-1+	Jul. 18, 2018	Canadian Dollar	5,475,848	US Dollar	4,270,000	0.78	0.761	(135,043)
Toronto-Dominion Bank, The	A-1+	Jul. 18, 2018	Canadian Dollar	2,820,884	US Dollar	2,200,000	0.78	0.761	(69,973)
									(727,853)

The accompanying notes are an integral part of the financial statements.

Scotia Canadian Blue Chip Fund (Unaudited – Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

The Fund (note 1)

The Fund's objective is long-term capital growth. It invests primarily in a broad range of high quality equity securities of large Canadian companies.

Risks associated with financial instruments (note 4)

Interest rate risk

The majority of the Fund's financial instruments were non-interest bearing as at June 30, 2018 and December 31, 2017. Accordingly, the Fund is not directly subject to significant risk due to fluctuations in the prevailing levels of market interest rates.

Currency risk

The Fund's exposure to currency risk is summarized in the tables below. Amounts shown are based on the carrying value of monetary and non-monetary assets and liabilities of the Fund net of currency contracts, as applicable.

June 30, 2018				
Currency	Gross currency exposure (\$)	Currency contracts (\$)	Net exposure (\$)	Percentage of net assets (%)
US Dollar	64,319,567	(32,463,321)	31,856,246	11.4
British Pound	12	–	12	0.0
	64,319,579	(32,463,321)	31,856,258	11.4

December 31, 2017				
Currency	Gross currency exposure (\$)	Currency contracts (\$)	Net exposure (\$)	Percentage of net assets (%)
US Dollar	70,425,117	(33,713,860)	36,711,257	13.0
British Pound	12	–	12	0.0
	70,425,129	(33,713,860)	36,711,269	13.0

If the Canadian dollar strengthened or weakened by 10% in relation to all other currencies, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by \$3,185,626 or 1.1% (December 31, 2017 – \$3,671,127 or 1.3%). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Price risk

Price risk is the risk that the carrying value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) caused by factors specific to a security, its issuer or all factors affecting a market or a market segment. Exposure to price risk is mainly in equities, underlying funds, derivatives and commodities, as applicable. As at June 30, 2018, approximately 95.5% (December 31, 2017 – 93.2%) of the Fund's net assets were exposed to price risk. If prices of these instruments had decreased or increased by 10%, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by approximately \$26,665,165

(December 31, 2017 – \$26,412,270). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Credit risk

The Fund had no significant exposure to bonds and debentures, money market instruments or preferred shares as at June 30, 2018 or December 31, 2017.

Concentration risk

Concentration risk arises as a result of the concentration of financial instruments within the same category, geographical location, asset type or industry sector, as applicable. The table below is a summary of the Fund's concentration risk by carrying value as a percentage of net assets:

	Percentage of net assets (%)	
	June 30, 2018	December 31, 2017
Consumer Discretionary	11.6	14.1
Consumer Staples	7.3	10.5
Energy	11.6	10.1
Financials	24.9	24.4
Health Care	5.1	3.4
Industrials	10.0	12.0
Information Technology	11.6	10.0
Materials	11.2	6.0
Telecommunication Services	2.2	2.7

Fair Value Classification (note 2)

The tables below illustrate the classification of the Fund's financial instruments within the fair value hierarchy.

	June 30, 2018			
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Equities	266,651,651	–	–	266,651,651
Unrealized gain on currency forward contracts	–	38,782	–	38,782
	266,651,651	38,782	–	266,690,433
Unrealized loss on currency forward contracts	–	(727,853)	–	(727,853)
	266,651,651	(689,071)	–	265,962,580

	December 31, 2017			
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Equities	264,122,696	–	–	264,122,696
Unrealized gain on currency forward contracts	–	549,381	–	549,381
	264,122,696	549,381	–	264,672,077
Unrealized loss on currency forward contracts	–	(2,487)	–	(2,487)
	264,122,696	546,894	–	264,669,590

Transfers between levels

During the periods ended June 30, 2018 and December 31, 2017, there were no significant transfers between Level 1 and Level 2.

Offsetting of financial assets and liabilities (note 2)

The following table presents offsetting of financial assets and liabilities and collateral amounts that would occur if future events, such as

Scotia Canadian Blue Chip Fund (Unaudited – Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

bankruptcy or termination of contracts, were to arise. No amounts were offset in the financial statements.

June 30, 2018				
Financial assets – by type	Gross amount of assets (\$)	Master netting offset (\$)	Collateral pledged/received (\$)	Net Amount (\$)
Currency forward contracts	38,782	(38,782)	–	–
Options contracts – OTC	–	–	–	–
Swap contracts – OTC	–	–	–	–
	38,782	(38,782)	–	–

June 30, 2018				
Financial liabilities – by type	Gross amount of liabilities (\$)	Master netting offset (\$)	Collateral pledged/received (\$)	Net Amount (\$)
Currency forward contracts	727,853	(38,782)	–	689,071
Options contracts – OTC	–	–	–	–
Swap contracts – OTC	–	–	–	–
	727,853	(38,782)	–	689,071

December 31, 2017				
Financial assets – by type	Gross amount of assets (\$)	Master netting offset (\$)	Collateral pledged/received (\$)	Net Amount (\$)
Currency forward contracts	549,381	(2,487)	–	546,894
Options contracts – OTC	–	–	–	–
Swap contracts – OTC	–	–	–	–
	549,381	(2,487)	–	546,894

December 31, 2017				
Financial liabilities – by type	Gross amount of liabilities (\$)	Master netting offset (\$)	Collateral pledged/received (\$)	Net Amount (\$)
Currency forward contracts	2,487	(2,487)	–	–
Options contracts – OTC	–	–	–	–
Swap contracts – OTC	–	–	–	–
	2,487	(2,487)	–	–

Interest in Underlying Funds (note 2)

The Fund did not hold any interest in Underlying Funds as at June 30, 2018 or December 31, 2017.

Comparison of net asset value per unit and net assets per unit (note 2)

As at June 30, 2018 or December 31, 2017, there were no differences between the net asset value per unit and the net assets per unit for any series of the Fund.

Scotia Private Canadian Equity Pool (Unaudited)

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	June 30, 2018	December 31, 2017
ASSETS		
Current assets		
Financial assets at fair value through profit or loss (note 2)		
Non-derivative financial assets	601,576,730	599,511,098
Cash	2,869,609	3,590,881
Subscriptions receivable	451,412	504,913
Accrued investment income and other	1,278,251	1,164,922
	<u>606,176,002</u>	<u>604,771,814</u>
LIABILITIES		
Current liabilities		
Management fee payable	28,632	–
Redemptions payable	492,568	1,022,639
Accrued expenses	13,915	–
	<u>535,115</u>	<u>1,022,639</u>
Net assets attributable to holders of redeemable units	<u>605,640,887</u>	<u>603,749,175</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series I	258,487,302	266,398,635
Series K	17,915,472	12,050,745
Series M	<u>329,238,113</u>	<u>325,299,795</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series I	13.96	13.83
Series K	11.10	11.02
Series M	<u>13.89</u>	<u>13.78</u>

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended June 30 (note 1),

(in dollars except average units)	2018	2017
INCOME		
Net gain (loss) on financial assets and liabilities at fair value through profit or loss		
Dividends	7,755,505	7,890,186
Interest for distribution purposes	40,180	10,755
Net realized gain (loss) on non-derivative financial assets	11,757,052	24,603,474
Change in unrealized gain (loss) on non-derivative financial assets	<u>(13,991,961)</u>	<u>(31,799,014)</u>
Net gain (loss) on financial assets and liabilities at fair value through profit or loss		
Securities lending (note 11)	5,560,776	705,401
Net realized and unrealized foreign currency translation gain (loss)	12,082	15,045
Total income (loss), net	<u>26,790</u>	<u>(8,342)</u>
EXPENSES		
Management fees (note 5)	5,599,648	712,104
Fixed administration fees (note 6)	158,500	165,882
Independent Review Committee fees	72,295	65,208
Interest expense and bank overdraft charges	587	576
Harmonized Sales Tax/Goods and Services Tax	716	118
Transaction costs	21,714	22,680
Total expenses	<u>183,968</u>	<u>233,391</u>
Increase (decrease) in net assets attributable to holders of redeemable units from operations	<u>437,780</u>	<u>487,855</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series I	5,161,868	224,249
Series K	<u>2,287,967</u>	<u>(28,342)</u>
Series M	<u>345,755</u>	<u>(191,002)</u>
	<u>2,528,146</u>	<u>443,593</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT[†]		
Series I	0.12	(0.00)
Series K	0.25	(0.52)
Series M	<u>0.11</u>	<u>0.02</u>
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series I	19,078,177	21,318,233
Series K	1,392,612	368,359
Series M	<u>23,623,574</u>	<u>25,185,173</u>

[†] The increase (decrease) in net assets attributable to holders of redeemable units from operations per unit is calculated by dividing the increase (decrease) in net assets attributable to holders of redeemable units from operations per series by the weighted average number of units per series.

Scotia Private Canadian Equity Pool (Unaudited – Continued)

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the periods ended June 30 (note 1),

(in dollars)	2018	2017
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series I	266,398,635	283,571,958
Series K	12,050,745	228,346
Series M	325,299,795	345,192,171
	<u>603,749,175</u>	<u>628,992,475</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series I	2,287,967	(28,342)
Series K	345,755	(191,002)
Series M	2,528,146	443,593
	<u>5,161,868</u>	<u>224,249</u>
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series I	–	2,458,250
Series K	7,769,767	7,300,742
Series M	30,298,856	25,482,485
Payments on redemption		
Series I	(10,199,300)	(5,799,800)
Series K	(2,250,795)	(61,634)
Series M	(28,888,684)	(50,730,964)
	<u>(3,270,156)</u>	<u>(21,350,921)</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series I	(7,911,333)	(3,369,892)
Series K	5,864,727	7,048,106
Series M	3,938,318	(24,804,886)
	<u>1,891,712</u>	<u>(21,126,672)</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series I	258,487,302	280,202,066
Series K	17,915,472	7,276,452
Series M	329,238,113	320,387,285
	<u>605,640,887</u>	<u>607,865,803</u>

STATEMENTS OF CASH FLOWS

For the periods ended June 30 (note 1),

(in dollars)	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	5,161,868	224,249
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(11,757,052)	(24,603,474)
Unrealized foreign currency translation (gain) loss	1,956	7,513
Change in unrealized (gain) loss on non-derivative financial assets	13,991,961	31,799,014
Non-cash transactions	–	(49,800)
Purchases of portfolio investments	(122,105,009)	(98,743,074)
Proceeds from sale of portfolio investments	117,804,468	127,983,463
Accrued investment income and other	(113,329)	14,715
Accrued expenses and other payables	42,547	40,723
Net cash provided by (used in) operating activities	<u>3,027,410</u>	<u>36,673,329</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	37,831,142	35,761,340
Amounts paid on redemption of redeemable units	(41,577,868)	(56,428,425)
Net cash provided by (used in) financing activities	(3,746,726)	(20,667,085)
Unrealized foreign currency translation gain (loss)	(1,956)	(7,513)
Net increase (decrease) in cash	(719,316)	16,006,244
Cash (bank overdraft), beginning of period	3,590,881	227,370
CASH (BANK OVERDRAFT), END OF PERIOD	<u>2,869,609</u>	<u>16,226,101</u>
Interest paid ⁽¹⁾	716	118
Interest received, net of withholding taxes ⁽¹⁾	40,180	9,522
Dividends received, net of withholding taxes ⁽¹⁾	7,691,134	7,856,333

⁽¹⁾ Classified as operating items.

Scotia Private Canadian Equity Pool (Unaudited – Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at June 30, 2018

Issuer	Number of Shares	Average Cost (\$)	Carrying Value (\$)	Issuer	Number of Shares	Average Cost (\$)	Carrying Value (\$)
EQUITIES – 99.4%				EQUITIES (cont'd)			
Consumer Discretionary – 11.0%				Telecommunication Services – 4.5%			
EnerCare Inc.	629,000	12,614,335	11,309,420	BCE Inc.	209,304	8,952,929	11,143,345
Magna International Inc.	142,990	4,696,675	10,933,015	TELUS Corporation	343,400	14,752,944	16,036,780
Restaurant Brands International Inc.	189,300	15,222,316	15,011,490			<u>23,705,873</u>	<u>27,180,125</u>
Shaw Communications, Inc., Class B	522,300	12,995,986	13,987,194	Transaction Costs		(421,652)	
Spin Master Corporation	266,500	14,743,720	15,534,285	TOTAL INVESTMENT PORTFOLIO		<u>481,559,286</u>	<u>601,576,730</u>
		<u>60,273,032</u>	<u>66,775,404</u>	OTHER ASSETS, LESS LIABILITIES – 0.6%			<u>4,064,157</u>
Consumer Staples – 2.7%				NET ASSETS – 100.0%			<u>605,640,887</u>
Loblaw Companies Limited	136,200	6,940,357	9,207,120				
Saputo Inc.	168,520	4,867,158	7,355,898				
		<u>11,807,515</u>	<u>16,563,018</u>				
Energy – 14.7%							
Canadian Natural Resources Ltd.	410,370	15,420,932	19,472,056				
EnCana Corporation	740,000	11,124,234	12,705,800				
Keyera Corporation	353,300	14,195,570	12,923,714				
PrairieSky Royalty Ltd.	547,100	16,156,503	14,197,245				
ShawCor Ltd.	422,300	11,557,216	10,777,096				
Suncor Energy, Inc.	354,398	12,740,578	18,960,293				
		<u>81,195,033</u>	<u>89,036,204</u>				
Financials – 33.6%							
Bank of Montreal	250,841	18,980,744	25,490,462				
Brookfield Asset Management Inc., Class A	318,250	8,278,720	16,972,273				
Canadian Imperial Bank of Commerce	195,890	16,600,815	22,401,980				
Canadian Western Bank	258,700	9,257,744	8,963,955				
Intact Financial Corporation	84,485	4,736,906	7,878,226				
Manulife Financial Corporation	853,096	15,744,417	20,150,128				
Onex Corporation	89,700	8,807,861	8,655,153				
Power Corporation of Canada	384,788	11,368,728	11,328,159				
Royal Bank of Canada	306,613	17,545,747	30,351,621				
Sun Life Financial Inc.	251,400	13,695,295	13,281,462				
Toronto-Dominion Bank, The	497,300	23,928,177	37,839,557				
		<u>148,945,154</u>	<u>203,312,976</u>				
Industrials – 14.6%							
Boyd Group Income Fund	67,100	7,081,441	7,864,791				
Canadian National Railway Company	168,490	8,855,632	18,117,730				
Canadian Pacific Railway Limited	47,200	9,576,604	11,371,424				
Finning International Inc.	410,500	11,469,669	13,320,725				
Maxar Technologies Ltd.	143,300	11,543,742	9,457,800				
Waste Connections Inc.	153,300	10,572,297	15,181,299				
WSP Global Inc.	185,100	11,406,137	12,812,622				
		<u>70,505,522</u>	<u>88,126,391</u>				
Information Technology – 7.4%							
CGI Group Inc., Class A	346,643	14,709,283	28,878,828				
Constellation Software Inc.	15,400	12,671,060	15,701,070				
		<u>27,380,343</u>	<u>44,579,898</u>				
Materials – 10.9%							
Agnico-Eagle Mines Limited	54,300	3,120,686	3,272,661				
CCL Industries Inc., Class B	178,700	8,828,105	11,517,215				
Franco-Nevada Corporation	154,200	15,252,919	14,795,490				
Lundin Mining Corporation	1,032,700	9,101,677	7,549,037				
Nutrien Ltd.	233,146	9,763,564	16,674,602				
Teck Resources Ltd., Class B	364,100	12,101,515	12,193,709				
		<u>58,168,466</u>	<u>66,002,714</u>				

The accompanying notes are an integral part of the financial statements.

Scotia Private Canadian Equity Pool (Unaudited – Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

The Fund (note 1)

The Fund's objective is long-term capital growth. It invests primarily in a broad range of Canadian equity securities.

Risks associated with financial instruments (note 4)

Interest rate risk

The majority of the Fund's financial instruments were non-interest bearing as at June 30, 2018 and December 31, 2017. Accordingly, the Fund is not directly subject to significant risk due to fluctuations in the prevailing levels of market interest rates.

Currency risk

The Fund's exposure to currency risk is summarized in the tables below. Amounts shown are based on the carrying value of monetary and non-monetary assets and liabilities of the Fund net of currency contracts, as applicable.

June 30, 2018				
Currency	Gross currency exposure (\$)	Currency contracts (\$)	Net exposure (\$)	Percentage of net assets (%)
US Dollar	716,713	–	716,713	0.1
	716,713	–	716,713	0.1

December 31, 2017				
Currency	Gross currency exposure (\$)	Currency contracts (\$)	Net exposure (\$)	Percentage of net assets (%)
US Dollar	383,741	–	383,741	0.1
	383,741	–	383,741	0.1

If the Canadian dollar strengthened or weakened by 10% in relation to all other currencies, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by \$71,671 or 0.0% (December 31, 2017 – \$38,374 or 0.0%). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Price risk

Price risk is the risk that the carrying value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) caused by factors specific to a security, its issuer or all factors affecting a market or a market segment. Exposure to price risk is mainly in equities, underlying funds, derivatives and commodities, as applicable. As at June 30, 2018, approximately 99.4% (December 31, 2017 – 99.1%) of the Fund's net assets were exposed to price risk. If prices of these instruments had decreased or increased by 10%, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by approximately \$60,157,673 (December 31, 2017 – \$59,951,110). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Credit risk

The Fund had no significant exposure to bonds and debentures, money market instruments or preferred shares as at June 30, 2018 or December 31, 2017.

Concentration risk

Concentration risk arises as a result of the concentration of financial instruments within the same category, geographical location, asset type or industry sector, as applicable. The table below is a summary of the Fund's concentration risk by carrying value as a percentage of net assets:

	Percentage of net assets (%)	
	June 30, 2018	December 31, 2017
Consumer Discretionary	11.0	13.1
Consumer Staples	2.7	7.6
Energy	14.7	13.7
Financials	33.6	33.8
Industrials	14.6	12.5
Information Technology	7.4	3.9
Materials	10.9	7.0
Telecommunication Services	4.5	5.6
Utilities	–	1.9

Fair Value Classification (note 2)

The tables below illustrate the classification of the Fund's financial instruments within the fair value hierarchy.

June 30, 2018	Level 1	Level 2	Level 3	Total
	(\$)	(\$)	(\$)	(\$)
Equities	601,576,730	–	–	601,576,730
	601,576,730	–	–	601,576,730

December 31, 2017	Level 1	Level 2	Level 3	Total
	(\$)	(\$)	(\$)	(\$)
Equities	599,511,098	–	–	599,511,098
	599,511,098	–	–	599,511,098

Transfers between levels

During the periods ended June 30, 2018 and December 31, 2017, there were no significant transfers between Level 1 and Level 2.

Offsetting of financial assets and liabilities (note 2)

As at June 30, 2018 and December 31, 2017, the Fund did not enter into any agreement whereby the financial instruments were eligible for offset.

Interest in Underlying Funds (note 2)

The Fund did not hold any interest in Underlying Funds as at June 30, 2018 or December 31, 2017.

Comparison of net asset value per unit and net assets per unit (note 2)

As at June 30, 2018 or December 31, 2017, there were no differences between the net asset value per unit and the net assets per unit for any series of the Fund.

Scotia Private Fundamental Canadian Equity Pool (Unaudited)

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	June 30, 2018	December 31, 2017
ASSETS		
Current assets		
Financial assets at fair value through profit or loss (note 2)		
Non-derivative financial assets	280,190,807	276,212,940
Cash	6,215,642	5,623,970
Subscriptions receivable	–	5,600
Accrued investment income and other	502,059	452,289
	<u>286,908,508</u>	<u>282,294,799</u>
LIABILITIES		
Current liabilities		
Accrued expenses	18,091	8
Distributions payable	5	5
	<u>18,096</u>	<u>13</u>
Net assets attributable to holders of redeemable units	<u>286,890,412</u>	<u>282,294,786</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series I	286,890,412	282,294,786
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series I	<u>10.61</u>	<u>10.46</u>

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended June 30 (note 1),

(in dollars except average units)	2018	2017
INCOME		
Net gain (loss) on financial assets and liabilities at fair value through profit or loss		
Dividends	3,880,704	3,294,215
Interest for distribution purposes	26,639	13,489
Net realized gain (loss) on non-derivative financial assets	2,667,084	(293,021)
Change in unrealized gain (loss) on non-derivative financial assets	(2,371,049)	(2,921,629)
Net gain (loss) on financial assets and liabilities at fair value through profit or loss	4,203,378	93,054
Securities lending (note 11)	4,080	–
Net realized and unrealized foreign currency translation gain (loss)	18,570	(2,169)
Total income (loss), net	<u>4,226,028</u>	<u>90,885</u>
EXPENSES		
Fixed administration fees (note 6)	96,770	92,095
Independent Review Committee fees	587	576
Foreign withholding taxes/tax reclaims	9,876	27,488
Harmonized Sales Tax/Goods and Services Tax	10,335	9,835
Transaction costs	17,459	12,324
Total expenses	<u>135,027</u>	<u>142,318</u>
Increase (decrease) in net assets attributable to holders of redeemable units from operations	<u>4,091,001</u>	<u>(51,433)</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series I	<u>4,091,001</u>	<u>(51,433)</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT[†]		
Series I	<u>0.15</u>	<u>(0.00)</u>
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series I	27,022,286	25,974,845

[†] The increase (decrease) in net assets attributable to holders of redeemable units from operations per unit is calculated by dividing the increase (decrease) in net assets attributable to holders of redeemable units from operations per series by the weighted average number of units per series.

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the periods ended June 30 (note 1),

(in dollars)	2018	2017
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series I	282,294,786	259,060,356
	<u>282,294,786</u>	<u>259,060,356</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series I	4,091,001	(51,433)
	<u>4,091,001</u>	<u>(51,433)</u>
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series I	544,425	7,620,942
Payments on redemption		
Series I	(39,800)	(191,510)
	<u>504,625</u>	<u>7,429,432</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series I	4,595,626	7,377,999
	<u>4,595,626</u>	<u>7,377,999</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series I	286,890,412	266,438,355
	<u>286,890,412</u>	<u>266,438,355</u>

STATEMENTS OF CASH FLOWS

For the periods ended June 30 (note 1),

(in dollars)	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	4,091,001	(51,433)
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(2,667,084)	293,021
Unrealized foreign currency translation (gain) loss	1,559	2,033
Change in unrealized (gain) loss on non-derivative financial assets	2,371,049	2,921,629
Purchases of portfolio investments	(25,409,357)	(12,703,951)
Proceeds from sale of portfolio investments	21,727,525	6,795,657
Accrued investment income and other	(49,770)	(99,616)
Accrued expenses and other payables	18,083	17,089
Net cash provided by (used in) operating activities	<u>83,006</u>	<u>(2,825,571)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	550,025	7,616,142
Amounts paid on redemption of redeemable units	(39,800)	(191,510)
Distributions to unitholders of redeemable units	–	(2)
Net cash provided by (used in) financing activities	510,225	7,424,630
Unrealized foreign currency translation gain (loss)	(1,559)	(2,033)
Net increase (decrease) in cash	593,231	4,599,059
Cash (bank overdraft), beginning of period	5,623,970	3,058,671
CASH (BANK OVERDRAFT), END OF PERIOD	<u>6,215,642</u>	<u>7,655,697</u>
Interest received, net of withholding taxes ⁽¹⁾	26,639	13,621
Dividends received, net of withholding taxes ⁽¹⁾	3,821,057	3,166,980

⁽¹⁾ Classified as operating items.

The accompanying notes are an integral part of the financial statements.

Scotia Private Fundamental Canadian Equity Pool (Unaudited – Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at June 30, 2018

Issuer	Number of Shares	Average Cost (\$)	Carrying Value (\$)
EQUITIES – 97.6%			
Consumer Discretionary – 4.4%			
Canadian Tire Corporation, Limited, Class A	35,470	5,025,591	6,086,652
Gildan Activewear Inc.	175,380	6,453,114	6,494,321
		<u>11,478,705</u>	<u>12,580,973</u>
Consumer Staples – 12.5%			
Alimentation Couche-Tard Inc., Class B	159,830	9,901,585	9,127,891
CVS Health Corporation	53,010	5,305,071	4,486,405
Loblaw Companies Limited	97,590	6,803,784	6,597,084
Metro Inc., Class A	168,580	6,924,880	7,533,840
Saputo Inc.	183,970	8,115,212	8,030,291
		<u>37,050,532</u>	<u>35,775,511</u>
Energy – 16.9%			
ARC Resources Ltd.	245,880	5,306,321	3,339,050
Canadian Natural Resources Ltd.	269,040	12,011,172	12,765,949
Crescent Point Energy Corporation	232,370	3,916,271	2,244,694
Enbridge Inc.	318,320	17,272,990	14,961,041
Keyera Corporation	77,770	2,868,685	2,844,827
Pembina Pipeline Corporation	172,110	6,816,401	7,836,168
Vermilion Energy, Inc.	96,330	5,271,337	4,567,005
		<u>53,463,177</u>	<u>48,558,734</u>
Financials – 32.9%			
Bank of Nova Scotia, The [†]	218,150	16,110,784	16,239,086
Great-West Lifeco Inc.	155,480	5,472,360	5,025,114
Industrial Alliance Insurance and Financial Services Inc.	71,200	4,023,506	3,613,400
Intact Financial Corporation	72,860	6,820,296	6,794,195
Manulife Financial Corporation	383,823	9,036,030	9,065,899
Royal Bank of Canada	230,570	20,480,400	22,824,124
Thomson Reuters Corporation	125,620	7,163,059	6,664,141
Toronto-Dominion Bank, The	319,180	20,403,055	24,286,406
		<u>89,509,490</u>	<u>94,512,365</u>
Health Care – 1.9%			
DaVita, Inc.	60,150	5,145,574	5,493,353
Industrials – 14.3%			
CAE, Inc.	208,380	4,119,326	5,690,858
Canadian National Railway Company	137,170	12,408,180	14,749,890
Nielsen Holdings PLC	115,660	5,334,292	4,704,953
SNC-Lavalin Group Inc.	118,050	6,696,774	6,853,983
Stantec Inc.	176,640	6,136,890	5,972,198
WSP Global Inc.	43,130	2,184,238	2,985,459
		<u>36,879,700</u>	<u>40,957,341</u>
Information Technology – 8.6%			
Alphabet Inc., Class A	3,690	5,390,440	5,480,063
CGI Group Inc., Class A	104,020	6,673,236	8,665,906
Open Text Corporation	230,230	9,615,526	10,652,742
		<u>21,679,202</u>	<u>24,798,711</u>
Materials – 6.1%			
CCL Industries Inc., Class B	105,550	5,145,424	6,802,698
Nutrien Ltd.	149,764	8,966,141	10,711,121
		<u>14,111,565</u>	<u>17,513,819</u>
Transaction Costs			
		<u>(105,543)</u>	
TOTAL INVESTMENT PORTFOLIO		<u>269,212,402</u>	<u>280,190,807</u>
OTHER ASSETS, LESS LIABILITIES – 2.4%			
			<u>6,699,605</u>
NET ASSETS – 100.0%			<u>286,890,412</u>

[†] These securities are investments in related parties (note 10).

The accompanying notes are an integral part of the financial statements.

Scotia Private Fundamental Canadian Equity Pool (Unaudited – Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

The Fund (note 1)

The Fund's objective is to achieve long term capital growth by investing in a diversified portfolio of equity securities primarily issued by Canadian companies.

Risks associated with financial instruments (note 4)

Interest rate risk

The majority of the Fund's financial instruments were non-interest bearing as at June 30, 2018 and December 31, 2017. Accordingly, the Fund is not directly subject to significant risk due to fluctuations in the prevailing levels of market interest rates.

Currency risk

The Fund's exposure to currency risk is summarized in the tables below. Amounts shown are based on the carrying value of monetary and non-monetary assets and liabilities of the Fund net of currency contracts, as applicable.

June 30, 2018				
Currency	Gross currency exposure (\$)	Currency contracts (\$)	Net exposure (\$)	Percentage of net assets (%)
US Dollar	20,736,093	–	20,736,093	7.2
	20,736,093	–	20,736,093	7.2

December 31, 2017				
Currency	Gross currency exposure (\$)	Currency contracts (\$)	Net exposure (\$)	Percentage of net assets (%)
US Dollar	21,014,164	–	21,014,164	7.4
	21,014,164	–	21,014,164	7.4

If the Canadian dollar strengthened or weakened by 10% in relation to all other currencies, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by \$2,073,609 or 0.7% (December 31, 2017 – \$2,101,416 or 0.7%). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Price risk

Price risk is the risk that the carrying value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) caused by factors specific to a security, its issuer or all factors affecting a market or a market segment. Exposure to price risk is mainly in equities, underlying funds, derivatives and commodities, as applicable. As at June 30, 2018, approximately 97.6% (December 31, 2017 – 97.8%) of the Fund's net assets were exposed to price risk. If prices of these instruments had decreased or increased by 10%, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by approximately \$28,019,081 (December 31, 2017 – \$27,621,294). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Credit risk

The Fund had no significant exposure to bonds and debentures, money market instruments or preferred shares as at June 30, 2018 or December 31, 2017.

Concentration risk

Concentration risk arises as a result of the concentration of financial instruments within the same category, geographical location, asset type or industry sector, as applicable. The table below is a summary of the Fund's concentration risk by carrying value as a percentage of net assets:

	Percentage of net assets (%)	
	June 30, 2018	December 31, 2017
Consumer Discretionary	4.4	7.0
Consumer Staples	12.5	10.5
Energy	16.9	16.3
Financials	32.9	34.9
Health Care	1.9	4.2
Industrials	14.3	12.3
Information Technology	8.6	6.2
Materials	6.1	6.4

Fair Value Classification (note 2)

The tables below illustrate the classification of the Fund's financial instruments within the fair value hierarchy.

June 30, 2018	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Equities	280,190,807	–	–	280,190,807
	280,190,807	–	–	280,190,807

December 31, 2017	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Equities	276,212,940	–	–	276,212,940
	276,212,940	–	–	276,212,940

Transfers between levels

During the periods ended June 30, 2018 and December 31, 2017, there were no significant transfers between Level 1 and Level 2.

Offsetting of financial assets and liabilities (note 2)

As at June 30, 2018 and December 31, 2017, the Fund did not enter into any agreement whereby the financial instruments were eligible for offset.

Interest in Underlying Funds (note 2)

The Fund did not hold any interest in Underlying Funds as at June 30, 2018 or December 31, 2017.

Comparison of net asset value per unit and net assets per unit (note 2)

As at June 30, 2018 or December 31, 2017, there were no differences between the net asset value per unit and the net assets per unit for any series of the Fund.

Scotia Private Canadian All Cap Equity Pool (Unaudited)

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	June 30, 2018	December 31, 2017
ASSETS		
Current assets		
Financial assets at fair value through profit or loss (note 2)		
Non-derivative financial assets	414,407,459	383,639,242
Cash	2,853,216	6,343,523
Receivable for securities sold	460,443	–
Subscriptions receivable	53,250	137,400
Accrued investment income and other	905,251	887,869
	<u>418,679,619</u>	<u>391,008,034</u>
LIABILITIES		
Current liabilities		
Payable for securities purchased	561,519	263,753
Redemptions payable	1,000,000	–
Accrued expenses	26,242	8
Distributions payable	1	1
	<u>1,587,762</u>	<u>263,762</u>
Net assets attributable to holders of redeemable units	<u>417,091,857</u>	<u>390,744,272</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series I	<u>417,091,857</u>	<u>390,744,272</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series I	<u>11.23</u>	<u>10.77</u>

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended June 30 (note 1),

(in dollars except average units)	2018	2017
INCOME		
Net gain (loss) on financial assets and liabilities at fair value through profit or loss		
Dividends	4,417,747	3,771,041
Interest for distribution purposes	67,486	16,064
Net realized gain (loss) on non-derivative financial assets	4,390,962	(11,377,370)
Change in unrealized gain (loss) on non-derivative financial assets	9,424,182	8,882,323
Net gain (loss) on financial assets and liabilities at fair value through profit or loss	<u>18,300,377</u>	<u>1,292,058</u>
Securities lending (note 11)	30,306	–
Net realized and unrealized foreign currency translation gain (loss)	(345)	(750)
Total income (loss), net	<u>18,330,338</u>	<u>1,291,308</u>
EXPENSES		
Fixed administration fees (note 6)	138,674	110,862
Independent Review Committee fees	587	576
Foreign withholding taxes/tax reclaims	13,055	2,225
Harmonized Sales Tax/Goods and Services Tax	14,699	11,840
Transaction costs	694,131	508,142
Total expenses	<u>861,146</u>	<u>633,645</u>
Increase (decrease) in net assets attributable to holders of redeemable units from operations	<u>17,469,192</u>	<u>657,663</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series I	<u>17,469,192</u>	<u>657,663</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT[†]		
Series I	<u>0.47</u>	<u>0.02</u>
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series I	<u>36,922,996</u>	<u>31,196,795</u>

[†] The increase (decrease) in net assets attributable to holders of redeemable units from operations per unit is calculated by dividing the increase (decrease) in net assets attributable to holders of redeemable units from operations per series by the weighted average number of units per series.

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the periods ended June 30 (note 1),

(in dollars)	2018	2017
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series I	390,744,272	310,166,242
	<u>390,744,272</u>	<u>310,166,242</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series I	17,469,192	657,663
	<u>17,469,192</u>	<u>657,663</u>
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series I	15,568,136	11,071,432
Payments on redemption		
Series I	(6,689,743)	(611,952)
	<u>8,878,393</u>	<u>10,459,480</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series I	26,347,585	11,117,143
	<u>26,347,585</u>	<u>11,117,143</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series I	417,091,857	321,283,385
	<u>417,091,857</u>	<u>321,283,385</u>

STATEMENTS OF CASH FLOWS

For the periods ended June 30 (note 1),

(in dollars)	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	17,469,192	657,663
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(4,390,962)	11,377,370
Change in unrealized (gain) loss on non-derivative financial assets	(9,424,182)	(8,882,323)
Purchases of portfolio investments	(196,162,821)	(190,289,455)
Proceeds from sale of portfolio investments	179,047,071	177,837,553
Accrued investment income and other	(17,382)	(81,519)
Accrued expenses and other payables	26,234	20,419
Net cash provided by (used in) operating activities	<u>(13,452,850)</u>	<u>(9,360,292)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	15,652,286	11,065,932
Amounts paid on redemption of redeemable units	(5,689,743)	(611,952)
Net cash provided by (used in) financing activities	9,962,543	10,453,980
Net increase (decrease) in cash	(3,490,307)	1,093,688
Cash (bank overdraft), beginning of period	6,343,523	4,701,567
CASH (BANK OVERDRAFT), END OF PERIOD	<u>2,853,216</u>	<u>5,795,255</u>
Interest received, net of withholding taxes ⁽¹⁾	67,486	15,762
Dividends received, net of withholding taxes ⁽¹⁾	4,387,311	3,687,600

⁽¹⁾ Classified as operating items.

The accompanying notes are an integral part of the financial statements.

Scotia Private Canadian All Cap Equity Pool (Unaudited – Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at June 30, 2018

Issuer	Number of Shares	Average Cost (\$)	Carrying Value (\$)	Issuer	Number of Shares	Average Cost (\$)	Carrying Value (\$)
EQUITIES – 99.4%				EQUITIES (cont'd)			
Consumer Discretionary – 14.8%				Financials (cont'd)			
Aritzia Inc., Subordinated Voting	52,000	813,848	811,200	Canaccord Financial Inc.	584,900	3,954,832	4,246,374
BMTC Group Inc.	7,170	113,131	105,399	Canadian Imperial Bank of Commerce	63,000	6,752,908	7,204,680
BRP Inc.	108,600	3,288,543	6,883,068	CI Financial Corporation	65,000	1,884,658	1,535,950
Canada Goose Holdings Inc.	91,200	3,774,385	7,051,584	FirstService Corporation	51,500	4,445,304	5,149,485
Canadian Tire Corporation, Limited, Class A	27,000	3,921,416	4,633,200	Genworth MI Canada Inc.	70,000	2,682,686	2,994,600
Dollarama Inc.	75,000	3,294,950	3,822,000	Gluskin Sheff + Associates Inc.	74,200	1,254,921	1,218,364
Gildan Activewear Inc.	35,000	1,368,112	1,296,050	Great-West Lifeco Inc.	35,000	1,194,742	1,131,200
goeasy Ltd.	29,800	1,023,050	1,199,748	Industrial Alliance Insurance and Financial Services Inc.	55,000	3,240,371	2,791,250
Great Canadian Gaming Corporation	72,000	3,538,997	3,351,600	Manulife Financial Corporation	189,000	4,735,793	4,464,180
Intertain Group Ltd., The	50,100	837,046	860,217	National Bank of Canada	81,000	4,439,482	5,112,720
Leon's Furniture Ltd.	32,000	573,342	577,920	Power Corporation of Canada	130,000	4,039,195	3,827,200
Linamar Corporation	54,800	3,465,642	3,167,988	Royal Bank of Canada	174,000	16,023,629	17,224,260
Magna International Inc.	75,000	4,316,727	5,734,500	Sun Life Financial Inc.	105,000	5,312,260	5,547,150
Martirena International Inc.	335,700	3,629,992	4,733,370	Toronto-Dominion Bank, The	224,000	14,689,126	17,044,160
Pollard Banknote Ltd.	35,200	589,425	758,208			<u>96,072,674</u>	<u>101,543,716</u>
Quebecor Inc., Class B	160,000	3,510,883	4,307,200	Health Care – 0.8%			
Recipe Unlimited Corporation	40,500	1,163,646	1,153,035	Medical Facilities Corporation	11,600	174,129	162,052
Roots Corporation	90,300	1,193,621	966,210	Valeant Pharmaceuticals International, Inc.	100,000	2,842,385	3,060,000
Sleep Country Canada Holdings Inc.	82,500	2,912,924	2,687,025			<u>3,016,514</u>	<u>3,222,052</u>
Spin Master Corporation	43,000	1,993,288	2,506,470	Industrials – 14.6%			
Stars Group Inc., The	100,300	2,805,470	4,782,304	Air Canada	120,000	2,297,972	2,550,000
Stingray Digital Group Inc.	19,400	191,361	168,780	Algoma Central Corporation	25,400	385,067	376,428
Yellow Media Ltd.	20,400	191,145	184,212	ATS Automation Tooling Systems Inc.	239,400	3,904,083	4,677,876
		<u>48,510,944</u>	<u>61,741,288</u>	Badger Daylighting Ltd.	51,900	1,443,724	1,643,673
Consumer Staples – 3.8%				Bombardier Inc., Class B	550,000	2,066,683	2,860,000
Andrew Peller Ltd., Class A	33,000	527,871	562,650	Boyd Group Income Fund	38,700	4,153,416	4,536,027
Empire Company Limited, Class A	165,000	3,900,258	4,354,350	Brookfield Business Partners LP	108,200	4,800,521	5,452,198
George Weston Limited	14,000	1,711,927	1,501,640	CAE, Inc.	90,000	1,798,821	2,457,900
Jamieson Wellness Inc.	45,200	1,141,965	1,203,224	Canadian National Railway Company	42,000	4,120,051	4,516,260
Lassonde Industries Inc.	14,701	4,091,631	4,116,133	CarlWel Building Materials Group Ltd.	111,100	812,166	764,368
Loblaws Companies Limited	40,000	2,734,949	2,704,000	Chorus Aviation Inc.	89,700	651,121	631,488
Maple Leaf Foods Inc.	40,000	1,262,915	1,329,600	Exchange Income Corporation	36,800	1,274,874	1,179,072
		<u>15,371,516</u>	<u>15,771,597</u>	Finning International Inc.	50,000	1,426,527	1,622,500
Energy – 16.3%				Hanwoods Distribution Inc.	28,700	543,288	489,909
Calfrac Well Services Ltd.	66,000	358,425	368,280	Horizon North Logistics Inc.	177,300	378,602	466,299
Enbridge Inc.	130,000	6,949,270	6,110,000	Neo Performance Materials Inc.	33,000	602,036	537,240
EnCana Corporation	180,000	2,762,275	3,090,600	New Flyer Industries Inc.	30,000	1,413,369	1,471,200
Enplus Corporation	405,400	5,360,158	6,721,532	Russel Metals Inc.	53,500	1,562,324	1,437,545
Gran Tierra Energy, Inc.	1,325,300	4,676,161	6,030,115	Stuart Olson Inc.	99,500	717,665	766,150
Husky Energy Inc.	230,000	4,062,138	4,712,700	TF International Inc.	164,400	5,315,235	6,666,420
International Petroleum Corporation	65,000	532,369	568,750	Toromont Industries Ltd.	60,000	3,028,220	3,411,600
MEG Energy Corporation	280,000	2,545,498	3,068,800	Transcontinental Inc., Class A	213,100	5,229,713	6,505,943
North American Construction Group Ltd.	59,277	369,076	459,397	Wajax Corporation	49,000	1,220,080	1,220,100
NuVista Energy Ltd.	452,300	3,647,152	4,124,976	Westshore Terminals Investment Corporation	16,500	398,934	393,195
Parex Resources Inc.	324,800	5,431,983	8,061,536	WSP Global Inc.	60,000	3,710,780	4,153,200
Pason Systems Inc.	39,400	796,031	847,888			<u>53,255,272</u>	<u>60,786,591</u>
Pembina Pipeline Corporation	100,000	4,009,814	4,553,000	Information Technology – 3.2%			
Questor Technology Inc.	110,200	414,833	477,166	Celestica Inc.	52,600	807,080	822,138
STEP Energy Services Ltd.	116,500	1,239,924	1,279,170	CGI Group Inc., Class A	20,000	1,385,991	1,666,200
Storm Resources Ltd.	199,200	604,875	621,504	Constellation Software Inc.	3,500	2,445,236	3,568,425
Suncor Energy, Inc.	120,000	5,213,475	6,420,000	Enghouse Systems Limited	46,000	3,304,829	3,531,420
Surge Energy, Inc.	495,300	1,144,710	1,178,814	Kinaxis Inc.	14,100	1,213,479	1,247,850
Tamarack Valley Energy Ltd.	298,000	873,383	1,373,780	Points International Ltd.	22,083	485,861	479,201
TransCanada Corporation	100,000	6,001,510	5,688,000	Shopify Inc., Class A	10,000	1,316,400	1,917,100
TransGlobe Energy Corporation	356,704	820,420	1,298,403			<u>10,958,876</u>	<u>13,232,334</u>
Yangarra Resources Ltd.	181,100	857,462	1,003,294	Materials – 15.3%			
		<u>58,670,942</u>	<u>68,057,705</u>	AirBoss of America Corporation	27,900	393,788	432,450
Financials – 24.3%				Altius Minerals Corporation	13,300	202,787	174,895
AGF Management Ltd., Class B	28,900	199,976	201,144	Argonaut Gold Inc.	111,200	285,689	256,872
Bank of Montreal	80,000	7,679,249	8,129,600	Canfor Corporation	189,200	3,950,465	5,986,288
Bank of Nova Scotia, The†	170,000	12,485,564	12,654,799	Canfor Pulp Products Inc.	68,000	1,450,263	1,714,960
Brookfield Asset Management Inc., Class A	20,000	1,057,978	1,066,600	CCL Industries Inc., Class B	50,000	3,261,587	3,222,500

The accompanying notes are an integral part of the financial statements.

Scotia Private Canadian All Cap Equity Pool (Unaudited – Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at June 30, 2018

Issuer	Number of Shares	Average Cost (\$)	Carrying Value (\$)
EQUITIES (cont'd)			
Materials (cont'd)			
Domtar Corporation	26,000	1,658,381	1,622,400
Dundee Precious Metals Inc.	394,000	1,126,435	1,237,160
First Quantum Minerals Ltd.	75,000	1,578,583	1,452,750
Fortuna Silver Mines Inc.	117,900	786,709	881,892
HudBay Minerals, Inc.	234,200	2,360,450	1,716,686
IAMGOLD Corporation	50,200	396,580	384,532
Interfor Corporation	222,400	3,582,259	5,615,600
Kirkland Lake Gold Ltd.	248,500	3,748,990	6,918,240
Methanex Corporation	48,000	3,241,915	4,462,080
Norbord Inc.	111,000	4,114,916	6,000,660
Nutrien Ltd.	40,000	2,505,649	2,860,800
OceanGold Corporation	217,500	803,664	793,875
Pan American Silver Corporation	184,952	4,229,944	4,351,921
Roxgold Inc.	162,800	204,164	182,336
Teck Resources Ltd., Class B	140,000	4,712,759	4,688,600
Teranga Gold Corporation	138,800	534,309	650,972
Wesdome Gold Mines Ltd.	106,100	316,039	325,727
West Fraser Timber Co., Ltd.	45,000	2,439,984	4,072,050
Western Forest Products Inc.	1,346,000	3,341,605	3,607,280
		<u>51,227,914</u>	<u>63,613,526</u>
Real Estate – 3.5%			
Agellan Commercial Real Estate Investment Trust	61,300	833,648	826,937
Colliers International Group Inc.	69,500	5,559,720	6,951,390
Dream Industrial Real Estate Investment Trust	81,400	751,014	840,048
DREAM Unlimited Corporation	465,100	4,399,496	4,525,423
Granite Real Estate Investment Trust	14,900	814,284	798,938
Northview Apartment Real Estate Investment Trust	30,000	696,174	788,400
		<u>13,054,336</u>	<u>14,731,136</u>
Telecommunication Services – 1.3%			
BCE Inc.	68,489	3,956,888	3,646,354
Rogers Communications, Inc., Class B	30,000	1,794,633	1,873,200
		<u>5,751,521</u>	<u>5,519,554</u>
Utilities – 1.5%			
Fortis Inc.	100,000	4,501,081	4,202,000
Polaris Infrastructure Inc.	58,000	1,040,375	816,640
Superior Plus Corporation	92,000	1,165,570	1,169,320
		<u>6,707,026</u>	<u>6,187,960</u>
Transaction Costs		(465,239)	
TOTAL INVESTMENT PORTFOLIO		<u>362,132,296</u>	<u>414,407,459</u>
OTHER ASSETS, LESS LIABILITIES – 0.6%			<u>2,684,398</u>
NET ASSETS – 100.0%			<u>417,091,857</u>

† These securities are investments in related parties (note 10).

Scotia Private Canadian All Cap Equity Pool (Unaudited – Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

The Fund (note 1)

The Fund's objective is to achieve long term capital growth by investing in a broad range of Canadian equity securities across the market cap spectrum.

Risks associated with financial instruments (note 4)

Interest rate risk

The majority of the Fund's financial instruments were non-interest bearing as at June 30, 2018 and December 31, 2017. Accordingly, the Fund is not directly subject to significant risk due to fluctuations in the prevailing levels of market interest rates.

Currency risk

The Fund's exposure to currency risk is summarized in the tables below. Amounts shown are based on the carrying value of monetary and non-monetary assets and liabilities of the Fund net of currency contracts, as applicable.

Currency	June 30, 2018			
	Gross currency exposure (\$)	Currency contracts (\$)	Net exposure (\$)	Percentage of net assets (%)
US Dollar	9,062	–	9,062	0.0
	9,062	–	9,062	0.0

Currency	December 31, 2017			
	Gross currency exposure (\$)	Currency contracts (\$)	Net exposure (\$)	Percentage of net assets (%)
US Dollar	1,523	–	1,523	0.0
	1,523	–	1,523	0.0

If the Canadian dollar strengthened or weakened by 10% in relation to all other currencies, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by \$906 or 0.0% (December 31, 2017 – \$152 or 0.0%). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Price risk

Price risk is the risk that the carrying value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) caused by factors specific to a security, its issuer or all factors affecting a market or a market segment. Exposure to price risk is mainly in equities, underlying funds, derivatives and commodities, as applicable. As at June 30, 2018, approximately 99.4% (December 31, 2017 – 98.2%) of the Fund's net assets were exposed to price risk. If prices of these instruments had decreased or increased by 10%, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by approximately \$41,440,746 (December 31, 2017 – \$38,363,924). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Credit risk

The Fund had no significant exposure to bonds and debentures, money market instruments or preferred shares as at June 30, 2018 or December 31, 2017.

Concentration risk

Concentration risk arises as a result of the concentration of financial instruments within the same category, geographical location, asset type or industry sector, as applicable. The table below is a summary of the Fund's concentration risk by carrying value as a percentage of net assets:

	Percentage of net assets (%)	
	June 30, 2018	December 31, 2017
Consumer Discretionary	14.8	15.6
Consumer Staples	3.8	4.5
Energy	16.3	11.8
Financials	24.3	24.2
Health Care	0.8	0.4
Industrials	14.6	14.9
Information Technology	3.2	3.9
Materials	15.3	17.7
Real Estate	3.5	1.5
Telecommunication Services	1.3	1.5
Utilities	1.5	2.2

Fair Value Classification (note 2)

The tables below illustrate the classification of the Fund's financial instruments within the fair value hierarchy.

June 30, 2018	Level 1	Level 2	Level 3	Total
	(\$)	(\$)	(\$)	(\$)
Equities	414,407,459	–	–	414,407,459
	414,407,459	–	–	414,407,459

December 31, 2017	Level 1	Level 2	Level 3	Total
	(\$)	(\$)	(\$)	(\$)
Equities	383,639,242	–	–	383,639,242
	383,639,242	–	–	383,639,242

Transfers between levels

During the periods ended June 30, 2018 and December 31, 2017, there were no significant transfers between Level 1 and Level 2.

Offsetting of financial assets and liabilities (note 2)

As at June 30, 2018 and December 31, 2017, the Fund did not enter into any agreement whereby the financial instruments were eligible for offset.

Interest in Underlying Funds (note 2)

The Fund did not hold any interest in Underlying Funds as at June 30, 2018 or December 31, 2017.

Comparison of net asset value per unit and net assets per unit (note 2)

As at June 30, 2018 or December 31, 2017, there were no differences between the net asset value per unit and the net assets per unit for any series of the Fund.

Scotia Canadian Growth Fund (Unaudited)

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	June 30, 2018	December 31, 2017
ASSETS		
Current assets		
Financial assets at fair value through profit or loss (note 2)		
Non-derivative financial assets	373,312,692	380,115,553
Derivatives	224,238	–
Cash	261,667	1,640,015
Subscriptions receivable	629,141	195,277
Accrued investment income and other	564,412	634,876
	<u>374,992,150</u>	<u>382,585,721</u>
LIABILITIES		
Current liabilities		
Financial liabilities at fair value through profit or loss (note 2)		
Derivatives	1,177,905	–
Management fee payable	386,023	–
Redemptions payable	348,398	352,700
Accrued expenses	33,583	–
	<u>1,945,909</u>	<u>352,700</u>
Net assets attributable to holders of redeemable units	<u>373,046,241</u>	<u>382,233,021</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series A	246,438,923	265,779,359
Advisor Series	22,279	22,382
Series F	401,909	363,533
Series I	126,183,130	116,067,747
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series A	67.11	67.43
Advisor Series	65.26	65.56
Series F	73.35	73.33
Series I	88.57	88.07

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended June 30 (note 1),

(in dollars except average units)	2018	2017
INCOME		
Net gain (loss) on financial assets and liabilities at fair value through profit or loss		
Dividends	3,769,638	4,762,802
Interest for distribution purposes	782	10,844
Net realized gain (loss) on non-derivative financial assets	(419,784)	20,826,767
Change in unrealized gain (loss) on non-derivative financial assets	4,162,094	(29,757,764)
Net realized gain (loss) on derivatives	(4,081,443)	(108,787)
Change in unrealized gain (loss) on derivatives	(953,667)	2,051,268
Net gain (loss) on financial assets and liabilities at fair value through profit or loss	2,477,620	(2,214,870)
Securities lending (note 11)	1,569	27,208
Net realized and unrealized foreign currency translation gain (loss)	52,376	(308,162)
Other income	675	755
Total income (loss), net	<u>2,532,240</u>	<u>(2,495,069)</u>
EXPENSES		
Management fees (note 5)	2,202,647	2,469,503
Fixed administration fees and operating expense (note 6)	187,649	208,596
Independent Review Committee fees	587	576
Interest expense and bank overdraft charges	11,715	25,304
Foreign withholding taxes/tax reclaims	96,922	110,445
Harmonized Sales Tax/Goods and Services Tax	256,261	287,156
Transaction costs	292,986	425,022
Total expenses	3,048,767	3,526,602
Expenses absorbed by the Manager	–	(4,688)
Net expenses	<u>3,048,767</u>	<u>3,521,914</u>
Increase (decrease) in net assets attributable to holders of redeemable units from operations	<u>(516,527)</u>	<u>(6,016,983)</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A	(1,515,180)	(5,026,896)
Advisor Series	(103)	(413)
Series F	5,998	(5,676)
Series I	992,758	(983,998)
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT[†]		
Series A	(0.40)	(1.21)
Advisor Series	(0.30)	(1.26)
Series F	1.25	(0.86)
Series I	0.72	(0.83)
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series A	3,808,759	4,146,806
Advisor Series	341	329
Series F	4,801	6,585
Series I	1,381,676	1,189,330

[†] The increase (decrease) in net assets attributable to holders of redeemable units from operations per unit is calculated by dividing the increase (decrease) in net assets attributable to holders of redeemable units from operations per series by the weighted average number of units per series.

Scotia Canadian Growth Fund (Unaudited – Continued)

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the periods ended June 30 (note 1),

(in dollars)	2018	2017
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series A	265,779,359	291,896,670
Advisor Series	22,382	21,861
Series F	363,533	528,509
Series I	116,067,747	102,284,385
	<u>382,233,021</u>	<u>394,731,425</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A	(1,515,180)	(5,026,896)
Advisor Series	(103)	(413)
Series F	5,998	(5,676)
Series I	992,758	(983,998)
	<u>(516,527)</u>	<u>(6,016,983)</u>
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A	3,900,788	5,342,581
Series F	183,425	25,131
Series I	9,122,625	6,675,417
Payments on redemption		
Series A	(21,726,044)	(21,912,812)
Series F	(151,047)	(146,933)
Series I	–	(1,358,900)
	<u>(8,670,253)</u>	<u>(11,375,516)</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A	(19,340,436)	(21,597,127)
Advisor Series	(103)	(413)
Series F	38,376	(127,478)
Series I	10,115,383	4,332,519
	<u>(9,186,780)</u>	<u>(17,392,499)</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series A	246,438,923	270,299,543
Advisor Series	22,279	21,448
Series F	401,909	401,031
Series I	126,183,130	106,616,904
	<u>373,046,241</u>	<u>377,338,926</u>

STATEMENTS OF CASH FLOWS

For the periods ended June 30 (note 1),

(in dollars)	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	(516,527)	(6,016,983)
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	419,784	(20,826,767)
Unrealized foreign currency translation (gain) loss	878	84
Change in unrealized (gain) loss on non-derivative financial assets	(4,162,094)	29,757,764
Change in unrealized (gain) loss on derivatives	953,667	(2,051,268)
Non-cash transactions	–	(696,619)
Purchases of portfolio investments	(182,828,321)	(200,743,974)
Proceeds from sale of portfolio investments	193,373,492	211,311,375
Accrued investment income and other	70,464	30,256
Accrued expenses and other payables	419,606	455,788
Net cash provided by (used in) operating activities	<u>7,730,949</u>	<u>11,219,656</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	12,620,804	11,954,853
Amounts paid on redemption of redeemable units	(21,729,223)	(23,127,852)
Net cash provided by (used in) financing activities	(9,108,419)	(11,172,999)
Unrealized foreign currency translation gain (loss)	(878)	(84)
Net increase (decrease) in cash	(1,377,470)	46,657
Cash (bank overdraft), beginning of period	1,640,015	452,968
CASH (BANK OVERDRAFT), END OF PERIOD	<u>261,667</u>	<u>499,541</u>
Interest paid ⁽¹⁾	11,715	25,304
Interest received, net of withholding taxes ⁽¹⁾	782	10,051
Dividends received, net of withholding taxes ⁽¹⁾	3,743,181	3,986,787

⁽¹⁾ Classified as operating items.

Scotia Canadian Growth Fund (Unaudited – Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at June 30, 2018

Issuer	Number of Shares	Average Cost (\$)	Carrying Value (\$)	Issuer	Number of Shares	Average Cost (\$)	Carrying Value (\$)
EQUITIES – 100.2%				EQUITIES (cont'd)			
Consumer Discretionary – 8.3%				Industrials (cont'd)			
Lowe's Companies, Inc.	63,200	6,913,121	7,943,846	FedEx Corporation	24,300	7,527,299	7,256,698
Restaurant Brands International Inc.	96,000	7,866,679	7,612,800	Finning International Inc.	213,300	5,271,330	6,921,585
Shaw Communications, Inc., Class B	273,500	6,764,434	7,324,330	Lockheed Martin Corporation	14,600	5,802,326	5,672,828
Spin Master Corporation	137,000	7,456,274	7,985,730	Rockwell Automation, Inc.	15,100	3,528,399	3,301,251
		29,000,508	30,866,706	SNC-Lavalin Group Inc.	185,400	10,200,793	10,764,324
Consumer Staples – 2.3%				Waste Connections Inc.	74,300	6,588,171	7,357,929
Costco Wholesale Corporation	31,800	7,576,041	8,740,253			50,510,818	55,168,038
Energy – 14.8%				Information Technology – 15.4%			
Canadian Natural Resources Ltd.	273,600	11,474,853	12,982,320	Alphabet Inc., Class C	9,151	8,529,623	13,427,300
EricSara Corporation	623,200	9,471,187	10,700,344	CGI Group Inc., Class A	133,600	6,459,774	11,130,216
Keyera Corporation	202,100	8,151,229	7,392,818	Microsoft Corporation	97,900	7,533,553	12,696,845
PrairieSky Royalty Ltd.	413,300	12,338,744	10,725,135	Research In Motion Limited	153,700	2,372,158	1,948,916
Suncor Energy, Inc.	71,300	3,724,786	3,814,550	Salesforce.com, Inc.	51,300	7,978,710	9,202,883
Vermilion Energy, Inc.	200,000	9,127,740	9,482,000	Worldpay Inc.	82,400	8,212,046	8,862,709
		54,288,539	55,097,167			41,085,864	57,268,869
Financials – 28.3%				Materials – 9.3%			
Bank of America Corporation	276,700	8,113,972	10,258,796	Agrico-Eagle Mines Limited	16,700	986,014	1,006,509
Bank of Montreal	106,400	10,063,920	10,812,368	CCL Industries Inc., Class B	105,600	6,157,318	6,805,920
Bank of Nova Scotia, The†	62,800	5,130,408	4,674,832	First Quantum Minerals Ltd.	397,900	6,282,376	7,707,323
Canadian Imperial Bank of Commerce	84,900	8,256,070	9,709,164	Franco-Nevada Corporation	49,400	4,908,338	4,739,930
E*Trade Financial Corporation	97,900	6,697,712	7,874,851	Nutrien Ltd.	113,200	7,420,630	8,096,064
Invesco Limited	145,800	6,758,221	5,093,048	Teck Resources Ltd., Class B	188,900	6,478,597	6,326,261
Manulife Financial Corporation	481,600	11,077,113	11,375,392			32,233,273	34,682,007
Morgan Stanley	145,300	7,580,169	9,058,079	Telecommunication Services – 3.7%			
Royal Bank of Canada	147,700	14,598,655	14,620,823	TELUS Corporation	155,400	6,958,239	7,257,180
Sun Life Financial Inc.	82,100	4,166,571	4,337,343	Zayo Group Holdings Inc.	138,400	6,071,806	6,640,229
Toronto-Dominion Bank, The	231,000	15,114,594	17,576,790			13,030,045	13,897,409
		97,557,405	105,391,486	Transaction Costs		(269,995)	
Health Care – 3.3%				TOTAL INVESTMENT PORTFOLIO		338,934,360	373,312,692
Biogen Inc.	8,600	2,942,804	3,282,826	Unrealized Gain (Loss) on Derivatives – (0.3%)			(953,667)
Celgene Corporation	34,600	5,919,958	3,614,083	OTHER ASSETS, LESS LIABILITIES – 0.1%			687,216
IQVIA Holdings Inc.	40,400	5,059,100	5,303,848	NET ASSETS – 100.0%			373,046,241
		13,921,862	12,200,757				
Industrials – 14.8%							
CAE, Inc.	259,100	6,045,369	7,076,021				
Canadian National Railway Company	63,400	5,547,131	6,817,402				

† These securities are investments in related parties (note 10).

SCHEDULE OF DERIVATIVE INSTRUMENTS

UNREALIZED GAIN ON CURRENCY FORWARD CONTRACTS

Counterparty	Credit Rating	Settlement Date	Currency To Be Received	Contractual Amount	Currency To Be Delivered	Contractual Amount	Contract Price	Market Price	Unrealized Gain (\$)
Bank of Montreal	A-1	Jul. 18, 2018	Canadian Dollar	797,930	US Dollar	600,000	0.752	0.761	9,514
Canadian Imperial Bank of Commerce	A-1	Jul. 18, 2018	Canadian Dollar	399,686	US Dollar	300,000	0.751	0.761	5,478
Toronto-Dominion Bank, The	A-1+	Aug. 23, 2018	Canadian Dollar	13,546,144	US Dollar	10,194,000	0.753	0.762	163,624
Bank of Nova Scotia, The	A-1	Aug. 23, 2018	Canadian Dollar	2,445,516	US Dollar	1,840,000	0.752	0.762	29,994
Royal Bank of Canada	A-1+	Aug. 23, 2018	Canadian Dollar	874,531	US Dollar	658,000	0.752	0.762	10,720
Canadian Imperial Bank of Commerce	A-1	Aug. 23, 2018	Canadian Dollar	398,744	US Dollar	300,000	0.752	0.762	4,908
									224,238

UNREALIZED LOSS ON CURRENCY FORWARD CONTRACTS

Counterparty	Credit Rating	Settlement Date	Currency To Be Received	Contractual Amount	Currency To Be Delivered	Contractual Amount	Contract Price	Market Price	Unrealized Loss (\$)
Bank of Montreal	A-1	Jul. 18, 2018	Canadian Dollar	45,533,976	US Dollar	35,520,000	0.78	0.761	(1,140,225)
Toronto-Dominion Bank, The	A-1+	Jul. 18, 2018	Canadian Dollar	1,047,574	US Dollar	817,000	0.78	0.761	(25,985)
Royal Bank of Canada	A-1+	Jul. 18, 2018	Canadian Dollar	269,304	US Dollar	210,000	0.78	0.761	(6,641)
Canadian Imperial Bank of Commerce	A-1	Jul. 18, 2018	US Dollar	39,000	Canadian Dollar	51,915	1.331	1.314	(669)
Bank of Montreal	A-1	Jul. 18, 2018	US Dollar	300,000	Canadian Dollar	398,588	1.329	1.314	(4,385)
									(1,177,905)

The accompanying notes are an integral part of the financial statements.

Scotia Canadian Growth Fund (Unaudited – Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

The Fund (note 1)

The Fund's objective is long-term capital growth. It invests primarily in a broad range of Canadian equity securities.

Risks associated with financial instruments (note 4)

Interest rate risk

The majority of the Fund's financial instruments were non-interest bearing as at June 30, 2018 and December 31, 2017. Accordingly, the Fund is not directly subject to significant risk due to fluctuations in the prevailing levels of market interest rates.

Currency risk

The Fund's exposure to currency risk is summarized in the tables below. Amounts shown are based on the carrying value of monetary and non-monetary assets and liabilities of the Fund net of currency contracts, as applicable.

Currency	June 30, 2018			
	Gross currency exposure (\$)	Currency contracts (\$)	Net exposure (\$)	Percentage of net assets (%)
US Dollar	128,583,057	(65,811,109)	62,771,948	16.8
Japanese Yen	10,304	–	10,304	0.0
Swiss Franc	601	–	601	0.0
	128,593,962	(65,811,109)	62,782,853	16.8

Currency	December 31, 2017			
	Gross currency exposure (\$)	Currency contracts (\$)	Net exposure (\$)	Percentage of net assets (%)
US Dollar	119,956,055	–	119,956,055	31.4
Swiss Franc	716	–	716	0.0
	119,956,771	–	119,956,771	31.4

If the Canadian dollar strengthened or weakened by 10% in relation to all other currencies, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by \$6,278,285 or 1.7% (December 31, 2017 – \$11,995,677 or 3.1%). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Price risk

Price risk is the risk that the carrying value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) caused by factors specific to a security, its issuer or all factors affecting a market or a market segment. Exposure to price risk is mainly in equities, underlying funds, derivatives and commodities, as applicable. As at June 30, 2018, approximately 100.2% (December 31, 2017 – 99.4%) of the Fund's net assets were exposed to price risk. If prices of these instruments had decreased or increased by 10%, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by approximately \$37,331,269

(December 31, 2017 – \$38,011,555). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Credit risk

The Fund had no significant exposure to bonds and debentures, money market instruments or preferred shares as at June 30, 2018 or December 31, 2017.

Concentration risk

Concentration risk arises as a result of the concentration of financial instruments within the same category, geographical location, asset type or industry sector, as applicable. The table below is a summary of the Fund's concentration risk by carrying value as a percentage of net assets:

	Percentage of net assets (%)	
	June 30, 2018	December 31, 2017
Consumer Discretionary	8.3	7.5
Consumer Staples	2.3	4.5
Energy	14.8	12.5
Financials	28.3	26.6
Health Care	3.3	6.9
Industrials	14.8	14.0
Information Technology	15.4	14.0
Materials	9.3	7.7
Telecommunication Services	3.7	5.7

Fair Value Classification (note 2)

The tables below illustrate the classification of the Fund's financial instruments within the fair value hierarchy.

June 30, 2018	Level 1	Level 2	Level 3	Total
	(\$)	(\$)	(\$)	(\$)
Equities	373,312,692	–	–	373,312,692
Unrealized gain on currency forward contracts	–	224,238	–	224,238
	373,312,692	224,238	–	373,536,930
Unrealized loss on currency forward contracts	–	(1,177,905)	–	(1,177,905)
	373,312,692	(953,667)	–	372,359,025

December 31, 2017	Level 1	Level 2	Level 3	Total
	(\$)	(\$)	(\$)	(\$)
Equities	380,115,553	–	–	380,115,553
	380,115,553	–	–	380,115,553

Transfers between levels

During the periods ended June 30, 2018 and December 31, 2017, there were no significant transfers between Level 1 and Level 2.

Scotia Canadian Growth Fund (Unaudited – Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

Reconciliation of Level 3 financial instruments

The following table presents the movement in the Fund's Level 3 financial instruments for the periods ended:

	June 30, 2018 (\$)	December 31, 2017 (\$)
Beginning of period	–	695,497
Purchases	–	–
Sales	–	–
Transfers into Level 3	–	–
Transfers out of Level 3	–	–
Net realized gains (losses)	(1,649,400)	–
Net change in unrealized gain (loss)*	1,649,400	(695,497)
End of period	–	–

* Net change in unrealized gain (loss) for Level 3 financial instruments held as at June 30, 2018 and December 31, 2017 was nil and \$(695,497), respectively.

Offsetting of financial assets and liabilities (note 2)

The following table presents offsetting of financial assets and liabilities and collateral amounts that would occur if future events, such as bankruptcy or termination of contracts, were to arise. No amounts were offset in the financial statements. As at December 31, 2017, the Fund did not enter into any agreement whereby the financial instruments were eligible for offset.

Financial assets – by type	June 30, 2018			
	Gross amount of assets (\$)	Master netting offset (\$)	Collateral pledged/ received (\$)	Net Amount (\$)
Currency forward contracts	224,238	(42,809)	–	181,429
Options contracts – OTC	–	–	–	–
Swap contracts – OTC	–	–	–	–
	224,238	(42,809)	–	181,429

Financial liabilities – by type	June 30, 2018			
	Gross amount of liabilities (\$)	Master netting offset (\$)	Collateral pledged/ received (\$)	Net Amount (\$)
Currency forward contracts	1,177,905	(42,809)	–	1,135,096
Options contracts – OTC	–	–	–	–
Swap contracts – OTC	–	–	–	–
	1,177,905	(42,809)	–	1,135,096

Interest in Underlying Funds (note 2)

The Fund did not hold any interest in Underlying Funds as at June 30, 2018 or December 31, 2017.

Comparison of net asset value per unit and net assets per unit (note 2)

As at June 30, 2018 or December 31, 2017, there were no differences between the net asset value per unit and the net assets per unit for any series of the Fund.

Scotia Canadian Small Cap Fund (Unaudited)

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	June 30, 2018	December 31, 2017
ASSETS		
Current assets		
Financial assets at fair value through profit or loss (note 2)		
Non-derivative financial assets	27,475,710	30,926,846
Derivatives	3,660	–
Cash	1,110,301	1,372,471
Receivable for securities sold	–	3,839
Subscriptions receivable	3,883	2,823
Accrued investment income and other	39,462	45,942
	<u>28,633,016</u>	<u>32,351,921</u>
LIABILITIES		
Current liabilities		
Financial liabilities at fair value through profit or loss (note 2)		
Derivatives	15,803	–
Management fee payable	43,960	–
Payable for securities purchased	400,400	6,186
Redemptions payable	12,848	10,211
Accrued expenses	7,124	–
	<u>480,135</u>	<u>16,397</u>
Net assets attributable to holders of redeemable units	<u>28,152,881</u>	<u>32,335,524</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series A	28,097,606	32,278,534
Series F	54,203	55,868
Series K	1,072	1,122
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series A	24.45	25.85
Series F	25.32	26.63
Series K	10.72	11.22

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended June 30 (note 1),

(in dollars except average units)	2018	2017
INCOME		
Net gain (loss) on financial assets and liabilities at fair value through profit or loss		
Dividends	282,029	255,892
Interest for distribution purposes	17,682	8,186
Net realized gain (loss) on non-derivative financial assets	(2,366,442)	6,592,583
Change in unrealized gain (loss) on non-derivative financial assets	772,676	(6,482,141)
Net realized gain (loss) on derivatives	(74,601)	(11,962)
Change in unrealized gain (loss) on derivatives	(12,143)	44,082
Net gain (loss) on financial assets and liabilities at fair value through profit or loss	(1,380,799)	406,640
Securities lending (note 11)	2,975	–
Net realized and unrealized foreign currency translation gain (loss)	2,148	(2,714)
Other income	82	20
Total income (loss), net	<u>(1,375,594)</u>	<u>403,946</u>
EXPENSES		
Management fees (note 5)	256,747	308,401
Fixed administration fees (note 6)	38,179	50,379
Independent Review Committee fees	587	576
Interest expense and bank overdraft charges	–	52
Foreign withholding taxes/tax reclaims	596	–
Harmonized Sales Tax/Goods and Services Tax	30,906	37,302
Transaction costs	26,792	105,070
Total expenses	<u>353,807</u>	<u>501,780</u>
Increase (decrease) in net assets attributable to holders of redeemable units from operations	<u>(1,729,401)</u>	<u>(97,834)</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A	(1,726,658)	(77,911)
Series F	(2,693)	247
Series K	(50)	8
Series M	–	(20,178)
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT[†]		
Series A	(1.45)	(0.06)
Series F	(1.33)	0.12
Series K	(0.50)	0.08
Series M	–	(0.13)
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series A	1,194,854	1,390,991
Series F	2,021	2,099
Series K	100	100
Series M	–	157,924

[†] The increase (decrease) in net assets attributable to holders of redeemable units from operations per unit is calculated by dividing the increase (decrease) in net assets attributable to holders of redeemable units from operations per series by the weighted average number of units per series.

Scotia Canadian Small Cap Fund (Unaudited – Continued)

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the periods ended June 30 (note 1),

(in dollars)	2018	2017
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series A	32,278,534	36,117,169
Series F	55,868	49,407
Series K	1,122	1,076
Series M	–	35,318,262
	<u>32,335,524</u>	<u>71,485,914</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A	(1,726,658)	(77,911)
Series F	(2,693)	247
Series K	(50)	8
Series M	–	(20,178)
	<u>(1,729,401)</u>	<u>(97,834)</u>
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A	575,155	662,283
Series F	11,017	9,834
Series M	–	127,059
Payments on redemption		
Series A	(3,029,425)	(3,154,579)
Series F	(9,989)	(4,986)
Series M	–	(35,000,475)
	<u>(2,453,242)</u>	<u>(37,360,864)</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A	(4,180,928)	(2,570,207)
Series F	(1,665)	5,095
Series K	(50)	8
Series M	–	(34,893,594)
	<u>(4,182,643)</u>	<u>(37,458,698)</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series A	28,097,606	33,546,962
Series F	54,203	54,502
Series K	1,072	1,084
Series M	–	424,668
	<u>28,152,881</u>	<u>34,027,216</u>

STATEMENTS OF CASH FLOWS

For the periods ended June 30 (note 1),

(in dollars)	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	(1,729,401)	(97,834)
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	2,366,442	(6,592,583)
Unrealized foreign currency translation (gain) loss	236	4,107
Change in unrealized (gain) loss on non-derivative financial assets	(772,676)	6,482,141
Change in unrealized (gain) loss on derivatives	12,143	(44,082)
Purchases of portfolio investments	(5,411,365)	(10,023,882)
Proceeds from sale of portfolio investments	7,666,787	45,661,384
Accrued investment income and other	6,480	35,052
Accrued expenses and other payables	51,084	59,485
Net cash provided by (used in) operating activities	<u>2,189,730</u>	<u>35,483,788</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	574,095	865,494
Amounts paid on redemption of redeemable units	(3,025,759)	(38,165,000)
Net cash provided by (used in) financing activities	<u>(2,451,664)</u>	<u>(37,299,506)</u>
Unrealized foreign currency translation gain (loss)	(236)	(4,107)
Net increase (decrease) in cash	(261,934)	(1,815,718)
Cash (bank overdraft), beginning of period	1,372,471	2,198,237
CASH (BANK OVERDRAFT), END OF PERIOD	<u>1,110,301</u>	<u>378,412</u>
Interest paid ⁽¹⁾	–	52
Interest received, net of withholding taxes ⁽¹⁾	17,682	8,614
Dividends received, net of withholding taxes ⁽¹⁾	287,912	290,515

⁽¹⁾ Classified as operating items.

Scotia Canadian Small Cap Fund (Unaudited – Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at June 30, 2018

Issuer	Number of Shares	Average Cost (\$)	Carrying Value (\$)	Issuer	Number of Shares	Average Cost (\$)	Carrying Value (\$)
EQUITIES – 97.5%				EQUITIES (cont'd)			
Consumer Discretionary – 11.9%				Information Technology – 9.9%			
EnerCare Inc.	56,000	1,091,152	1,006,880	Absolute Software Corporation	84,200	523,756	583,506
Mav Beauty Brands Inc.	28,600	400,400	400,400	BSM Technologies Inc.	654,464	712,615	863,892
Park Lawn Corporation	26,300	550,399	640,405	Paylocity Holding Corporation	10,600	640,276	820,575
Stingray Digital Group Inc.	96,950	648,228	843,465	Real Matters Inc.	69,000	728,768	393,300
Uni-Select Inc.	21,400	588,810	447,474	Solium Capital Inc.	11,400	126,689	131,214
		<u>3,278,989</u>	<u>3,338,624</u>			<u>2,732,104</u>	<u>2,792,487</u>
Consumer Staples – 2.0%				Materials – 9.8%			
Jamieson Wellness Inc.	21,500	348,761	572,330	Alamos Gold Inc.	85,100	807,734	637,399
Energy – 17.5%				HudBay Minerals, Inc.	37,200	256,515	272,676
Birchcliff Energy Ltd.	115,500	949,068	556,710	Intertape Polymer Group Inc.	43,400	920,906	784,238
CES Energy Solutions Corporation	109,500	593,652	491,655	Labrador Iron Ore Royalty Corporation	19,900	436,968	479,391
NuVista Energy Ltd.	62,100	522,296	566,352	Osisko Gold Royalties Ltd.	47,100	666,381	586,395
Parex Resources Inc.	35,800	585,740	888,556			<u>3,088,504</u>	<u>2,760,099</u>
Parkland Fuel Corporation	30,800	815,521	994,840	Real Estate – 10.7%			
Source Energy Services Ltd.	68,900	625,548	342,433	Altus Group Ltd.	32,600	789,750	955,506
Tidewater Midstream and Infrastructure Ltd.	407,800	578,655	505,672	Tricon Capital Group Inc.	105,900	1,014,126	1,168,077
Whitecap Resources Inc.	64,900	628,227	578,259	WPT Industrial Real Estate Investment Trust	48,800	793,602	888,822
		<u>5,298,707</u>	<u>4,924,477</u>			<u>2,597,478</u>	<u>3,012,405</u>
Financials – 9.4%				Telecommunication Services – 0.8%			
Canadian Western Bank	12,100	419,740	419,265	Trilogy International Partners Inc.	49,800	398,691	217,128
Fiera Sceptre Inc.	118,800	1,190,571	1,398,276	Utilities – 3.1%			
Westaim Corporation, The	260,500	694,718	838,810	Polaris Infrastructure Inc.	62,744	707,320	883,436
		<u>2,305,029</u>	<u>2,656,351</u>	Transaction Costs		(45,161)	
Health Care – 0.0%				TOTAL INVESTMENT PORTFOLIO		<u>25,341,105</u>	<u>27,475,710</u>
Civitas Solutions Inc.	98	2,342	2,114	Unrealized Gain (Loss) on Derivatives – 0.0%			(12,143)
Industrials – 22.4%				OTHER ASSETS, LESS LIABILITIES – 2.5%			689,314
Boyd Group Income Fund	11,600	681,142	1,359,636	NET ASSETS – 100.0%			<u>28,152,881</u>
Brookfield Business Partners LP	17,000	563,983	856,630				
Maxar Technologies Ltd.	13,600	905,708	897,600				
Neo Performance Materials Inc.	37,100	659,598	603,988				
People Corporation	169,000	523,696	1,375,660				
Richelieu Hardware Ltd.	20,200	571,831	553,682				
Russel Metals Inc.	24,900	722,383	669,063				
		<u>4,628,341</u>	<u>6,316,259</u>				

SCHEDULE OF DERIVATIVE INSTRUMENTS

UNREALIZED GAIN ON CURRENCY FORWARD CONTRACTS

Counterparty	Credit Rating	Settlement Date	Currency To Be Received	Contractual Amount	Currency To Be Delivered	Contractual Amount	Contract Price	Market Price	Unrealized Gain (\$)
Toronto-Dominion Bank, The	A-1+	Aug. 23, 2018	Canadian Dollar	302,974	US Dollar	228,000	0.753	0.762	3,660
									<u>3,660</u>

UNREALIZED LOSS ON CURRENCY FORWARD CONTRACTS

Counterparty	Credit Rating	Settlement Date	Currency To Be Received	Contractual Amount	Currency To Be Delivered	Contractual Amount	Contract Price	Market Price	Unrealized Loss (\$)
Bank of Montreal	A-1	Jul. 18, 2018	Canadian Dollar	623,016	US Dollar	486,000	0.78	0.761	(15,602)
Toronto-Dominion Bank, The	A-1+	Jul. 18, 2018	US Dollar	14,000	Canadian Dollar	18,597	1.328	1.314	(201)
									<u>(15,803)</u>

The accompanying notes are an integral part of the financial statements.

Scotia Canadian Small Cap Fund (Unaudited – Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

The Fund (note 1)

The Fund's objective is aggressive long-term capital growth. It invests primarily in equity securities of small and medium Canadian companies listed on major Canadian stock exchanges.

Risks associated with financial instruments (note 4)

Interest rate risk

The majority of the Fund's financial instruments were non-interest bearing as at June 30, 2018 and December 31, 2017. Accordingly, the Fund is not directly subject to significant risk due to fluctuations in the prevailing levels of market interest rates.

Currency risk

The Fund's exposure to currency risk is summarized in the tables below. Amounts shown are based on the carrying value of monetary and non-monetary assets and liabilities of the Fund net of currency contracts, as applicable.

June 30, 2018				
Currency	Gross currency exposure (\$)	Currency contracts (\$)	Net exposure (\$)	Percentage of net assets (%)
US Dollar	1,802,197	(919,317)	882,880	3.1
	1,802,197	(919,317)	882,880	3.1

December 31, 2017				
Currency	Gross currency exposure (\$)	Currency contracts (\$)	Net exposure (\$)	Percentage of net assets (%)
US Dollar	2,675,532	–	2,675,532	8.3
	2,675,532	–	2,675,532	8.3

If the Canadian dollar strengthened or weakened by 10% in relation to all other currencies, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by \$88,288 or 0.3% (December 31, 2017 – \$267,553 or 0.8%). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Price risk

Price risk is the risk that the carrying value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) caused by factors specific to a security, its issuer or all factors affecting a market or a market segment. Exposure to price risk is mainly in equities, underlying funds, derivatives and commodities, as applicable. As at June 30, 2018, approximately 97.5% (December 31, 2017 – 95.6%) of the Fund's net assets were exposed to price risk. If prices of these instruments had decreased or increased by 10%, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by approximately \$2,747,571 (December 31, 2017 – \$3,092,685). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Credit risk

The Fund had no significant exposure to bonds and debentures, money market instruments or preferred shares as at June 30, 2018 or December 31, 2017.

Concentration risk

Concentration risk arises as a result of the concentration of financial instruments within the same category, geographical location, asset type or industry sector, as applicable. The table below is a summary of the Fund's concentration risk by carrying value as a percentage of net assets:

	Percentage of net assets (%)	
	June 30, 2018	December 31, 2017
Consumer Discretionary	11.9	10.5
Consumer Staples	2.0	2.7
Energy	17.5	16.4
Financials	9.4	6.0
Health Care	–	6.4
Industrials	22.4	19.9
Information Technology	9.9	11.8
Materials	9.8	8.8
Real Estate	10.7	8.5
Telecommunication Services	0.8	1.5
Utilities	3.1	3.1

Fair Value Classification (note 2)

The tables below illustrate the classification of the Fund's financial instruments within the fair value hierarchy.

June 30, 2018	Level 1	Level 2	Level 3	Total
	(\$)	(\$)	(\$)	(\$)
Equities	27,475,710	–	–	27,475,710
Unrealized gain on currency forward contracts	–	3,660	–	3,660
	27,475,710	3,660	–	27,479,370
Unrealized loss on currency forward contracts	–	(15,803)	–	(15,803)
	27,475,710	(12,143)	–	27,463,567

December 31, 2017	Level 1	Level 2	Level 3	Total
	(\$)	(\$)	(\$)	(\$)
Equities	30,926,846	–	–	30,926,846
	30,926,846	–	–	30,926,846

Transfers between levels

During the periods ended June 30, 2018 and December 31, 2017, there were no significant transfers between Level 1 and Level 2.

Scotia Canadian Small Cap Fund (Unaudited – Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

Reconciliation of Level 3 financial instruments

The following table presents the movement in the Fund's Level 3 financial instruments for the periods ended:

	June 30, 2018 (\$)	December 31, 2017 (\$)
Beginning of period	–	1,084,680
Purchases	–	–
Sales	–	–
Transfers into Level 3	–	–
Transfers out of Level 3	–	–
Net realized gains (losses)	(1,925,700)	(1,080,160)
Net change in unrealized gain (loss)*	1,925,700	(4,520)
End of period	–	–

* Net change in unrealized gain (loss) for Level 3 financial instruments held as at June 30, 2018 and December 31, 2017 was nil and \$(1,084,680), respectively.

Offsetting of financial assets and liabilities (note 2)

The following table presents offsetting of financial assets and liabilities and collateral amounts that would occur if future events, such as bankruptcy or termination of contracts, were to arise. No amounts were offset in the financial statements. As at December 31, 2017, the Fund did not enter into any agreement whereby the financial instruments were eligible for offset.

Financial assets – by type	June 30, 2018			
	Gross amount of assets (\$)	Master netting offset (\$)	Collateral pledged/ received (\$)	Net Amount (\$)
Currency forward contracts	3,660	(201)	–	3,459
Options contracts – OTC	–	–	–	–
Swap contracts – OTC	–	–	–	–
	3,660	(201)	–	3,459

Financial liabilities – by type	June 30, 2018			
	Gross amount of liabilities (\$)	Master netting offset (\$)	Collateral pledged/ received (\$)	Net Amount (\$)
Currency forward contracts	15,803	(201)	–	15,602
Options contracts – OTC	–	–	–	–
Swap contracts – OTC	–	–	–	–
	15,803	(201)	–	15,602

Interest in Underlying Funds (note 2)

The Fund did not hold any interest in Underlying Funds as at June 30, 2018 or December 31, 2017.

Comparison of net asset value per unit and net assets per unit (note 2)

As at June 30, 2018 or December 31, 2017, there were no differences between the net asset value per unit and the net assets per unit for any series of the Fund.

Scotia Resource Fund (Unaudited)

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	June 30, 2018	December 31, 2017
ASSETS		
Current assets		
Financial assets at fair value through profit or loss (note 2)		
Non-derivative financial assets	98,400,305	106,008,321
Derivatives	160,653	155,832
Cash	5,638,892	6,063,430
Cash collateral deposited on derivatives	170,976	163,267
Receivable for securities sold	8,541	633
Subscriptions receivable	77,584	80,051
Accrued investment income and other	224,969	204,113
	<u>104,681,920</u>	<u>112,675,647</u>
LIABILITIES		
Current liabilities		
Financial liabilities at fair value through profit or loss (note 2)		
Derivatives	203,105	152,566
Management fee payable	157,329	-
Payable for securities purchased	342,244	-
Redemptions payable	169,708	226,521
Accrued expenses	14,979	-
	<u>887,365</u>	<u>379,087</u>
Net assets attributable to holders of redeemable units	<u>103,794,555</u>	<u>112,296,560</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series A	103,625,916	112,155,680
Series F	<u>168,639</u>	<u>140,880</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series A	23.79	23.68
Series F	<u>25.36</u>	<u>25.03</u>

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended June 30 (note 1),

(in dollars except average units)	2018	2017
INCOME		
Net gain (loss) on financial assets and liabilities at fair value through profit or loss		
Dividends	1,071,970	839,902
Interest for distribution purposes	29,217	26,930
Net realized gain (loss) on non-derivative financial assets	4,379,575	9,378,285
Change in unrealized gain (loss) on non-derivative financial assets	(4,210,612)	(11,743,360)
Net realized gain (loss) on derivatives	(101,907)	(667,546)
Change in unrealized gain (loss) on derivatives	<u>(45,718)</u>	<u>114,244</u>
Net gain (loss) on financial assets and liabilities at fair value through profit or loss	1,122,525	(2,051,545)
Securities lending (note 11)	21,705	73,968
Net realized and unrealized foreign currency translation gain (loss)	264,161	(162,093)
Other income	1,925	1,492
Total income (loss), net	<u>1,410,316</u>	<u>(2,138,178)</u>
EXPENSES		
Management fees (note 5)	900,252	1,019,277
Fixed administration fees (note 6)	83,236	92,575
Independent Review Committee fees	587	576
Interest expense and bank overdraft charges	1,337	2,228
Foreign withholding taxes/tax reclaims	40,807	49,693
Harmonized Sales Tax/Goods and Services Tax	97,829	110,600
Transaction costs	<u>74,423</u>	<u>126,267</u>
Total expenses	<u>1,198,471</u>	<u>1,401,216</u>
Increase (decrease) in net assets attributable to holders of redeemable units from operations	<u>211,845</u>	<u>(3,539,394)</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A	209,839	(3,535,023)
Series F	<u>2,006</u>	<u>(4,371)</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT[†]		
Series A	0.05	(0.67)
Series F	<u>0.39</u>	<u>(0.82)</u>
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series A	4,539,279	5,249,065
Series F	<u>5,208</u>	<u>5,308</u>

[†] The increase (decrease) in net assets attributable to holders of redeemable units from operations per unit is calculated by dividing the increase (decrease) in net assets attributable to holders of redeemable units from operations per series by the weighted average number of units per series.

Scotia Resource Fund (Unaudited – Continued)

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the periods ended June 30 (note 1),

(in dollars)	2018	2017
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series A	112,155,680	114,541,335
Series F	140,880	112,632
	<u>112,296,560</u>	<u>114,653,967</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A	209,839	(3,535,023)
Series F	2,006	(4,371)
	<u>211,845</u>	<u>(3,539,394)</u>
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net investment income		
Series A	(10,556)	–
	<u>(10,556)</u>	<u>–</u>
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A	3,272,629	7,257,547
Series F	47,026	11,777
Reinvested distributions		
Series A	10,556	–
Payments on redemption		
Series A	(12,012,232)	(12,757,746)
Series F	(21,273)	(2,884)
	<u>(8,703,294)</u>	<u>(5,491,306)</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A	(8,529,764)	(9,035,222)
Series F	27,759	4,522
	<u>(8,502,005)</u>	<u>(9,030,700)</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series A	103,625,916	105,506,113
Series F	168,639	117,154
	<u>103,794,555</u>	<u>105,623,267</u>

STATEMENTS OF CASH FLOWS

For the periods ended June 30 (note 1),

(in dollars)	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	211,845	(3,539,394)
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(4,379,575)	(9,378,285)
Unrealized foreign currency translation (gain) loss	9,432	134,831
Change in unrealized (gain) loss on non-derivative financial assets	4,210,612	11,743,360
Change in unrealized (gain) loss on derivatives	45,718	(114,244)
Purchases of portfolio investments	(17,267,208)	(34,901,323)
Proceeds from sale of portfolio investments	25,378,523	42,725,912
Cash collateral deposited on derivatives	(7,709)	–
Accrued investment income and other	(20,856)	(79,290)
Accrued expenses and other payables	172,308	178,824
Net cash provided by (used in) operating activities	<u>8,353,090</u>	<u>6,770,391</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	3,275,096	7,292,695
Amounts paid on redemption of redeemable units	(12,043,292)	(12,597,262)
Net cash provided by (used in) financing activities	<u>(8,768,196)</u>	<u>(5,304,567)</u>
Unrealized foreign currency translation gain (loss)	(9,432)	(134,831)
Net increase (decrease) in cash	(415,106)	1,465,824
Cash (bank overdraft), beginning of period	6,063,430	8,257,367
CASH (BANK OVERDRAFT), END OF PERIOD	<u>5,638,892</u>	<u>9,588,360</u>
Interest paid ⁽¹⁾	1,337	2,228
Interest received, net of withholding taxes ⁽¹⁾	29,217	23,825
Dividends received, net of withholding taxes ⁽¹⁾	1,015,572	716,720

⁽¹⁾ Classified as operating items.

Scotia Resource Fund (Unaudited – Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at June 30, 2018

Issuer	Number of Shares	Average Cost (\$)	Carrying Value (\$)	Issuer	Number of Shares	Average Cost (\$)	Carrying Value (\$)
EQUITIES – 94.8%				EQUITIES (cont'd)			
Energy – 49.5%				Materials (cont'd)			
ARC Resources Ltd.	67,500	882,366	916,650	Chakana Copper Corporation	504,600	454,140	277,530
Calfrac Well Services Ltd.	171,000	1,030,275	954,180	Chakana Copper Corporation	135,200	129,283	77,064
Canadian Natural Resources Ltd.	115,600	4,209,901	5,485,215	DowDuPont Inc.	12,200	1,052,323	1,057,716
Enbridge Inc.	48,407	2,352,226	2,275,124	Ero Copper Corporation, Restricted	325,400	829,877	3,188,920
Enerplus Corporation	269,100	3,237,840	4,461,673	Glencore PLC	920,000	4,793,877	5,732,621
EOG Resources, Inc.	11,900	1,242,950	1,947,440	Kidman Resources Ltd.	2,200,000	1,482,458	3,989,600
Gibson Energy Inc.	124,000	2,312,785	2,173,720	Kirkland Lake Gold Ltd.	60,000	1,248,454	1,670,400
NexGen Energy Ltd.	1,940,000	1,133,029	4,714,200	Largo Resources Ltd.	1,040,100	1,906,566	1,809,774
Occidental Petroleum Corporation	20,000	1,497,024	2,201,121	Neo Lithium Corporation	1,178,800	2,359,528	1,544,228
Pembina Pipeline Corporation	85,630	3,086,545	3,898,734	Newsun Resources Ltd.	351,000	1,230,564	1,604,070
PrairieSky Royalty Ltd.	77,468	2,195,843	2,010,295	Northern Star Resources Ltd.	1,240,000	1,406,200	8,803,287
Royal Dutch Shell PLC, Class B – ADR	38,000	2,813,741	3,630,876	Peel Mining Ltd.	500,000	363,994	230,890
Seven Generations Energy Ltd.	146,500	2,196,407	2,122,785	Xanadu Mines Ltd.	14,165,900	2,747,889	2,341,720
Suncor Energy, Inc.	124,762	4,493,881	6,674,767			26,437,586	46,997,029
Tourmaline Oil Corporation	65,000	1,510,441	1,526,850	Transaction Costs		(84,745)	
TransCanada Corporation	66,837	2,804,653	3,801,689	TOTAL INVESTMENT PORTFOLIO		66,011,796	98,400,305
Whitecap Resources Inc.	292,700	2,659,048	2,607,957				
		39,658,955	51,403,276	Unrealized Gain (Loss) on Derivatives – 0.0%			(42,452)
Materials – 45.3%				OTHER ASSETS, LESS LIABILITIES – 5.2%			5,436,702
Agnico-Eagle Mines Limited	80,000	2,576,024	4,821,600	NET ASSETS – 100.0%			103,794,555
Arizona Mining Inc.	1,100,000	758,961	6,776,000				
BHP Billiton Ltd. – ADR	46,700	3,097,448	3,071,609				

SCHEDULE OF DERIVATIVE INSTRUMENTS

UNREALIZED GAIN ON CURRENCY FORWARD CONTRACTS

Counterparty	Credit Rating	Settlement Date	Currency To Be Received	Contractual Amount	Currency To Be Delivered	Contractual Amount	Contract Price	Market Price	Unrealized Gain (\$)
Toronto-Dominion Bank, The	A-1+	Jul. 18, 2018	Canadian Dollar	79,082	US Dollar	60,000	0.759	0.761	240
Bank of Montreal	A-1	Jul. 18, 2018	Canadian Dollar	106,290	US Dollar	80,000	0.753	0.761	1,168
Canadian Imperial Bank of Commerce	A-1	Jul. 18, 2018	Canadian Dollar	52,766	US Dollar	40,000	0.758	0.761	205
Bank of Montreal	A-1	Sep. 14, 2018	Canadian Dollar	2,548,404	Australian Dollar	2,588,000	1.016	1.029	34,147
Bank of Montreal	A-1	Sep. 14, 2018	Canadian Dollar	212,230	British Pound	120,000	0.565	0.575	3,567
Canadian Imperial Bank of Commerce	A-1	Sep. 14, 2018	Canadian Dollar	2,933,479	Australian Dollar	2,977,000	1.015	1.029	41,307
Canadian Imperial Bank of Commerce	A-1	Sep. 14, 2018	Canadian Dollar	726,655	British Pound	410,000	0.564	0.575	13,723
Toronto-Dominion Bank, The	A-1+	Sep. 14, 2018	Canadian Dollar	2,316,689	British Pound	1,310,000	0.565	0.575	38,785
Toronto-Dominion Bank, The	A-1+	Sep. 14, 2018	Canadian Dollar	2,072,530	Australian Dollar	2,105,000	1.016	1.029	27,511
									160,653

UNREALIZED LOSS ON CURRENCY FORWARD CONTRACTS

Counterparty	Credit Rating	Settlement Date	Currency To Be Received	Contractual Amount	Currency To Be Delivered	Contractual Amount	Contract Price	Market Price	Unrealized Loss (\$)
Bank of Montreal	A-1	Jul. 18, 2018	Canadian Dollar	102,554	US Dollar	80,000	0.78	0.761	(2,568)
Toronto-Dominion Bank, The	A-1+	Jul. 18, 2018	Canadian Dollar	3,449,172	US Dollar	2,690,000	0.78	0.761	(85,559)
Canadian Imperial Bank of Commerce	A-1	Jul. 18, 2018	Canadian Dollar	255,732	US Dollar	200,000	0.782	0.761	(7,074)
Canadian Imperial Bank of Commerce	A-1	Jul. 18, 2018	Canadian Dollar	508,581	US Dollar	392,000	0.771	0.761	(6,517)
Royal Bank of Canada	A-1+	Jul. 18, 2018	US Dollar	70,000	Canadian Dollar	93,087	1.33	1.314	(1,107)
Canadian Imperial Bank of Commerce	A-1	Jul. 18, 2018	US Dollar	552,000	Canadian Dollar	735,421	1.332	1.314	(10,091)
									(112,916)

The accompanying notes are an integral part of the financial statements.

Scotia Resource Fund (Unaudited – Continued)

SCHEDULE OF DERIVATIVE INSTRUMENTS

UNREALIZED LOSS ON EQUITY SWAP CONTRACTS

Number of Units	Termination Date	Notional Amount (U.S. \$)	Variable Rate %	Unrealized Loss (\$)
Enterprise Products Partners, Variable 1 month USD – LIBOR, Counterparty: Goldman Sachs				
11,600	5/4/2019	325,496	2.68%	(6,269)
800	5/8/2019	22,448	2.68%	(432)
11,000	5/9/2019	308,660	2.68%	(5,945)
1,600	5/10/2019	44,896	2.68%	(865)
2,800	5/18/2019	78,456	2.55%	(1,567)
7,600	5/30/2019	217,588	2.58%	(10,170)
3,400	6/1/2019	99,892	2.60%	(7,875)
5,600	5/1/2019	157,136	2.68%	(3,027)
3,400	5/2/2019	95,404	2.68%	(1,838)
1,600	5/3/2019	44,896	2.68%	(865)
5,000	8/14/2018	140,300	2.68%	(2,702)
2,600	8/15/2018	72,956	2.68%	(1,405)
4,200	8/17/2018	117,852	2.68%	(2,270)
100	8/24/2018	2,806	2.68%	(54)
3,900	10/16/2018	109,434	2.68%	(2,108)
10,600	11/29/2018	297,436	2.68%	(5,729)
2,700	4/24/2019	75,762	2.68%	(1,459)
4,300	4/25/2019	120,658	2.68%	(2,324)
Plains All American Pipeline LP, Variable 1 month USD – LIBOR, Counterparty: Goldman Sachs				
60,000	6/21/2019	1,443,612	0.60%	(33,285)
				<u>(90,189)</u>

The swap contracts outstanding at June 30, 2018 are placed with a financial institution with a minimum credit rating of A-1+ by S&P.

Scotia Resource Fund (Unaudited – Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

The Fund (note 1)

The Fund's objective is aggressive long-term capital growth. It invests primarily in equity securities of Canadian resource based companies, including companies that operate in the oil and gas, gold and precious metals, metals and minerals, and forest products industries.

Risks associated with financial instruments (note 4)

Interest rate risk

The majority of the Fund's financial instruments were non-interest bearing as at June 30, 2018 and December 31, 2017. Accordingly, the Fund is not directly subject to significant risk due to fluctuations in the prevailing levels of market interest rates.

Currency risk

The Fund's exposure to currency risk is summarized in the tables below. Amounts shown are based on the carrying value of monetary and non-monetary assets and liabilities of the Fund net of currency contracts, as applicable.

June 30, 2018				
Currency	Gross currency exposure (\$)	Currency contracts (\$)	Net exposure (\$)	Percentage of net assets (%)
US Dollar	15,206,659	(3,825,027)	11,381,632	11.0
Australian Dollar	15,432,577	(7,451,449)	7,981,128	7.7
British Pound	5,732,621	(3,199,499)	2,533,122	2.4
	36,371,857	(14,475,975)	21,895,882	21.1

December 31, 2017				
Currency	Gross currency exposure (\$)	Currency contracts (\$)	Net exposure (\$)	Percentage of net assets (%)
US Dollar	20,343,381	(4,701,672)	15,641,709	13.9
Australian Dollar	24,047,075	(11,288,786)	12,758,289	11.4
British Pound	6,081,546	(3,739,396)	2,342,150	2.1
	50,472,002	(19,729,854)	30,742,148	27.4

If the Canadian dollar strengthened or weakened by 10% in relation to all other currencies, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by \$2,189,588 or 2.1% (December 31, 2017 – \$3,074,215 or 2.7%). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Price risk

Price risk is the risk that the carrying value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) caused by factors specific to a security, its issuer or all factors affecting a market or a market segment. Exposure to price risk is mainly in equities, underlying funds, derivatives and commodities, as applicable. As at June 30, 2018, approximately 94.8% (December 31, 2017 – 94.4%) of the Fund's net assets were exposed to price risk. If prices of these instruments had decreased or increased by 10%, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would

have decreased or increased, respectively, by approximately \$9,831,012 (December 31, 2017 – \$10,607,673). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Credit risk

The Fund had no significant exposure to bonds and debentures, money market instruments or preferred shares as at June 30, 2018 or December 31, 2017.

Concentration risk

Concentration risk arises as a result of the concentration of financial instruments within the same category, geographical location, asset type or industry sector, as applicable. The table below is a summary of the Fund's concentration risk by carrying value as a percentage of net assets:

	Percentage of net assets (%)	
	June 30, 2018	December 31, 2017
Energy	49.5	51.9
Materials	45.3	42.5

Fair Value Classification (note 2)

The tables below illustrate the classification of the Fund's financial instruments within the fair value hierarchy.

June 30, 2018	Level 1	Level 2	Level 3	Total
	(\$)	(\$)	(\$)	(\$)
Equities	77,302,187	21,098,118	–	98,400,305
Unrealized gain on currency forward contracts	–	160,654	–	160,654
	77,302,187	21,258,772	–	98,560,959
Unrealized loss on currency forward contracts	–	(112,916)	–	(112,916)
Unrealized loss on swap contracts	–	(90,189)	–	(90,189)
	77,302,187	21,055,667	–	98,357,854

December 31, 2017	Level 1	Level 2	Level 3	Total
	(\$)	(\$)	(\$)	(\$)
Equities	75,881,145	30,127,176	–	106,008,321
Unrealized gain on currency forward contracts	–	87,420	–	87,420
Unrealized gain on swap contracts	–	68,412	–	68,412
	75,881,145	30,283,008	–	106,164,153
Unrealized loss on currency forward contracts	–	(152,566)	–	(152,566)
	75,881,145	30,130,442	–	106,011,587

Transfers between levels

During the periods ended June 30, 2018 and December 31, 2017, there were no significant transfers between Level 1 and Level 2.

Scotia Resource Fund (Unaudited – Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

Reconciliation of Level 3 financial instruments

The following table presents the movement in the Fund's Level 3 financial instruments for the periods ended:

	June 30, 2018 (\$)	December 31, 2017 (\$)
Beginning of period	-	-
Purchases	-	601,554
Sales	-	-
Transfers into Level 3	-	-
Transfers out of Level 3	-	(1,426,900)
Net realized gains (losses)	-	-
Net change in unrealized gain (loss)*	-	825,346
End of period	-	-

* Net change in unrealized gain (loss) for Level 3 financial instruments held as at June 30, 2018 and December 31, 2017 was nil and \$825,346, respectively.

Offsetting of financial assets and liabilities (note 2)

The following table presents offsetting of financial assets and liabilities and collateral amounts that would occur if future events, such as bankruptcy or termination of contracts, were to arise. No amounts were offset in the financial statements.

Financial assets – by type	June 30, 2018			
	Gross amount of assets (\$)	Master netting offset (\$)	Collateral pledged/ received (\$)	Net Amount (\$)
Currency forward contracts	160,653	(92,786)	-	67,867
Options contracts – OTC	-	-	-	-
Swap contracts – OTC	-	-	-	-
	160,653	(92,786)	-	67,867

Financial liabilities – by type	June 30, 2018			
	Gross amount of liabilities (\$)	Master netting offset (\$)	Collateral pledged/ received (\$)	Net Amount (\$)
Currency forward contracts	112,916	(92,786)	-	20,130
Options contracts – OTC	-	-	-	-
Swap contracts – OTC	90,189	-	(170,976)	-
	203,105	(92,786)	(170,976)	20,130

Financial assets – by type	December 31, 2017			
	Gross amount of assets (\$)	Master netting offset (\$)	Collateral pledged/ received (\$)	Net Amount (\$)
Currency forward contracts	87,420	(87,420)	-	-
Options contracts – OTC	-	-	-	-
Swap contracts – OTC	68,412	-	-	68,412
	155,832	(87,420)	-	68,412

Financial liabilities – by type	December 31, 2017			
	Gross amount of liabilities (\$)	Master netting offset (\$)	Collateral pledged/ received (\$)	Net Amount (\$)
Currency forward contracts	152,566	(87,420)	-	65,146
Options contracts – OTC	-	-	-	-
Swap contracts – OTC	-	-	-	-
	152,566	(87,420)	-	65,146

Interest in Underlying Funds (note 2)

The Fund did not hold any interest in Underlying Funds as at June 30, 2018 or December 31, 2017.

Comparison of net asset value per unit and net assets per unit (note 2)

As at June 30, 2018 or December 31, 2017, there were no differences between the net asset value per unit and the net assets per unit for any series of the Fund.

The accompanying notes are an integral part of the financial statements.

Scotia Private Real Estate Income Pool (Unaudited)

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	June 30, 2018	December 31, 2017
ASSETS		
Current assets		
Financial assets at fair value through profit or loss (note 2)		
Non-derivative financial assets	375,662,398	334,059,408
Derivatives	393,827	751,626
Cash	26,143,509	27,358,316
Cash collateral deposited on derivatives	–	288,858
Subscriptions receivable	591,370	632,453
Accrued investment income and other	1,332,525	1,370,991
	<u>404,123,629</u>	<u>364,461,652</u>
LIABILITIES		
Current liabilities		
Financial liabilities at fair value through profit or loss (note 2)		
Derivatives	492,327	7,152
Management fee payable	47,781	–
Payable for securities purchased	2,471,975	–
Redemptions payable	561,952	171,929
Accrued expenses	25,676	8
Distributions payable	69,813	–
	<u>3,669,524</u>	<u>179,089</u>
Net assets attributable to holders of redeemable units	<u>400,454,105</u>	<u>364,282,563</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series I	3,891,993	2,988,798
Series K	26,952,156	22,888,185
Series M	369,609,956	338,405,580
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series I	11.94	11.54
Series K	9.58	9.28
Series M	13.52	13.05

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended June 30 (note 1),

(in dollars except average units)	2018	2017
INCOME		
Net gain (loss) on financial assets and liabilities at fair value through profit or loss		
Dividends	2,924,660	2,837,009
Interest for distribution purposes	2,128,300	1,837,310
Net realized gain (loss) on non-derivative financial assets	7,724,291	7,510,130
Change in unrealized gain (loss) on non-derivative financial assets	10,066,732	(4,469,727)
Net realized gain (loss) on derivatives	(1,281,939)	65,290
Change in unrealized gain (loss) on derivatives	(842,974)	1,268,600
Net gain (loss) on financial assets and liabilities at fair value through profit or loss	20,719,070	9,048,612
Securities lending (note 11)	55,908	44,528
Net realized and unrealized foreign currency translation gain (loss)	332,343	(560,859)
Total income (loss), net	<u>21,107,321</u>	<u>8,532,281</u>
EXPENSES		
Management fees (note 5)	256,707	222,023
Fixed administration fees (note 6)	134,587	107,229
Independent Review Committee fees	587	576
Interest expense and bank overdraft charges	310	630
Foreign withholding taxes/tax reclaims	281,859	326,237
Harmonized Sales Tax/Goods and Services Tax	38,774	33,348
Transaction costs	223,582	151,788
Total expenses	<u>936,406</u>	<u>841,831</u>
Increase (decrease) in net assets attributable to holders of redeemable units from operations	<u>20,170,915</u>	<u>7,690,450</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series I	207,520	229,951
Series K	1,352,532	62,888
Series M	18,610,863	7,397,611
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT[†]		
Series I	0.70	0.23
Series K	0.51	0.06
Series M	0.70	0.32
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series I	298,286	1,000,437
Series K	2,655,901	1,104,407
Series M	26,675,690	22,919,059

[†] The increase (decrease) in net assets attributable to holders of redeemable units from operations per unit is calculated by dividing the increase (decrease) in net assets attributable to holders of redeemable units from operations per series by the weighted average number of units per series.

Scotia Private Real Estate Income Pool (Unaudited – Continued)

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the periods ended June 30 (note 1),

(in dollars)	2018	2017
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series I	2,988,798	9,425,663
Series K	22,888,185	4,286,328
Series M	338,405,580	277,662,969
	<u>364,282,563</u>	<u>291,374,960</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series I	207,520	229,951
Series K	1,352,532	62,888
Series M	18,610,863	7,397,611
	<u>20,170,915</u>	<u>7,690,450</u>
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net investment income		
Series I	(45,860)	(204,346)
Series K	(269,791)	(198,237)
Series M	(3,990,268)	(4,612,273)
From net realized gains on investments		
Series I	(14,918)	–
Series K	(93,634)	–
Series M	(1,360,618)	–
From return of capital		
Series K	(77,575)	–
	<u>(5,852,664)</u>	<u>(5,014,856)</u>
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series I	725,425	3,862,554
Series K	5,810,642	11,218,240
Series M	47,548,023	49,045,213
Reinvested distributions		
Series I	60,778	188,768
Series K	440,934	198,237
Series M	4,925,609	4,190,984
Payments on redemption		
Series I	(29,750)	(121,700)
Series K	(3,099,137)	(384,320)
Series M	(34,529,233)	(22,349,463)
	<u>21,853,291</u>	<u>45,848,513</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series I	903,195	3,955,227
Series K	4,063,971	10,896,808
Series M	31,204,376	33,672,072
	<u>36,171,542</u>	<u>48,524,107</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series I	3,891,993	13,380,890
Series K	26,952,156	15,183,136
Series M	369,609,956	311,335,041
	<u>400,454,105</u>	<u>339,899,067</u>

STATEMENTS OF CASH FLOWS

For the periods ended June 30 (note 1),

(in dollars)	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	20,170,915	7,690,450
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(7,724,291)	(7,510,130)
Unrealized foreign currency translation (gain) loss	20,302	223,165
Change in unrealized (gain) loss on non-derivative financial assets	(10,066,732)	4,469,727
Change in unrealized (gain) loss on derivatives	842,974	(1,268,600)
Purchases of portfolio investments	(94,518,635)	(95,014,193)
Proceeds from sale of portfolio investments	73,178,644	52,988,183
Cash collateral deposited on derivatives	288,858	–
Accrued investment income and other	38,466	(71,171)
Accrued expenses and other payables	73,449	62,795
Net cash provided by (used in) operating activities	<u>(17,696,050)</u>	<u>(38,429,774)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	54,038,522	62,894,660
Amounts paid on redemption of redeemable units	(37,181,446)	(23,043,965)
Distributions to unitholders of redeemable units	(355,531)	(346,715)
Net cash provided by (used in) financing activities	<u>16,501,545</u>	<u>39,503,980</u>
Unrealized foreign currency translation gain (loss)	(20,302)	(223,165)
Net increase (decrease) in cash	(1,194,505)	1,074,206
Cash (bank overdraft), beginning of period	27,358,316	35,812,590
CASH (BANK OVERDRAFT), END OF PERIOD	<u>26,143,509</u>	<u>36,663,631</u>
Interest paid ⁽¹⁾	310	630
Interest received, net of withholding taxes ⁽¹⁾	2,128,300	1,830,401
Dividends received, net of withholding taxes ⁽¹⁾	2,681,269	2,446,509

⁽¹⁾ Classified as operating items.

Scotia Private Real Estate Income Pool (Unaudited – Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at June 30, 2018

Issuer	Number of Shares	Average Cost (\$)	Carrying Value (\$)	Issuer	Number of Shares	Average Cost (\$)	Carrying Value (\$)
EQUITIES – 93.8%				EQUITIES (cont'd)			
Canada – 53.1%				United States (cont'd)			
Allied Properties Real Estate Investment Trust	255,450	9,670,890	10,690,583	Crown Castle International Corporation	31,500	3,884,624	4,466,857
Boardwalk Real Estate Investment Trust	113,500	5,329,127	5,183,545	Digital Realty Trust Inc.	49,300	7,120,213	7,234,782
Brookfield Property Partners LP	244,000	6,087,493	6,092,680	Equinix Inc.	22,500	12,479,253	12,721,315
Canadian Apartment Properties Real Estate Investment Trust	340,451	7,722,051	14,513,426	Equity Residential Real Estate Investment Trust	120,200	9,882,987	10,068,572
Chartwell Retirement Residences	1,018,151	12,366,552	15,608,255	Federal Realty Investment Trust	18,000	2,737,570	2,995,897
Choice Properties Real Estate Investment Trust	1,068,912	12,614,123	12,944,524	GGP Inc.	218,500	6,755,950	5,870,999
Cominar Real Estate Investment Trust	947,400	11,827,899	12,145,668	Invitation Homes Inc.	158,000	4,528,226	4,791,909
Crombie Real Estate Investment Trust	606,200	7,974,982	7,710,864	Kennedy-Wilson Holdings Inc.	100,200	2,448,206	2,787,214
Dream Global Real Estate Investment Trust	479,273	4,194,247	6,882,360	Kilroy Realty Corporation	51,900	4,841,719	5,163,106
Dream Industrial Real Estate Investment Trust	673,081	6,234,147	6,946,196	Kimco Realty Corporation	213,100	5,426,725	4,761,776
First Capital Realty, Inc.	671,600	12,841,605	13,875,256	ProLogis	165,500	8,614,417	14,298,465
Granite Real Estate Investment Trust	160,800	6,914,937	8,622,096	Public Storage Real Estate Investment Trust	19,600	5,615,893	5,847,984
H&R Real Estate Investment Trust	729,700	15,029,697	14,681,564	Retail Opportunity Investments Corporation	67,000	1,628,771	1,688,350
InterRent Real Estate Investment Trust	686,600	3,835,058	7,552,600	Simon Property Group Inc.	48,920	9,829,621	10,949,963
Killam Apartment Real Estate Investment Trust	526,783	6,150,900	7,891,209	Ventas Inc.	100,800	7,685,618	7,549,991
Minto Apartment Real Estate Investment Trust	170,481	2,471,975	2,471,975	Vornado Realty Trust Real Estate Investment Trust	54,500	5,373,846	5,298,472
Morguard North American Residential	398,749	4,373,594	5,993,197	Welltower Inc.	106,600	8,759,604	8,789,165
Northview Apartment Real Estate Investment Trust	320,400	6,786,695	8,420,112	Weyerhaeuser Company	169,400	7,053,170	8,123,108
Pure Multi-Family REIT LP, Class A Units	593,300	4,977,684	5,473,866	WPT Industrial Real Estate Investment Trust	271,679	4,209,701	4,948,242
RioCan Real Estate Investment Trust	661,523	17,049,966	15,975,780			148,920,991	163,146,306
Sienna Senior Living Inc.	526,500	7,744,619	8,729,370	Transaction Costs		(384,918)	
Smart Real Estate Investment Trust	462,200	12,833,188	14,110,966	TOTAL INVESTMENT PORTFOLIO		333,567,502	375,662,398
		185,031,429	212,516,092	Unrealized Gain (Loss) on Derivatives – 0.0%			(98,500)
United States – 40.7%				OTHER ASSETS, LESS LIABILITIES – 6.2%			24,890,207
Alexandria Real Estate Equities, Inc.	33,800	5,255,132	5,608,736	NET ASSETS – 100.0%			400,454,105
American Tower Corporation	40,900	5,925,723	7,755,153				
AvalonBay Communities Inc.	36,300	7,273,931	8,206,338				
Boston Properties Inc.	48,900	6,898,297	8,066,178				
Camden Property Trust	43,000	4,691,794	5,153,734				

SCHEDULE OF DERIVATIVE INSTRUMENTS

UNREALIZED GAIN ON CURRENCY FORWARD CONTRACTS

Counterparty	Credit Rating	Settlement Date	Currency To Be Received	Contractual Amount	Currency To Be Delivered	Contractual Amount	Contract Price	Market Price	Unrealized Gain (\$)
Canadian Imperial Bank of Commerce	A-1	Jul. 18, 2018	US Dollar	589,000	Canadian Dollar	764,169	1.297	1.314	9,798
State Street Bank & Trust Company	A-1+	Aug. 23, 2018	Canadian Dollar	13,160,508	US Dollar	9,901,000	0.752	0.762	162,635
Canadian Imperial Bank of Commerce	A-1	Aug. 23, 2018	Canadian Dollar	7,316,943	US Dollar	5,505,000	0.752	0.762	90,068
Toronto-Dominion Bank, The	A-1+	Aug. 23, 2018	Canadian Dollar	6,155,164	US Dollar	4,632,000	0.753	0.762	74,349
Bank of Montreal	A-1	Aug. 23, 2018	Canadian Dollar	2,764,809	US Dollar	2,080,000	0.752	0.762	34,218
Royal Bank of Canada	A-1+	Aug. 23, 2018	Canadian Dollar	1,856,718	US Dollar	1,397,000	0.752	0.762	22,759
									393,827

UNREALIZED LOSS ON CURRENCY FORWARD CONTRACTS

Counterparty	Credit Rating	Settlement Date	Currency To Be Received	Contractual Amount	Currency To Be Delivered	Contractual Amount	Contract Price	Market Price	Unrealized Loss (\$)
Bank of Montreal	A-1	Jul. 18, 2018	Canadian Dollar	2,512,573	US Dollar	1,960,000	0.78	0.761	(62,918)
Royal Bank of Canada	A-1+	Jul. 18, 2018	Canadian Dollar	2,507,092	US Dollar	1,955,000	0.78	0.761	(61,829)
Canadian Imperial Bank of Commerce	A-1	Jul. 18, 2018	Canadian Dollar	949,165	US Dollar	740,000	0.78	0.761	(23,214)
Toronto-Dominion Bank, The	A-1+	Jul. 18, 2018	Canadian Dollar	12,569,603	US Dollar	9,803,000	0.78	0.761	(311,794)
Bank of Montreal	A-1	Jul. 18, 2018	Canadian Dollar	2,244,606	US Dollar	1,730,000	0.771	0.761	(28,659)
Toronto-Dominion Bank, The	A-1+	Jul. 18, 2018	US Dollar	880,000	Canadian Dollar	1,159,866	1.318	1.314	(3,532)
Bank of Montreal	A-1	Jul. 18, 2018	US Dollar	100,000	Canadian Dollar	131,783	1.318	1.314	(381)
									(492,327)

The accompanying notes are an integral part of the financial statements.

Scotia Private Real Estate Income Pool (Unaudited – Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

The Fund (note 1)

The Fund aims to achieve a high level of total investment return, consisting of income and capital gains. It invests primarily in equity and debt securities of real estate assets located anywhere in the world.

Risks associated with financial instruments (note 4)

Interest rate risk

The majority of the Fund's financial instruments were non-interest bearing as at June 30, 2018 and December 31, 2017. Accordingly, the Fund is not directly subject to significant risk due to fluctuations in the prevailing levels of market interest rates.

Currency risk

The Fund's exposure to currency risk is summarized in the tables below. Amounts shown are based on the carrying value of monetary and non-monetary assets and liabilities of the Fund net of currency contracts, as applicable.

June 30, 2018				
Currency	Gross currency exposure (\$)	Currency contracts (\$)	Net exposure (\$)	Percentage of net assets (%)
US Dollar	176,539,645	(50,083,899)	126,455,746	31.6
	176,539,645	(50,083,899)	126,455,746	31.6

December 31, 2017				
Currency	Gross currency exposure (\$)	Currency contracts (\$)	Net exposure (\$)	Percentage of net assets (%)
US Dollar	160,839,689	(41,270,587)	119,569,102	32.8
Australian Dollar	204,638	(101,970)	102,668	0.0
	161,044,327	(41,372,557)	119,671,770	32.8

If the Canadian dollar strengthened or weakened by 10% in relation to all other currencies, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by \$12,645,575 or 3.2% (December 31, 2017 – \$11,967,177 or 3.3%). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Price risk

Price risk is the risk that the carrying value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) caused by factors specific to a security, its issuer or all factors affecting a market or a market segment. Exposure to price risk is mainly in equities, underlying funds, derivatives and commodities, as applicable. As at June 30, 2018, approximately 93.8% (December 31, 2017 – 91.7%) of the Fund's net assets were exposed to price risk. If prices of these instruments had decreased or increased by 10%, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by approximately \$37,566,240 (December 31, 2017 – \$33,405,941). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Credit risk

The Fund had no significant exposure to bonds and debentures, money market instruments or preferred shares as at June 30, 2018 or December 31, 2017.

Concentration risk

Concentration risk arises as a result of the concentration of financial instruments within the same category, geographical location, asset type or industry sector, as applicable. The table below is a summary of the Fund's concentration risk by carrying value as a percentage of net assets:

	Percentage of net assets (%)	
	June 30, 2018	December 31, 2017
Canada	53.1	50.7
United States	40.7	41.0

Fair Value Classification (note 2)

The tables below illustrate the classification of the Fund's financial instruments within the fair value hierarchy.

June 30, 2018	Level 1	Level 2	Level 3	Total
	(\$)	(\$)	(\$)	(\$)
Equities	375,662,398	–	–	375,662,398
Unrealized gain on currency forward contracts	–	393,827	–	393,827
	375,662,398	393,827	–	376,056,225
Unrealized loss on currency forward contracts	–	(492,327)	–	(492,327)
	375,662,398	(98,500)	–	375,563,898

December 31, 2017	Level 1	Level 2	Level 3	Total
	(\$)	(\$)	(\$)	(\$)
Equities	334,059,408	–	–	334,059,408
Unrealized gain on currency forward contracts	–	751,626	–	751,626
	334,059,408	751,626	–	334,811,034
Unrealized loss on currency forward contracts	–	(7,152)	–	(7,152)
	334,059,408	744,474	–	334,803,882

Transfers between levels

During the periods ended June 30, 2018 and December 31, 2017, there were no significant transfers between Level 1 and Level 2.

Offsetting of financial assets and liabilities (note 2)

The following table presents offsetting of financial assets and liabilities and collateral amounts that would occur if future events, such as

Scotia Private Real Estate Income Pool (Unaudited – Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

bankruptcy or termination of contracts, were to arise. No amounts were offset in the financial statements.

June 30, 2018				
Financial assets – by type	Gross amount of assets (\$)	Master netting offset (\$)	Collateral pledged/received (\$)	Net Amount (\$)
Currency forward contracts	393,827	(154,540)	–	239,287
Options contracts – OTC	–	–	–	–
Swap contracts – OTC	–	–	–	–
	393,827	(154,540)	–	239,287

June 30, 2018				
Financial liabilities – by type	Gross amount of liabilities (\$)	Master netting offset (\$)	Collateral pledged/received (\$)	Net Amount (\$)
Currency forward contracts	492,327	(154,540)	–	337,787
Options contracts – OTC	–	–	–	–
Swap contracts – OTC	–	–	–	–
	492,327	(154,540)	–	337,787

December 31, 2017				
Financial assets – by type	Gross amount of assets (\$)	Master netting offset (\$)	Collateral pledged/received (\$)	Net Amount (\$)
Currency forward contracts	751,626	(7,152)	–	744,474
Options contracts – OTC	–	–	–	–
Swap contracts – OTC	–	–	–	–
	751,626	(7,152)	–	744,474

December 31, 2017				
Financial liabilities – by type	Gross amount of liabilities (\$)	Master netting offset (\$)	Collateral pledged/received (\$)	Net Amount (\$)
Currency forward contracts	7,152	(7,152)	–	–
Options contracts – OTC	–	–	–	–
Swap contracts – OTC	–	–	–	–
	7,152	(7,152)	–	–

Interest in Underlying Funds (note 2)

The Fund did not hold any interest in Underlying Funds as at June 30, 2018 or December 31, 2017.

Comparison of net asset value per unit and net assets per unit (note 2)

As at June 30, 2018 or December 31, 2017, there were no differences between the net asset value per unit and the net assets per unit for any series of the Fund.

Scotia Private North American Dividend Pool (Unaudited)

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	June 30, 2018	December 31, 2017
ASSETS		
Current assets		
Financial assets at fair value through profit or loss (note 2)		
Non-derivative financial assets	74,795,459	75,977,320
Cash	729,906	1,717,969
Subscriptions receivable	–	13,693
Accrued investment income and other	81,568	99,463
	<u>75,606,933</u>	<u>77,808,445</u>
LIABILITIES		
Current liabilities		
Management fee payable	6,737	–
Redemptions payable	52,534	204,768
Accrued expenses	3,955	–
Distributions payable	1,701	1,701
	<u>64,927</u>	<u>206,469</u>
Net assets attributable to holders of redeemable units	<u>75,542,006</u>	<u>77,601,976</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series K	1,269	1,239
Series M	<u>75,540,737</u>	<u>77,600,737</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series K	12.34	12.05
Series M	<u>15.81</u>	<u>15.43</u>

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended June 30 (note 1),

(in dollars except average units)	2018	2017
INCOME		
Net gain (loss) on financial assets and liabilities at fair value through profit or loss		
Dividends	836,188	1,003,353
Interest for distribution purposes	2,036	13,220
Net realized gain (loss) on non-derivative financial assets	1,417,834	2,156,281
Change in unrealized gain (loss) on non-derivative financial assets	<u>(321,608)</u>	<u>1,369,655</u>
Net gain (loss) on financial assets and liabilities at fair value through profit or loss	1,934,450	4,542,509
Securities lending (note 11)	484	721
Net realized and unrealized foreign currency translation gain (loss)	1,802	(168,774)
Total income (loss), net	<u>1,936,736</u>	<u>4,374,456</u>
EXPENSES		
Management fees (note 5)	37,606	41,699
Fixed administration fees (note 6)	18,805	20,851
Independent Review Committee fees	587	576
Interest expense and bank overdraft charges	93	806
Foreign withholding taxes/tax reclaims	35,159	66,467
Harmonized Sales Tax/Goods and Services Tax	6,972	7,756
Transaction costs	8,243	24,112
Total expenses	<u>107,465</u>	<u>162,267</u>
Increase (decrease) in net assets attributable to holders of redeemable units from operations	<u>1,829,271</u>	<u>4,212,189</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series K	30	53
Series M	<u>1,829,241</u>	<u>4,212,136</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT[†]		
Series K	0.29	0.52
Series M	<u>0.37</u>	<u>0.72</u>
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series K	103	102
Series M	<u>4,912,073</u>	<u>5,869,756</u>

[†] The increase (decrease) in net assets attributable to holders of redeemable units from operations per unit is calculated by dividing the increase (decrease) in net assets attributable to holders of redeemable units from operations per series by the weighted average number of units per series.

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the periods ended June 30 (note 1),

(in dollars)	2018	2017
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series K	1,239	1,086
Series M	<u>77,600,737</u>	<u>90,610,134</u>
	<u>77,601,976</u>	<u>90,611,220</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series K	30	53
Series M	<u>1,829,241</u>	<u>4,212,136</u>
	<u>1,829,271</u>	<u>4,212,189</u>
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series M	3,864,097	3,871,596
Payments on redemption		
Series M	<u>(7,753,338)</u>	<u>(20,618,692)</u>
	<u>(3,889,241)</u>	<u>(16,747,096)</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series K	30	53
Series M	<u>(2,060,000)</u>	<u>(12,534,960)</u>
	<u>(2,059,970)</u>	<u>(12,534,907)</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series K	1,269	1,139
Series M	<u>75,540,737</u>	<u>78,075,174</u>
	<u>75,542,006</u>	<u>78,076,313</u>

STATEMENTS OF CASH FLOWS

For the periods ended June 30 (note 1),

(in dollars)	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	1,829,271	4,212,189
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(1,417,834)	(2,156,281)
Unrealized foreign currency translation (gain) loss	816	30,875
Change in unrealized (gain) loss on non-derivative financial assets	321,608	(1,369,655)
Non-cash transactions	–	(4,512)
Purchases of portfolio investments	(6,446,137)	(14,771,965)
Proceeds from sale of portfolio investments	8,724,224	25,453,131
Accrued investment income and other	17,895	(23,516)
Accrued expenses and other payables	10,692	11,245
Net cash provided by (used in) operating activities	<u>3,040,535</u>	<u>11,381,511</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	3,877,790	3,891,337
Amounts paid on redemption of redeemable units	<u>(7,905,572)</u>	<u>(20,646,426)</u>
Net cash provided by (used in) financing activities	<u>(4,027,782)</u>	<u>(16,755,089)</u>
Unrealized foreign currency translation gain (loss)	(816)	(30,875)
Net increase (decrease) in cash	<u>(987,247)</u>	<u>(5,373,578)</u>
Cash (bank overdraft), beginning of period	1,717,969	6,880,082
CASH (BANK OVERDRAFT), END OF PERIOD	<u>729,906</u>	<u>1,475,629</u>
Interest paid ⁽¹⁾	93	806
Interest received, net of withholding taxes ⁽¹⁾	2,036	13,747
Dividends received, net of withholding taxes ⁽¹⁾	<u>818,925</u>	<u>908,330</u>

⁽¹⁾ Classified as operating items.

The accompanying notes are an integral part of the financial statements.

Scotia Private North American Dividend Pool (Unaudited – Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at June 30, 2018

Issuer	Number of Shares	Average Cost (\$)	Carrying Value (\$)
EQUITIES – 99.0%			
Consumer Discretionary – 8.0%			
Comcast Corporation, Class A	53,400	2,418,914	2,304,302
McDonald's Corporation	7,200	1,507,152	1,483,768
NIKE, Inc., Class B	21,200	1,866,490	2,221,659
		<u>5,792,556</u>	<u>6,009,729</u>
Consumer Staples – 14.1%			
Alimentation Couche-Tard Inc., Class B	35,900	2,140,079	2,050,249
Costco Wholesale Corporation	6,100	1,320,255	1,676,589
Estee Lauder Companies Inc., The	7,700	920,694	1,445,029
Loblaws Companies Limited	25,700	1,623,870	1,737,320
McCormick & Company, Inc.	10,900	1,374,610	1,664,230
Saputo Inc.	47,300	2,065,930	2,064,645
		<u>9,445,438</u>	<u>10,638,062</u>
Energy – 10.2%			
Canadian Natural Resources Ltd.	35,800	1,447,051	1,698,710
Enbridge Inc.	48,900	2,466,331	2,298,300
PrairieSky Royalty Ltd.	82,300	2,173,792	2,135,685
Suncor Energy, Inc.	29,300	1,065,409	1,567,550
		<u>7,152,583</u>	<u>7,700,245</u>
Financials – 26.6%			
Bank of America Corporation	40,400	1,271,866	1,497,851
Bank of Montreal	20,000	1,673,800	2,032,400
Brookfield Asset Management Inc., Class A	32,700	1,453,909	1,743,891
Intact Financial Corporation	18,890	1,322,747	1,761,493
JPMorgan Chase & Co.	10,900	1,167,145	1,493,779
Manulife Financial Corporation	75,800	1,646,464	1,790,396
Power Corporation of Canada	76,500	2,163,871	2,252,160
Royal Bank of Canada	36,820	1,953,434	3,644,812
Toronto-Dominion Bank, The	51,220	2,020,028	3,897,330
		<u>14,673,264</u>	<u>20,114,112</u>
Health Care – 4.7%			
Danaher Corporation	14,800	1,501,212	1,920,804
Johnson & Johnson	10,310	1,352,596	1,645,337
		<u>2,853,808</u>	<u>3,566,141</u>
Industrials – 11.2%			
Canadian National Railway Company	30,640	1,685,407	3,294,719
Fortive Corporation	16,200	992,044	1,642,926
Honeywell International Inc.	8,200	1,195,240	1,553,529
United Parcel Service, Inc., Class B	14,000	2,024,829	1,955,993
		<u>5,897,520</u>	<u>8,447,167</u>
Information Technology – 11.0%			
Alphabet Inc., Class C	1,486	1,304,760	2,180,414
Apple Inc.	7,705	940,314	1,875,835
Microsoft Corporation	16,200	931,706	2,101,010
Visa Inc.	12,500	1,152,351	2,177,480
		<u>4,329,131</u>	<u>8,334,739</u>
Materials – 9.4%			
Air Products and Chemicals, Inc.	7,600	1,384,430	1,556,604
Franco-Nevada Corporation	22,200	2,086,766	2,130,090
Nutrien Ltd.	26,090	1,409,893	1,865,957
Wipac Ltd.	34,800	1,769,110	1,531,200
		<u>6,650,199</u>	<u>7,083,851</u>
Real Estate – 1.5%			
GGP Inc.	42,000	1,105,925	1,128,521
Telecommunication Services – 2.3%			
BCE Inc.	33,300	1,981,211	1,772,892
Transaction Costs		<u>(36,816)</u>	
TOTAL INVESTMENT PORTFOLIO		<u>59,844,819</u>	<u>74,795,459</u>
OTHER ASSETS, LESS LIABILITIES – 1.0%			<u>746,547</u>
NET ASSETS – 100.0%			<u>75,542,006</u>

The accompanying notes are an integral part of the financial statements.

Scotia Private North American Dividend Pool (Unaudited – Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

The Fund (note 1)

The Fund's objective is to earn dividend income while providing long-term capital appreciation. It invests primarily in companies located in Canada and the United States.

Risks associated with financial instruments (note 4)

Interest rate risk

The majority of the Fund's financial instruments were non-interest bearing as at June 30, 2018 and December 31, 2017. Accordingly, the Fund is not directly subject to significant risk due to fluctuations in the prevailing levels of market interest rates.

Currency risk

The Fund's exposure to currency risk is summarized in the tables below. Amounts shown are based on the carrying value of monetary and non-monetary assets and liabilities of the Fund net of currency contracts, as applicable.

Currency	June 30, 2018			
	Gross currency exposure (\$)	Currency contracts (\$)	Net exposure (\$)	Percentage of net assets (%)
US Dollar	33,841,343	–	33,841,343	44.8
	33,841,343	–	33,841,343	44.8

Currency	December 31, 2017			
	Gross currency exposure (\$)	Currency contracts (\$)	Net exposure (\$)	Percentage of net assets (%)
US Dollar	33,209,980	–	33,209,980	42.8
	33,209,980	–	33,209,980	42.8

If the Canadian dollar strengthened or weakened by 10% in relation to all other currencies, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by \$3,384,134 or 4.5% (December 31, 2017 – \$3,320,998 or 4.3%). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Price risk

Price risk is the risk that the carrying value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) caused by factors specific to a security, its issuer or all factors affecting a market or a market segment. Exposure to price risk is mainly in equities, underlying funds, derivatives and commodities, as applicable. As at June 30, 2018, approximately 99.0% (December 31, 2017 – 97.9%) of the Fund's net assets were exposed to price risk. If prices of these instruments had decreased or increased by 10%, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by approximately \$7,479,546 (December 31, 2017 – \$7,597,732). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Credit risk

The Fund had no significant exposure to bonds and debentures, money market instruments or preferred shares as at June 30, 2018 or December 31, 2017.

Concentration risk

Concentration risk arises as a result of the concentration of financial instruments within the same category, geographical location, asset type or industry sector, as applicable. The table below is a summary of the Fund's concentration risk by carrying value as a percentage of net assets:

	Percentage of net assets (%)	
	June 30, 2018	December 31, 2017
Consumer Discretionary	8.0	9.7
Consumer Staples	14.1	13.8
Energy	10.2	10.2
Financials	26.6	26.1
Health Care	4.7	4.2
Industrials	11.2	11.2
Information Technology	11.0	10.7
Materials	9.4	9.4
Real Estate	1.5	–
Telecommunication Services	2.3	2.6

Fair Value Classification (note 2)

The tables below illustrate the classification of the Fund's financial instruments within the fair value hierarchy.

June 30, 2018	Level 1	Level 2	Level 3	Total
	(\$)	(\$)	(\$)	(\$)
Equities	74,795,459	–	–	74,795,459
	74,795,459	–	–	74,795,459

December 31, 2017	Level 1	Level 2	Level 3	Total
	(\$)	(\$)	(\$)	(\$)
Equities	75,977,320	–	–	75,977,320
	75,977,320	–	–	75,977,320

Transfers between levels

During the periods ended June 30, 2018 and December 31, 2017, there were no significant transfers between Level 1 and Level 2.

Offsetting of financial assets and liabilities (note 2)

As at June 30, 2018 and December 31, 2017, the Fund did not enter into any agreement whereby the financial instruments were eligible for offset.

Interest in Underlying Funds (note 2)

The Fund did not hold any interest in Underlying Funds as at June 30, 2018 or December 31, 2017.

Comparison of net asset value per unit and net assets per unit (note 2)

As at June 30, 2018 or December 31, 2017, there were no differences between the net asset value per unit and the net assets per unit for any series of the Fund.

Scotia U.S. Dividend Fund (Unaudited)

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	June 30, 2018	December 31, 2017
ASSETS		
Current assets		
Financial assets at fair value through profit or loss (note 2)		
Non-derivative financial assets	125,414,912	105,823,000
Cash	8,565,688	6,514,304
Subscriptions receivable	238,209	486,127
Accrued investment income and other	94,109	89,378
	<u>134,312,918</u>	<u>112,912,809</u>
LIABILITIES		
Current liabilities		
Management fee payable	176,244	–
Redemptions payable	143,214	142,530
Accrued expenses	28,786	–
	<u>348,244</u>	<u>142,530</u>
Net assets attributable to holders of redeemable units	<u>133,964,674</u>	<u>112,770,279</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series A	133,964,674	112,770,279
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series A	17.17	16.42

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended June 30 (note 1),

(in dollars except average units)	2018	2017
INCOME		
Net gain (loss) on financial assets and liabilities at fair value through profit or loss		
Dividends	920,496	847,864
Interest for distribution purposes	27,970	171,552
Net realized gain (loss) on non-derivative financial assets	2,243,535	2,078,520
Change in unrealized gain (loss) on non-derivative financial assets	3,583,457	(506,702)
Net gain (loss) on financial assets and liabilities at fair value through profit or loss	6,775,458	2,591,234
Securities lending (note 11)	205	688
Net realized and unrealized foreign currency translation gain (loss)	186,271	(2,211)
Other income	1,686	1,478
Total income (loss), net	<u>6,963,620</u>	<u>2,591,189</u>
EXPENSES		
Management fees (note 5)	933,441	733,195
Fixed administration fees (note 6)	149,351	116,102
Independent Review Committee fees	587	576
Interest expense and bank overdraft charges	6	–
Foreign withholding taxes/tax reclaims	114,760	114,542
Harmonized Sales Tax/Goods and Services Tax	108,279	85,439
Transaction costs	36,759	37,580
Total expenses	<u>1,343,183</u>	<u>1,087,434</u>
Increase (decrease) in net assets attributable to holders of redeemable units from operations	<u>5,620,437</u>	<u>1,503,755</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A	5,620,437	1,503,755
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT†		
Series A	0.75	0.23
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series A	7,473,915	6,428,189

† The increase (decrease) in net assets attributable to holders of redeemable units from operations per unit is calculated by dividing the increase (decrease) in net assets attributable to holders of redeemable units from operations per series by the weighted average number of units per series.

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the periods ended June 30 (note 1),

(in dollars)	2018	2017
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series A	112,770,279	87,250,946
	<u>112,770,279</u>	<u>87,250,946</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A	5,620,437	1,503,755
	<u>5,620,437</u>	<u>1,503,755</u>
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A	27,744,767	22,905,447
Payments on redemption		
Series A	(12,170,809)	(9,796,410)
	<u>15,573,958</u>	<u>13,109,037</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A	21,194,395	14,612,792
	<u>21,194,395</u>	<u>14,612,792</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series A	133,964,674	101,863,738
	<u>133,964,674</u>	<u>101,863,738</u>

STATEMENTS OF CASH FLOWS

For the periods ended June 30 (note 1),

(in dollars)	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	5,620,437	1,503,755
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(2,243,535)	(2,078,520)
Unrealized foreign currency translation (gain) loss	2,415	1,529
Change in unrealized (gain) loss on non-derivative financial assets	(3,583,457)	506,702
Purchases of portfolio investments	(41,224,182)	(39,687,159)
Proceeds from sale of portfolio investments	27,459,262	21,991,474
Accrued investment income and other	(4,731)	(5,745)
Accrued expenses and other payables	205,030	159,229
Net cash provided by (used in) operating activities	<u>(13,768,761)</u>	<u>(17,608,735)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	27,992,685	23,160,359
Amounts paid on redemption of redeemable units	(12,170,125)	(9,936,164)
Distributions to unitholders of redeemable units	–	(25)
Net cash provided by (used in) financing activities	15,822,560	13,224,170
Unrealized foreign currency translation gain (loss)	(2,415)	(1,529)
Net increase (decrease) in cash	2,053,799	(4,384,565)
Cash (bank overdraft), beginning of period	6,514,304	10,365,392
CASH (BANK OVERDRAFT), END OF PERIOD	<u>8,565,688</u>	<u>5,979,298</u>
Interest paid ⁽¹⁾	6	–
Interest received, net of withholding taxes ⁽¹⁾	27,970	171,989
Dividends received, net of withholding taxes ⁽¹⁾	801,003	727,139

(1) Classified as operating items.

The accompanying notes are an integral part of the financial statements.

Scotia U.S. Dividend Fund (Unaudited – Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at June 30, 2018

Issuer	Number of Shares	Average Cost (\$)	Carrying Value (\$)	Issuer	Number of Shares	Average Cost (\$)	Carrying Value (\$)
EQUITIES – 93.6%				EQUITIES (cont'd)			
Consumer Discretionary – 7.1%				Real Estate – 4.0%			
Comcast Corporation, Class A	83,300	3,626,521	3,594,539	GGP Inc.	99,100	2,518,834	2,662,773
McDonald's Corporation	13,000	2,118,787	2,679,025	Public Storage Real Estate Investment Trust	8,900	2,491,255	2,655,462
NIKE, Inc., Class B	31,400	2,262,263	3,290,570			5,010,089	5,318,235
		<u>8,007,571</u>	<u>9,564,134</u>				
Consumer Staples – 10.1%				Telecommunication Services – 2.1%			
Anheuser-Busch InBev SA – ADR	21,100	2,539,362	2,796,165	Verizon Communications Inc.	43,200	2,810,387	2,858,448
Coca-Cola Company, The	48,200	2,834,682	2,780,404	Utilities – 2.2%			
Costco Wholesale Corporation	9,900	2,006,661	2,721,022	Brookfield Infrastructure Partners LP	58,250	2,396,166	2,941,842
Estee Lauder Companies Inc., The	13,000	1,458,303	2,439,659	Transaction Costs		(56,295)	
McCormick & Company, Inc.	17,900	2,297,319	2,733,002	TOTAL INVESTMENT PORTFOLIO		<u>105,859,170</u>	125,414,912
		<u>11,136,327</u>	<u>13,470,252</u>	OTHER ASSETS, LESS LIABILITIES – 6.4%			8,549,762
Energy – 5.3%				NET ASSETS – 100.0%			<u>133,964,674</u>
Devon Energy Corporation	46,100	2,366,781	2,665,329				
EOG Resources, Inc.	13,900	1,609,222	2,274,742				
Schlumberger Limited	24,600	2,334,522	2,168,685				
		<u>6,310,525</u>	<u>7,108,756</u>				
Financials – 11.7%							
Bank of America Corporation	74,400	2,395,096	2,758,419				
Chubb Ltd.	16,800	2,800,304	2,806,555				
Invesco Limited	38,000	1,380,500	1,327,406				
JPMorgan Chase & Co.	20,000	2,177,289	2,740,879				
Morgan Stanley	44,700	2,092,173	2,786,622				
Wells Fargo & Company	45,300	3,138,783	3,303,038				
		<u>13,984,145</u>	<u>15,722,919</u>				
Health Care – 8.1%							
Anthem, Inc.	8,700	2,583,321	2,723,599				
Danaher Corporation	20,500	2,112,494	2,660,573				
Johnson & Johnson	17,000	2,370,638	2,712,971				
Medtronic PLC	23,900	2,522,782	2,691,005				
		<u>9,589,235</u>	<u>10,788,148</u>				
Industrials – 16.2%							
3M Company	9,400	2,053,231	2,432,028				
Canadian Pacific Railway Ltd.	15,300	3,074,248	3,682,834				
FedEx Corporation	13,000	3,822,518	3,882,184				
Fortive Corporation	25,500	1,876,783	2,586,086				
MSC Industrial Direct Co., Inc., Class A	22,100	2,085,051	2,466,245				
Parker-Hannifin Corporation	9,900	2,147,805	2,029,244				
Sensata Technologies Holding PLC	32,700	1,804,733	2,046,277				
Univar Inc.	72,900	2,609,804	2,515,843				
		<u>19,474,173</u>	<u>21,640,741</u>				
Information Technology – 17.9%							
Accenture PLC, Class A	13,200	1,769,271	2,840,029				
Activision Blizzard Inc.	28,600	2,524,373	2,870,758				
Alphabet Inc., Class C	2,000	2,178,205	2,934,608				
Cisco Systems, Inc.	55,500	2,276,113	3,140,917				
FLIR Systems, Inc.	38,900	1,722,038	2,658,854				
Microsoft Corporation	27,600	1,550,263	3,579,499				
Oracle Corporation	44,200	2,646,978	2,561,291				
Visa Inc.	19,800	1,979,657	3,449,128				
		<u>16,646,898</u>	<u>24,035,084</u>				
Materials – 8.9%							
Air Products and Chemicals, Inc.	13,300	2,575,456	2,724,056				
Franco-Nevada Corporation	29,900	2,409,242	2,871,476				
Martin Marietta Materials Inc.	12,200	3,515,848	3,583,431				
Sherwin-Williams Company, The	5,200	2,049,403	2,787,390				
		<u>10,549,949</u>	<u>11,966,353</u>				

The accompanying notes are an integral part of the financial statements.

Scotia U.S. Dividend Fund (Unaudited – Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

The Fund (note 1)

The Fund aims to achieve a high level of total investment return, consisting of dividend income and capital gains. It invests primarily in equity securities of U.S. companies that pay, or may be expected to pay, dividends.

Risks associated with financial instruments (note 4)

Interest rate risk

The majority of the Fund's financial instruments were non-interest bearing as at June 30, 2018 and December 31, 2017. Accordingly, the Fund is not directly subject to significant risk due to fluctuations in the prevailing levels of market interest rates.

Currency risk

The Fund's exposure to currency risk is summarized in the tables below. Amounts shown are based on the carrying value of monetary and non-monetary assets and liabilities of the Fund net of currency contracts, as applicable.

Currency	June 30, 2018			
	Gross currency exposure (\$)	Currency contracts (\$)	Net exposure (\$)	Percentage of net assets (%)
US Dollar	126,392,715	–	126,392,715	94.3
	126,392,715	–	126,392,715	94.3

Currency	December 31, 2017			
	Gross currency exposure (\$)	Currency contracts (\$)	Net exposure (\$)	Percentage of net assets (%)
US Dollar	109,060,195	–	109,060,195	96.7
	109,060,195	–	109,060,195	96.7

If the Canadian dollar strengthened or weakened by 10% in relation to all other currencies, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by \$12,639,272 or 9.4% (December 31, 2017 – \$10,906,020 or 9.7%). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Price risk

Price risk is the risk that the carrying value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) caused by factors specific to a security, its issuer or all factors affecting a market or a market segment. Exposure to price risk is mainly in equities, underlying funds, derivatives and commodities, as applicable. As at June 30, 2018, approximately 93.6% (December 31, 2017 – 93.9%) of the Fund's net assets were exposed to price risk. If prices of these instruments had decreased or increased by 10%, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by approximately \$12,541,491 (December 31, 2017 – \$10,582,300). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Credit risk

The Fund had no significant exposure to bonds and debentures, money market instruments or preferred shares as at June 30, 2018 or December 31, 2017.

Concentration risk

Concentration risk arises as a result of the concentration of financial instruments within the same category, geographical location, asset type or industry sector, as applicable. The table below is a summary of the Fund's concentration risk by carrying value as a percentage of net assets:

	Percentage of net assets (%)	
	June 30, 2018	December 31, 2017
Consumer Discretionary	7.1	7.8
Consumer Staples	10.1	10.2
Energy	5.3	4.0
Financials	11.7	12.5
Health Care	8.1	6.2
Industrials	16.2	20.8
Information Technology	17.9	15.7
Materials	8.9	10.4
Real Estate	4.0	2.3
Telecommunication Services	2.1	2.3
Utilities	2.2	1.7

Fair Value Classification (note 2)

The tables below illustrate the classification of the Fund's financial instruments within the fair value hierarchy.

June 30, 2018	Level 1	Level 2	Level 3	Total
	(\$)	(\$)	(\$)	(\$)
Equities	125,414,912	–	–	125,414,912
	125,414,912	–	–	125,414,912

December 31, 2017	Level 1	Level 2	Level 3	Total
	(\$)	(\$)	(\$)	(\$)
Equities	105,823,000	–	–	105,823,000
	105,823,000	–	–	105,823,000

Transfers between levels

During the periods ended June 30, 2018 and December 31, 2017, there were no significant transfers between Level 1 and Level 2.

Offsetting of financial assets and liabilities (note 2)

As at June 30, 2018 and December 31, 2017, the Fund did not enter into any agreement whereby the financial instruments were eligible for offset.

Interest in Underlying Funds (note 2)

The Fund did not hold any interest in Underlying Funds as at June 30, 2018 or December 31, 2017.

Comparison of net asset value per unit and net assets per unit (note 2)

As at June 30, 2018 or December 31, 2017, there were no differences between the net asset value per unit and the net assets per unit for any series of the Fund.

Scotia Private U.S. Dividend Pool (Unaudited)

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	June 30, 2018	December 31, 2017
ASSETS		
Current assets		
Financial assets at fair value through profit or loss (note 2)		
Non-derivative financial assets	1,393,051,965	1,255,963,321
Cash	152,922,421	132,729,930
Subscriptions receivable	2,683,608	1,994,724
Accrued investment income and other	404,415	804,283
	<u>1,549,062,409</u>	<u>1,391,492,258</u>
LIABILITIES		
Current liabilities		
Management fee payable	132,933	–
Redemptions payable	2,225,510	1,711,990
Accrued expenses	36,503	–
Distributions payable	651,220	–
	<u>3,046,166</u>	<u>1,711,990</u>
Net assets attributable to holders of redeemable units	<u>1,546,016,243</u>	<u>1,389,780,268</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series K	43,358,569	26,351,033
Series M	1,502,657,674	1,363,429,235
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series K	12.57	11.81
Series M	24.19	22.84

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended June 30 (note 1),

(in dollars except average units)	2018	2017
INCOME		
Net gain (loss) on financial assets and liabilities at fair value through profit or loss		
Dividends	13,258,450	13,315,662
Interest for distribution purposes	853,090	240,526
Net realized gain (loss) on non-derivative financial assets	24,941,841	11,381,583
Change in unrealized gain (loss) on non-derivative financial assets	59,271,039	55,983,066
Change in unrealized gain (loss) on derivatives	–	(1,294)
Net gain (loss) on financial assets and liabilities at fair value through profit or loss	<u>98,324,420</u>	<u>80,919,543</u>
Securities lending (note 11)	7,630	8,537
Net realized and unrealized foreign currency translation gain (loss)	<u>1,333,187</u>	<u>(3,850,752)</u>
Total income (loss), net	<u>99,665,237</u>	<u>77,077,328</u>
EXPENSES		
Management fees (note 5)	715,180	599,332
Fixed administration fees (note 6)	186,866	128,850
Independent Review Committee fees	587	576
Interest expense and bank overdraft charges	7,330	74
Foreign withholding taxes/tax reclaims	2,137,939	2,166,217
Harmonized Sales Tax/Goods and Services Tax	92,290	75,913
Transaction costs	235,336	165,678
Total expenses	<u>3,375,528</u>	<u>3,136,640</u>
Increase (decrease) in net assets attributable to holders of redeemable units from operations	<u>96,289,709</u>	<u>73,940,688</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series K	2,446,727	215,255
Series M	93,842,982	73,725,433
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT[†]		
Series K	0.85	0.33
Series M	1.54	1.30
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series K	2,876,278	649,285
Series M	60,774,604	56,588,049

[†] The increase (decrease) in net assets attributable to holders of redeemable units from operations per unit is calculated by dividing the increase (decrease) in net assets attributable to holders of redeemable units from operations per series by the weighted average number of units per series.

The accompanying notes are an integral part of the financial statements.

Scotia Private U.S. Dividend Pool (Unaudited – Continued)

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the periods ended June 30 (note 1),

(in dollars)	2018	2017
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series K	26,351,033	2,877,035
Series M	1,363,429,235	1,215,337,694
	<u>1,389,780,268</u>	<u>1,218,214,729</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series K	2,446,727	215,255
Series M	93,842,982	73,725,433
	<u>96,289,709</u>	<u>73,940,688</u>
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net investment income		
Series K	(284,194)	(85,724)
Series M	(11,514,538)	(11,391,575)
	<u>(11,798,732)</u>	<u>(11,477,299)</u>
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series K	17,272,391	11,033,030
Series M	176,698,556	156,731,275
Reinvested distributions		
Series K	284,183	85,700
Series M	10,346,248	10,293,510
Payments on redemption		
Series K	(2,711,571)	(1,564,312)
Series M	(130,144,809)	(226,373,140)
	<u>71,744,998</u>	<u>(49,793,937)</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series K	17,007,536	9,683,949
Series M	139,228,439	2,985,503
	<u>156,235,975</u>	<u>12,669,452</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series K	43,358,569	12,560,984
Series M	1,502,657,674	1,218,323,197
	<u>1,546,016,243</u>	<u>1,230,884,181</u>

STATEMENTS OF CASH FLOWS

For the periods ended June 30 (note 1),

(in dollars)	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	96,289,709	73,940,688
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(24,941,841)	(11,381,583)
Unrealized foreign currency translation (gain) loss	52,611	2,914,845
Change in unrealized (gain) loss on non-derivative financial assets	(59,271,039)	(55,983,066)
Change in unrealized (gain) loss on derivatives	-	1,294
Purchases of portfolio investments	(231,442,321)	(60,149,599)
Proceeds from sale of portfolio investments	178,566,557	205,086,969
Accrued investment income and other	399,868	269,045
Accrued expenses and other payables	169,436	134,140
Net cash provided by (used in) operating activities	<u>(40,177,020)</u>	<u>154,832,733</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	192,921,112	164,963,131
Amounts paid on redemption of redeemable units	(131,981,909)	(228,667,159)
Distributions to unitholders of redeemable units	(517,081)	(567,172)
Net cash provided by (used in) financing activities	<u>60,422,122</u>	<u>(64,271,200)</u>
Unrealized foreign currency translation gain (loss)	(52,611)	(2,914,845)
Net increase (decrease) in cash	20,245,102	90,561,533
Cash (bank overdraft), beginning of period	132,729,930	33,543,710
CASH (BANK OVERDRAFT), END OF PERIOD	<u>152,922,421</u>	<u>121,190,398</u>
Interest paid ⁽¹⁾	7,330	74
Interest received, net of withholding taxes ⁽¹⁾	853,090	181,387
Dividends received, net of withholding taxes ⁽¹⁾	11,520,379	11,477,629

⁽¹⁾ Classified as operating items.

Scotia Private U.S. Dividend Pool (Unaudited – Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at June 30, 2018

Issuer	Number of Shares	Average Cost (\$)	Carrying Value (\$)
EQUITIES – 90.2%			
Consumer Discretionary – 9.1%			
Comcast Corporation, Class A	955,620	34,586,897	41,236,672
Home Depot Inc., The	169,790	17,231,789	43,567,390
Ross Stores, Inc.	494,500	38,276,658	55,118,598
Tractor Supply Company	1,439	140,531	144,763
		<u>90,235,875</u>	<u>140,067,423</u>
Consumer Staples – 10.5%			
Diageo PLC – ADR	20,800	3,566,071	3,939,564
Nestlé S.A.	421,600	38,059,461	42,904,783
Unilever NV	748,200	40,605,720	54,821,467
Walmart Inc.	535,400	68,206,446	60,311,190
		<u>150,437,698</u>	<u>161,977,004</u>
Energy – 3.9%			
Valero Energy Corporation	416,400	38,328,484	60,696,020
Financials – 9.4%			
Fifth Third Bancorp	588,400	10,904,502	22,209,906
Progressive Corporation, The	568,600	19,748,416	44,233,751
Travelers Companies, Inc., The	133,500	23,521,375	21,480,377
U.S. Bancorp	264,100	10,606,161	17,374,177
W.R. Berkley Corporation	228,900	18,011,201	21,798,997
Wells Fargo & Company	247,300	8,841,776	18,031,817
		<u>91,633,431</u>	<u>145,129,025</u>
Health Care – 9.1%			
Baxter International Inc.	431,700	34,462,244	41,924,308
Danaher Corporation	376,600	40,388,909	48,876,671
Johnson & Johnson	308,370	37,126,515	49,211,689
		<u>111,977,668</u>	<u>140,012,668</u>
Industrials – 15.2%			
3M Company	159,100	33,281,973	41,163,364
Boeing Company, The	110,900	17,749,666	48,936,080
Nielsen Holdings PLC	886,000	53,409,347	36,041,744
Stanley Black & Decker Inc.	183,000	18,703,504	31,964,950
Union Pacific Corporation	265,100	26,683,569	49,398,122
Wabtec Corporation	211,200	22,771,208	27,382,613
		<u>172,599,267</u>	<u>234,886,873</u>
Information Technology – 30.5%			
Alphabet Inc., Class A	32,700	26,014,292	48,563,160
Apple Inc.	78,400	9,715,310	19,087,019
CDW Corporation	554,000	45,879,946	58,865,323
Cognizant Technology Solutions Corporation	614,200	49,874,466	63,807,846
MasterCard, Inc., Class A	219,500	26,413,295	56,732,699
Microsoft Corporation	644,790	30,751,157	83,624,092
Oracle Corporation	924,000	51,000,453	53,543,730
Sabre Corporation	1,220,200	37,261,398	39,542,478
Visa Inc.	275,100	23,218,343	47,921,976
		<u>300,128,660</u>	<u>471,688,323</u>
Materials – 2.5%			
Sherwin-Williams Company, The	72,000	36,049,540	38,594,629
Transaction Costs		<u>(681,663)</u>	
TOTAL INVESTMENT PORTFOLIO		<u><u>990,708,960</u></u>	<u><u>1,393,051,965</u></u>
OTHER ASSETS, LESS LIABILITIES – 9.8%			<u>152,964,278</u>
NET ASSETS – 100.0%			<u><u>1,546,016,243</u></u>

The accompanying notes are an integral part of the financial statements.

Scotia Private U.S. Dividend Pool (Unaudited – Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

The Fund (note 1)

The Fund aims to achieve a high level of total investment return, including dividend income and capital gains. It invests primarily in equity securities of U.S. companies that pay, or may be expected to pay, dividends.

Risks associated with financial instruments (note 4)

Interest rate risk

The majority of the Fund's financial instruments were non-interest bearing as at June 30, 2018 and December 31, 2017. Accordingly, the Fund is not directly subject to significant risk due to fluctuations in the prevailing levels of market interest rates.

Currency risk

The Fund's exposure to currency risk is summarized in the tables below. Amounts shown are based on the carrying value of monetary and non-monetary assets and liabilities of the Fund net of currency contracts, as applicable.

June 30, 2018				
Currency	Gross currency exposure (\$)	Currency contracts (\$)	Net exposure (\$)	Percentage of net assets (%)
US Dollar	1,312,360,472	–	1,312,360,472	84.9
European Euro	56,968,662	–	56,968,662	3.7
Swiss Franc	43,757,872	–	43,757,872	2.8
	1,413,087,006	–	1,413,087,006	91.4

December 31, 2017				
Currency	Gross currency exposure (\$)	Currency contracts (\$)	Net exposure (\$)	Percentage of net assets (%)
US Dollar	1,208,782,759	–	1,208,782,759	87.0
European Euro	54,198,652	–	54,198,652	3.9
Swiss Franc	45,512,445	–	45,512,445	3.3
	1,308,493,856	–	1,308,493,856	94.2

If the Canadian dollar strengthened or weakened by 10% in relation to all other currencies, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by \$141,308,701 or 9.1% (December 31, 2017 – \$130,849,386 or 9.4%). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Price risk

Price risk is the risk that the carrying value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) caused by factors specific to a security, its issuer or all factors affecting a market or a market segment. Exposure to price risk is mainly in equities, underlying funds, derivatives and commodities, as applicable. As at June 30, 2018, approximately 90.2% (December 31, 2017 – 90.4%) of the Fund's net assets were exposed to price risk. If prices of these instruments had decreased or increased by 10%, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by approximately \$139,305,197 (December 31, 2017 – \$125,596,332). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Credit risk

The Fund had no significant exposure to bonds and debentures, money market instruments or preferred shares as at June 30, 2018 or December 31, 2017.

Concentration risk

Concentration risk arises as a result of the concentration of financial instruments within the same category, geographical location, asset type or industry sector, as applicable. The table below is a summary of the Fund's concentration risk by carrying value as a percentage of net assets:

	Percentage of net assets (%)	
	June 30, 2018	December 31, 2017
Consumer Discretionary	9.1	15.4
Consumer Staples	10.5	7.1
Energy	3.9	3.5
Financials	9.4	8.6
Health Care	9.1	8.7
Industrials	15.2	21.8
Information Technology	30.5	25.3
Materials	2.5	–

Fair Value Classification (note 2)

The tables below illustrate the classification of the Fund's financial instruments within the fair value hierarchy.

June 30, 2018	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Equities	1,295,325,715	97,726,250	–	1,393,051,965
	1,295,325,715	97,726,250	–	1,393,051,965

December 31, 2017	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Equities	1,157,651,109	98,312,212	–	1,255,963,321
	1,157,651,109	98,312,212	–	1,255,963,321

Transfers between levels

During the periods ended June 30, 2018 and December 31, 2017, there were no significant transfers between Level 1 and Level 2.

Offsetting of financial assets and liabilities (note 2)

As at June 30, 2018 and December 31, 2017, the Fund did not enter into any agreement whereby the financial instruments were eligible for offset.

Interest in Underlying Funds (note 2)

The Fund did not hold any interest in Underlying Funds as at June 30, 2018 or December 31, 2017.

Comparison of net asset value per unit and net assets per unit (note 2)

As at June 30, 2018 or December 31, 2017, there were no differences between the net asset value per unit and the net assets per unit for any series of the Fund.

Scotia U.S. Blue Chip Fund (Unaudited)

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	June 30, 2018	December 31, 2017
ASSETS		
Current assets		
Financial assets at fair value through profit or loss (note 2)		
Non-derivative financial assets	56,185,314	48,869,284
Cash	1,085,832	787,931
Subscriptions receivable	64,861	26,379
Accrued investment income and other	8,998	17,956
	<u>57,345,005</u>	<u>49,701,550</u>
LIABILITIES		
Current liabilities		
Management fee payable	88,450	–
Redemptions payable	103,441	33,156
Accrued expenses	13,235	–
	<u>205,126</u>	<u>33,156</u>
Net assets attributable to holders of redeemable units	<u>57,139,879</u>	<u>49,668,394</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series A	57,026,764	49,588,223
Series F	113,115	80,171
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series A	14.13	12.92
Series F	14.69	13.37

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended June 30 (note 1),

(in dollars except average units)	2018	2017
INCOME		
Net gain (loss) on financial assets and liabilities at fair value through profit or loss		
Dividends	353,836	417,949
Interest for distribution purposes	2,983	5,349
Net realized gain (loss) on non-derivative financial assets	1,011,238	909,105
Change in unrealized gain (loss) on non-derivative financial assets	4,078,899	2,834,223
Net gain (loss) on financial assets and liabilities at fair value through profit or loss	5,446,956	4,166,626
Securities lending (note 11)	98	64
Net realized and unrealized foreign currency translation gain (loss)	6,319	(35,585)
Other income	1,555	178
Total income (loss), net	<u>5,454,928</u>	<u>4,131,283</u>
EXPENSES		
Management fees (note 5)	466,848	432,008
Fixed administration fees (note 6)	66,749	61,298
Independent Review Committee fees	587	576
Interest expense and bank overdraft charges	–	30
Foreign withholding taxes/tax reclaims	50,700	59,606
Harmonized Sales Tax/Goods and Services Tax	57,632	54,359
Transaction costs	1,440	5,006
Total expenses	<u>643,956</u>	<u>612,883</u>
Increase (decrease) in net assets attributable to holders of redeemable units from operations	<u>4,810,972</u>	<u>3,518,400</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A	4,801,873	3,516,163
Series F	9,099	2,237
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT[†]		
Series A	1.21	0.83
Series F	1.38	0.69
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series A	3,967,045	4,231,077
Series F	6,616	3,232

[†] The increase (decrease) in net assets attributable to holders of redeemable units from operations per unit is calculated by dividing the increase (decrease) in net assets attributable to holders of redeemable units from operations per series by the weighted average number of units per series.

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the periods ended June 30 (note 1),

(in dollars)	2018	2017
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series A	49,588,223	50,079,954
Series F	80,171	8,697
	<u>49,668,394</u>	<u>50,088,651</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A	4,801,873	3,516,163
Series F	9,099	2,237
	<u>4,810,972</u>	<u>3,518,400</u>
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A	7,540,695	3,499,081
Series F	33,904	58,160
Payments on redemption		
Series A	(4,904,027)	(11,378,282)
Series F	(10,059)	(553)
	<u>2,660,513</u>	<u>(7,821,594)</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A	7,438,541	(4,363,038)
Series F	32,944	59,844
	<u>7,471,485</u>	<u>(4,303,194)</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series A	57,026,764	45,716,916
Series F	113,115	68,541
	<u>57,139,879</u>	<u>45,785,457</u>

STATEMENTS OF CASH FLOWS

For the periods ended June 30 (note 1),

(in dollars)	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	4,810,972	3,518,400
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(1,011,238)	(909,105)
Unrealized foreign currency translation (gain) loss	523	7,320
Change in unrealized (gain) loss on non-derivative financial assets	(4,078,899)	(2,834,223)
Purchases of portfolio investments	(5,489,037)	(4,526,009)
Proceeds from sale of portfolio investments	3,263,145	10,036,188
Accrued investment income and other	8,958	10,584
Accrued expenses and other payables	101,685	83,536
Net cash provided by (used in) operating activities	<u>(2,393,891)</u>	<u>5,386,691</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	7,526,526	3,558,121
Amounts paid on redemption of redeemable units	(4,834,211)	(11,406,162)
Net cash provided by (used in) financing activities	2,692,315	(7,848,041)
Unrealized foreign currency translation gain (loss)	(523)	(7,320)
Net increase (decrease) in cash	298,424	(2,461,350)
Cash (bank overdraft), beginning of period	787,931	2,794,997
CASH (BANK OVERDRAFT), END OF PERIOD	<u>1,085,832</u>	<u>326,327</u>
Interest paid ⁽¹⁾	–	30
Interest received, net of withholding taxes ⁽¹⁾	2,983	6,109
Dividends received, net of withholding taxes ⁽¹⁾	312,095	368,168

⁽¹⁾ Classified as operating items.

The accompanying notes are an integral part of the financial statements.

Scotia U.S. Blue Chip Fund (Unaudited – Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at June 30, 2018

Issuer	Number of Shares	Average Cost (\$)	Carrying Value (\$)
EQUITIES – 98.3%			
Consumer Discretionary – 8.2%			
Home Depot Inc., The	9,300	1,720,070	2,386,340
Lennar Corporation, Class A	1,800	141,020	124,287
Marriott International Inc., Class A	1,600	279,496	266,407
NIKE, Inc., Class B	12,900	1,176,907	1,351,858
Walt Disney Company, The	4,200	306,297	578,954
		<u>3,623,790</u>	<u>4,707,846</u>
Consumer Staples – 11.5%			
Church & Dwight Co., Inc.	16,100	939,457	1,125,649
Constellation Brands, Inc., Class A	6,500	1,330,298	1,871,077
Costco Wholesale Corporation	5,700	805,661	1,566,649
Estee Lauder Companies Inc., The	10,800	901,869	2,026,793
		<u>3,977,285</u>	<u>6,590,168</u>
Energy – 1.9%			
Phillips 66 Company	7,300	884,649	1,078,285
Financials – 20.6%			
Berkshire Hathaway Inc., Class B	12,700	2,397,610	3,117,625
First Republic Bank	8,500	1,073,095	1,082,036
Moody's Corporation	6,500	1,320,844	1,458,085
Progressive Corporation, The	29,900	1,339,534	2,326,045
S&P Global Inc.	5,500	1,257,539	1,474,860
Wells Fargo & Company	31,500	1,832,332	2,296,815
		<u>9,220,954</u>	<u>11,755,466</u>
Health Care – 6.6%			
Danaher Corporation	12,400	856,419	1,609,322
Johnson & Johnson	13,600	1,947,027	2,170,376
		<u>2,803,446</u>	<u>3,779,698</u>
Industrials – 13.9%			
3M Company	1,100	293,838	284,599
Canadian National Railway Company	18,100	1,496,735	1,946,070
Fortive Corporation	13,200	807,068	1,338,680
Lockheed Martin Corporation	3,000	995,496	1,165,650
Republic Services, Inc.	10,100	657,633	908,062
Union Pacific Corporation	12,300	803,012	2,291,954
		<u>5,053,782</u>	<u>7,935,015</u>
Information Technology – 31.4%			
Activision Blizzard Inc.	5,900	561,509	592,219
Alphabet Inc., Class A	800	478,524	1,188,090
Alphabet Inc., Class C	1,786	709,415	2,620,605
Apple Inc.	9,800	1,564,672	2,385,877
Facebook Inc.	7,000	1,312,034	1,788,989
MasterCard, Inc., Class A	9,500	1,352,897	2,455,402
Microsoft Corporation	30,200	1,012,094	3,916,698
Visa Inc.	17,100	605,189	2,978,792
		<u>7,596,334</u>	<u>17,926,672</u>
Materials – 4.2%			
Sherwin-Williams Company, The	4,500	1,762,691	2,412,164
Transaction Costs		(11,331)	
TOTAL INVESTMENT PORTFOLIO		<u>34,911,600</u>	<u>56,185,314</u>
OTHER ASSETS, LESS LIABILITIES – 1.7%			<u>954,565</u>
NET ASSETS – 100.0%			<u>57,139,879</u>

The accompanying notes are an integral part of the financial statements.

Scotia U.S. Blue Chip Fund (Unaudited – Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

The Fund (note 1)

The Fund's objective is long-term capital growth. It invests primarily in a broad range of U.S. equity securities.

Risks associated with financial instruments (note 4)

Interest rate risk

The majority of the Fund's financial instruments were non-interest bearing as at June 30, 2018 and December 31, 2017. Accordingly, the Fund is not directly subject to significant risk due to fluctuations in the prevailing levels of market interest rates.

Currency risk

The Fund's exposure to currency risk is summarized in the tables below. Amounts shown are based on the carrying value of monetary and non-monetary assets and liabilities of the Fund net of currency contracts, as applicable.

Currency	June 30, 2018			
	Gross currency exposure (\$)	Currency contracts (\$)	Net exposure (\$)	Percentage of net assets (%)
US Dollar	56,377,821	–	56,377,821	98.7
	56,377,821	–	56,377,821	98.7

Currency	December 31, 2017			
	Gross currency exposure (\$)	Currency contracts (\$)	Net exposure (\$)	Percentage of net assets (%)
US Dollar	49,330,172	–	49,330,172	99.3
	49,330,172	–	49,330,172	99.3

If the Canadian dollar strengthened or weakened by 10% in relation to all other currencies, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by \$5,637,782 or 9.9% (December 31, 2017 – \$4,933,017 or 9.9%). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Price risk

Price risk is the risk that the carrying value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) caused by factors specific to a security, its issuer or all factors affecting a market or a market segment. Exposure to price risk is mainly in equities, underlying funds, derivatives and commodities, as applicable. As at June 30, 2018, approximately 98.3% (December 31, 2017 – 98.3%) of the Fund's net assets were exposed to price risk. If prices of these instruments had decreased or increased by 10%, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by approximately \$5,618,531 (December 31, 2017 – \$4,886,928). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Credit risk

The Fund had no significant exposure to bonds and debentures, money market instruments or preferred shares as at June 30, 2018 or December 31, 2017.

Concentration risk

Concentration risk arises as a result of the concentration of financial instruments within the same category, geographical location, asset type or industry sector, as applicable. The table below is a summary of the Fund's concentration risk by carrying value as a percentage of net assets:

	Percentage of net assets (%)	
	June 30, 2018	December 31, 2017
Consumer Discretionary	8.2	10.2
Consumer Staples	11.5	11.6
Energy	1.9	1.0
Financials	20.6	19.2
Health Care	6.6	8.2
Industrials	13.9	13.5
Information Technology	31.4	29.1
Materials	4.2	5.5

Fair Value Classification (note 2)

The tables below illustrate the classification of the Fund's financial instruments within the fair value hierarchy.

June 30, 2018	Level 1	Level 2	Level 3	Total
	(\$)	(\$)	(\$)	(\$)
Equities	56,185,314	–	–	56,185,314
	56,185,314	–	–	56,185,314

December 31, 2017	Level 1	Level 2	Level 3	Total
	(\$)	(\$)	(\$)	(\$)
Equities	48,869,284	–	–	48,869,284
	48,869,284	–	–	48,869,284

Transfers between levels

During the periods ended June 30, 2018 and December 31, 2017, there were no significant transfers between Level 1 and Level 2.

Offsetting of financial assets and liabilities (note 2)

As at June 30, 2018 and December 31, 2017, the Fund did not enter into any agreement whereby the financial instruments were eligible for offset.

Interest in Underlying Funds (note 2)

The Fund did not hold any interest in Underlying Funds as at June 30, 2018 or December 31, 2017.

Comparison of net asset value per unit and net assets per unit (note 2)

As at June 30, 2018 or December 31, 2017, there were no differences between the net asset value per unit and the net assets per unit for any series of the Fund.

Scotia U.S. Opportunities Fund (Unaudited)

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	June 30, 2018	December 31, 2017
ASSETS		
Current assets		
Financial assets at fair value through profit or loss (note 2)		
Non-derivative financial assets	26,598,857	26,031,927
Derivatives	177,876	363,188
Cash	195,849	980,402
Receivable for securities sold	6,576	124,083
Subscriptions receivable	3,615	5,777
Accrued investment income and other	20,555	22,929
	<u>27,003,328</u>	<u>27,528,306</u>
LIABILITIES		
Current liabilities		
Financial liabilities at fair value through profit or loss (note 2)		
Derivatives	82,293	238,138
Management fee payable	40,699	–
Payable for securities purchased	9,206	–
Redemptions payable	13,644	59,382
Accrued expenses	3,616	–
	<u>149,458</u>	<u>297,520</u>
Net assets attributable to holders of redeemable units	<u>26,853,870</u>	<u>27,230,786</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series A	25,817,769	26,451,099
Series F	34,273	534
Series I	<u>1,001,828</u>	<u>779,153</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series A	13.43	12.93
Series F	13.98	13.37
Series I	<u>17.59</u>	<u>16.72</u>

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended June 30 (note 1),

(in dollars except average units)	2018	2017
INCOME		
Net gain (loss) on financial assets and liabilities at fair value through profit or loss		
Dividends	253,942	190,092
Interest for distribution purposes	100	11,245
Net realized gain (loss) on non-derivative financial assets	1,063,045	554,046
Change in unrealized gain (loss) on non-derivative financial assets	132,478	(1,909,905)
Net realized gain (loss) on derivatives	86,387	(98,301)
Change in unrealized gain (loss) on derivatives	(139,727)	431,189
Net gain (loss) on financial assets and liabilities at fair value through profit or loss	1,396,225	(821,634)
Securities lending (note 11)	–	526
Net realized and unrealized foreign currency translation gain (loss)	(845)	(103,092)
Other income	89	500
Total income (loss), net	<u>1,395,469</u>	<u>(923,700)</u>
EXPENSES		
Management fees (note 5)	230,465	246,065
Fixed administration fees (note 6)	46,554	49,395
Independent Review Committee fees	587	576
Interest expense and bank overdraft charges	1,290	30
Foreign withholding taxes/tax reclaims	36,545	22,837
Harmonized Sales Tax/Goods and Services Tax	29,252	31,194
Transaction costs	17,065	20,694
Total expenses	361,758	370,791
Expenses absorbed by the Manager	(5,202)	–
Net expenses	<u>356,556</u>	<u>370,791</u>
Increase (decrease) in net assets attributable to holders of redeemable units from operations	<u>1,038,913</u>	<u>(1,294,491)</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A	997,217	(1,269,541)
Series F	128	284
Series I	<u>41,568</u>	<u>(25,234)</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT[†]		
Series A	0.50	(0.58)
Series F	0.26	0.28
Series I	<u>0.78</u>	<u>(0.54)</u>
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series A	1,989,769	2,188,470
Series F	494	1,010
Series I	<u>52,980</u>	<u>46,804</u>

[†] The increase (decrease) in net assets attributable to holders of redeemable units from operations per unit is calculated by dividing the increase (decrease) in net assets attributable to holders of redeemable units from operations per series by the weighted average number of units per series.

Scotia U.S. Opportunities Fund (Unaudited – Continued)

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the periods ended June 30 (note 1),

(in dollars)	2018	2017
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series A	26,451,099	28,146,860
Series F	534	21,987
Series I	779,153	834,739
	<u>27,230,786</u>	<u>29,003,586</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A	997,217	(1,269,541)
Series F	128	284
Series I	41,568	(25,234)
	<u>1,038,913</u>	<u>(1,294,491)</u>
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A	1,285,942	1,618,670
Series F	33,611	–
Series I	216,857	20,000
Payments on redemption		
Series A	(2,916,489)	(2,213,677)
Series F	–	(21,769)
Series I	(35,750)	(101,000)
	<u>(1,415,829)</u>	<u>(697,776)</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A	(633,330)	(1,864,548)
Series F	33,739	(21,485)
Series I	222,675	(106,234)
	<u>(376,916)</u>	<u>(1,992,267)</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series A	25,817,769	26,282,312
Series F	34,273	502
Series I	1,001,828	728,505
	<u>26,853,870</u>	<u>27,011,319</u>

STATEMENTS OF CASH FLOWS

For the periods ended June 30 (note 1),

(in dollars)	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	1,038,913	(1,294,491)
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(1,063,045)	(554,046)
Unrealized foreign currency translation (gain) loss	569	68,693
Change in unrealized (gain) loss on non-derivative financial assets	(132,478)	1,909,905
Net realized (gain) loss on derivatives	(164,922)	–
Change in unrealized (gain) loss on derivatives	139,727	(431,189)
Purchases of portfolio investments	(55,321,638)	(21,261,449)
Proceeds from sale of portfolio investments	56,131,606	22,577,373
Accrued investment income and other	2,374	8,664
Accrued expenses and other payables	44,315	50,319
Net cash provided by (used in) operating activities	<u>675,421</u>	<u>1,073,779</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	1,504,961	1,649,678
Amounts paid on redemption of redeemable units	(2,964,366)	(2,393,560)
Net cash provided by (used in) financing activities	(1,459,405)	(743,882)
Unrealized foreign currency translation gain (loss)	(569)	(68,693)
Net increase (decrease) in cash	(783,984)	329,897
Cash (bank overdraft), beginning of period	980,402	2,347,176
CASH (BANK OVERDRAFT), END OF PERIOD	<u>195,849</u>	<u>2,608,380</u>
Interest paid ⁽¹⁾	1,290	30
Interest received, net of withholding taxes ⁽¹⁾	100	9,554
Dividends received, net of withholding taxes ⁽¹⁾	219,771	177,610

⁽¹⁾ Classified as operating items.

Scotia U.S. Opportunities Fund (Unaudited – Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at June 30, 2018

Issuer	Number of Shares	Average Cost (\$)	Carrying Value (\$)	Issuer	Number of Shares/ Contracts	Average Cost (\$)	Carrying Value (\$)
EQUITIES – 99.0%				EQUITIES (cont'd)			
Consumer Discretionary – 14.2%				Industrials (cont'd)			
Amazon.com, Inc.	316	380,174	706,445	Raytheon Company	1,218	308,853	309,458
Booking Holdings Inc.	143	372,163	381,242	Southwest Airlines Company	1,962	129,597	131,292
Dollar General Corporation	2,136	251,488	276,994	Stanley Black & Decker Inc.	2,592	476,259	452,749
General Motors Company	2,391	128,219	123,899	Union Pacific Corporation	360	61,607	67,082
LKQ Corporation	1,607	78,985	67,422	Waste Management, Inc.	1,235	132,712	132,118
McDonald's Corporation	319	65,893	65,739			<u>2,538,863</u>	<u>2,540,721</u>
Michael Kors Holdings Limited	4,455	354,091	390,224	Information Technology – 25.0%			
News Corporation, Class A	26,523	527,424	540,688	Alphabet Inc., Class A	290	336,940	430,682
Ross Stores, Inc.	6,353	654,621	708,126	Applied Materials, Inc.	10,039	622,981	609,861
Royal Caribbean Cruises Ltd.	4,090	585,727	557,282	Cadence Design Systems Inc.	3,117	152,047	177,549
		<u>3,398,785</u>	<u>3,818,061</u>	Cisco Systems, Inc.	7,163	405,920	405,376
Consumer Staples – 6.6%				Cognizant Technology Solutions Corporation	3,383	336,774	351,452
Archer-Daniels-Midland Company	4,121	234,184	248,396	DXC Technology Company	2,770	295,472	293,671
Mondelez International, Inc.	4,588	239,355	247,400	eBay Inc.	12,995	655,178	619,721
PepsiCo, Inc.	2,794	391,400	400,062	Facebook Inc.	1,328	280,668	339,397
Philip Morris International Inc.	2,467	269,695	261,969	Hewlett Packard Enterprise Company	28,054	589,576	539,060
Procter & Gamble Company, The	2,640	273,626	271,035	HP Inc.	23,154	629,472	690,960
Walgreens Boots Alliance Inc.	4,494	413,389	354,719	International Business Machines Corporation	1,698	315,391	311,980
		<u>1,821,649</u>	<u>1,783,581</u>	MasterCard, Inc., Class A	1,268	248,378	327,731
Energy – 6.0%				Micron Technology, Inc.	2,082	157,780	143,594
Chevron Corporation	4,110	656,145	683,414	Microsoft Corporation	5,154	514,351	668,432
Halliburton Company	5,333	321,240	316,049	Synopsys Inc.	5,794	629,904	652,067
Marathon Oil Corporation	11,895	331,768	326,340	Xilinx Inc.	1,757	159,939	150,803
Marathon Petroleum Corporation	2,994	200,070	276,270			<u>6,330,771</u>	<u>6,712,336</u>
		<u>1,509,223</u>	<u>1,602,073</u>	Materials – 3.2%			
Financials – 13.5%				Air Products and Chemicals, Inc.	2,659	561,426	544,606
Bank of America Corporation	17,339	662,978	642,852	Avery Dennison Corporation	798	109,813	107,157
Berkshire Hathaway Inc., Class B	330	82,175	81,009	Freeport-McMoRan Copper & Gold Inc.	9,362	205,223	212,521
Capital One Financial Corporation	2,773	335,562	335,164			<u>876,462</u>	<u>864,284</u>
Citigroup Inc.	3,980	347,719	350,293	Real Estate – 2.3%			
Jefferies Financial Group Inc.	2,863	87,335	85,626	Duke Realty Corporation	16,187	521,530	618,024
JPMorgan Chase & Co.	4,706	659,041	644,929	Telecommunication Services – 2.1%			
Morgan Stanley	1,548	102,385	96,503	Verizon Communications Inc.	8,631	537,140	571,094
Northern Trust Corporation	494	67,376	66,849	Utilities – 2.3%			
Prudential Financial, Inc.	5,157	675,853	634,231	Ameren Corporation	1,779	132,502	142,373
State Street Corporation	5,095	649,623	623,791	American Electric Power Company, Inc.	3,614	313,041	329,155
Unum Group	1,312	66,784	63,828	CMS Energy Corporation	2,257	126,762	140,346
		<u>3,736,831</u>	<u>3,625,075</u>			<u>572,305</u>	<u>611,874</u>
Health Care – 14.3%				TOTAL EQUITIES		<u>25,620,410</u>	<u>26,598,857</u>
Agilent Technologies, Inc.	4,427	372,975	360,057	Currency Options – 0.0%			
Anthem, Inc.	1,147	329,469	359,077	USD Call / CAD Put, Written Call Options \$1.325 Jun 29, 2018	(5,000,000)	(12,941)	(7)
Biogen Inc.	175	64,920	66,802	USD Call / CAD Put, Written Call Options \$1.35 Jul 13, 2018	(5,000,000)	(5,261)	(5,261)
Bristol-Myers Squibb Company	3,314	221,307	241,204	USD Put / CAD Call, Put Option \$1.30 Jul 13, 2018	5,000,000	9,206	9,206
Centene Corporation	2,653	393,001	429,908	USD Put / CAD Call, Put Options \$1.28 Jul 06, 2018	5,000,000	18,569	263
CIGNA Corporation	632	157,841	141,264	USD Put / CAD Call, Written Call Options \$1.33 Jul 06, 2018	(5,000,000)	(10,648)	(6,352)
Danaher Corporation	5,084	659,938	659,822	USD Put / CAD Call, Written Put Options \$1.265 Jul 06, 2018	(5,000,000)	(6,363)	(20)
Gilead Sciences, Inc.	7,561	681,786	704,450	USD Put / CAD Call, Written Put Options \$1.285 Jul 13, 2018	(5,000,000)	(1,315)	(1,315)
Johnson & Johnson	3,172	496,140	506,208			<u>(8,753)</u>	<u>(3,486)</u>
Mylan NV	6,631	341,689	315,181	Transaction Costs		(4,764)	
UnitedHealth Group Incorporated	210	57,785	67,761	TOTAL INVESTMENT PORTFOLIO		<u>25,606,893</u>	<u>26,595,371</u>
		<u>3,776,851</u>	<u>3,851,734</u>	Unrealized Gain (Loss) on Derivatives – 0.4%			99,069
Industrials – 9.5%				OTHER ASSETS, LESS LIABILITIES – 0.6%			159,430
Ametek Inc.	1,478	136,340	140,269	NET ASSETS – 100.0%			<u>26,853,870</u>
Delta Air Lines, Inc.	1,222	83,073	79,619				
FedEx Corporation	411	124,025	122,737				
General Dynamics Corporation	1,695	429,858	415,557				
Honeywell International Inc.	2,878	509,714	545,251				
Jacobs Engineering Group, Inc.	926	78,677	77,323				
Norfolk Southern Corporation	339	68,148	67,266				

The accompanying notes are an integral part of the financial statements.

Scotia U.S. Opportunities Fund (Unaudited – Continued)

SCHEDULE OF DERIVATIVE INSTRUMENTS

UNREALIZED GAIN ON CURRENCY FORWARD CONTRACTS

Counterparty	Credit Rating	Settlement Date	Currency To Be Received	Contractual Amount	Currency To Be Delivered	Contractual Amount	Contract Price	Market Price	Unrealized Gain (\$)
Royal Bank of Canada	A-1+	Jul. 18, 2018	Canadian Dollar	6,649,065	US Dollar	5,000,000	0.752	0.761	78,936
Royal Bank of Canada	A-1+	Jul. 18, 2018	Canadian Dollar	6,659,600	US Dollar	5,000,000	0.751	0.761	89,471
									<u>168,407</u>

UNREALIZED LOSS ON CURRENCY FORWARD CONTRACTS

Counterparty	Credit Rating	Settlement Date	Currency To Be Received	Contractual Amount	Currency To Be Delivered	Contractual Amount	Contract Price	Market Price	Unrealized Loss (\$)
Royal Bank of Canada	A-1+	Jul. 18, 2018	US Dollar	5,000,000	Canadian Dollar	6,634,350	1.327	1.314	(64,308)
Royal Bank of Canada	A-1+	Jul. 18, 2018	US Dollar	5,000,000	Canadian Dollar	6,575,125	1.315	1.314	(5,030)
									<u>(69,338)</u>

The accompanying notes are an integral part of the financial statements.

Scotia U.S. Opportunities Fund (Unaudited – Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

The Fund (note 1)

The Fund's objective is to achieve long-term capital growth. It invests primarily in equity securities of U.S. companies.

Risks associated with financial instruments (note 4)

Interest rate risk

The majority of the Fund's financial instruments were non-interest bearing as at June 30, 2018 and December 31, 2017. Accordingly, the Fund is not directly subject to significant risk due to fluctuations in the prevailing levels of market interest rates.

Currency risk

The Fund's exposure to currency risk is summarized in the tables below. Amounts shown are based on the carrying value of monetary and non-monetary assets and liabilities of the Fund net of currency contracts, as applicable.

Currency	June 30, 2018			
	Gross currency exposure (\$)	Currency contracts (\$)	Net exposure (\$)	Percentage of net assets (%)
US Dollar	26,819,012	81,089	26,900,101	100.2
	26,819,012	81,089	26,900,101	100.2

Currency	December 31, 2017			
	Gross currency exposure (\$)	Currency contracts (\$)	Net exposure (\$)	Percentage of net assets (%)
US Dollar	27,144,120	–	27,144,120	99.7
	27,144,120	–	27,144,120	99.7

If the Canadian dollar strengthened or weakened by 10% in relation to all other currencies, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by \$2,690,010 or 10.0% (December 31, 2017 – \$2,714,412 or 10.0%). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Price risk

Price risk is the risk that the carrying value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) caused by factors specific to a security, its issuer or all factors affecting a market or a market segment. Exposure to price risk is mainly in equities, underlying funds, derivatives and commodities, as applicable. As at June 30, 2018, approximately 99.0% (December 31, 2017 – 96.2%) of the Fund's net assets were exposed to price risk. If prices of these instruments had decreased or increased by 10%, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by approximately \$2,659,537 (December 31, 2017 – \$2,615,698). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Credit risk

The Fund had no significant exposure to bonds and debentures, money market instruments or preferred shares as at June 30, 2018 or December 31, 2017.

Concentration risk

Concentration risk arises as a result of the concentration of financial instruments within the same category, geographical location, asset type or industry sector, as applicable. The table below is a summary of the Fund's concentration risk by carrying value as a percentage of net assets:

	Percentage of net assets (%)	
	June 30, 2018	December 31, 2017
Consumer Discretionary	14.2	10.3
Consumer Staples	6.6	7.7
Currency Options	0.0	0.5
Energy	6.0	5.7
Financials	13.5	13.6
Health Care	14.3	14.3
Industrials	9.5	10.2
Information Technology	25.0	24.6
Materials	3.2	3.3
Real Estate	2.3	2.3
Telecommunication Services	2.1	1.4
Utilities	2.3	2.3

Fair Value Classification (note 2)

The tables below illustrate the classification of the Fund's financial instruments within the fair value hierarchy.

June 30, 2018	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Equities	26,598,857	–	–	26,598,857
Warrants, rights and options	9,469	–	–	9,469
Unrealized gain on currency forward contracts	–	168,407	–	168,407
	26,608,326	168,407	–	26,776,733
Liability for written options	(12,955)	–	–	(12,955)
Unrealized loss on currency forward contracts	–	(69,338)	–	(69,338)
	26,595,371	99,069	–	26,694,440

December 31, 2017	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Equities	26,031,927	–	–	26,031,927
Warrants, rights and options	–	363,188	–	363,188
	26,031,927	363,188	–	26,395,115
Liability for written options	–	(238,138)	–	(238,138)
	26,031,927	125,050	–	26,156,977

Transfers between levels

During the periods ended June 30, 2018 and December 31, 2017, there were no significant transfers between Level 1 and Level 2.

Scotia U.S. Opportunities Fund (Unaudited – Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

Offsetting of financial assets and liabilities (note 2)

The following table presents offsetting of financial assets and liabilities and collateral amounts that would occur if future events, such as bankruptcy or termination of contracts, were to arise. No amounts were offset in the financial statements.

June 30, 2018				
Financial assets – by type	Gross amount of assets (\$)	Master netting offset (\$)	Collateral pledged/ received (\$)	Net Amount (\$)
Currency forward contracts	168,407	(69,338)	–	99,069
Options contracts – OTC	9,469	(9,469)	–	–
Swap contracts – OTC	–	–	–	–
	177,876	(78,807)	–	99,069

June 30, 2018				
Financial liabilities – by type	Gross amount of liabilities (\$)	Master netting offset (\$)	Collateral pledged/ received (\$)	Net Amount (\$)
Currency forward contracts	69,338	(69,338)	–	–
Options contracts – OTC	12,955	(9,469)	–	3,486
Swap contracts – OTC	–	–	–	–
	82,293	(78,807)	–	3,486

December 31, 2017				
Financial assets – by type	Gross amount of assets (\$)	Master netting offset (\$)	Collateral pledged/ received (\$)	Net Amount (\$)
Currency forward contracts	–	–	–	–
Options contracts – OTC	363,188	(238,138)	–	125,050
Swap contracts – OTC	–	–	–	–
	363,188	(238,138)	–	125,050

December 31, 2017				
Financial liabilities – by type	Gross amount of liabilities (\$)	Master netting offset (\$)	Collateral pledged/ received (\$)	Net Amount (\$)
Currency forward contracts	–	–	–	–
Options contracts – OTC	238,138	(238,138)	–	–
Swap contracts – OTC	–	–	–	–
	238,138	(238,138)	–	–

Interest in Underlying Funds (note 2)

The Fund did not hold any interest in Underlying Funds as at June 30, 2018 or December 31, 2017.

Comparison of net asset value per unit and net assets per unit (note 2)

As at June 30, 2018 or December 31, 2017, there were no differences between the net asset value per unit and the net assets per unit for any series of the Fund.

Scotia Private International Core Equity Pool (Unaudited)

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	June 30, 2018	December 31, 2017
ASSETS		
Current assets		
Financial assets at fair value through profit or loss (note 2)		
Non-derivative financial assets	995,365,887	874,992,204
Derivatives	4,802	—
Cash	115,973,914	90,145,183
Receivable for securities sold	4,834,004	—
Subscriptions receivable	4,759,155	1,563,247
Accrued investment income and other	683,711	284,597
	<u>1,121,621,473</u>	<u>966,985,231</u>
LIABILITIES		
Current liabilities		
Financial liabilities at fair value through profit or loss (note 2)		
Derivatives	—	100
Management fee payable	91,050	—
Payable for securities purchased	8,595,551	1,360,684
Redemptions payable	983,394	1,248,056
Accrued expenses	179,418	—
Distributions payable	1,554	1,681
	<u>9,850,967</u>	<u>2,610,521</u>
Net assets attributable to holders of redeemable units	<u>1,111,770,506</u>	<u>964,374,710</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series K	69,367,246	53,281,665
Series M	1,042,403,260	911,093,045
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series K	12.26	11.73
Series M	13.09	12.56

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended June 30 (note 1),

(in dollars except average units)	2018	2017
INCOME		
Net gain (loss) on financial assets and liabilities at fair value through profit or loss		
Dividends	15,306,531	13,780,323
Interest for distribution purposes	583,185	147,616
Net realized gain (loss) on non-derivative financial assets	24,949,577	(18,311,970)
Change in unrealized gain (loss) on non-derivative financial assets	5,110,884	78,151,072
Change in unrealized gain (loss) on derivatives	4,902	35,317
Net gain (loss) on financial assets and liabilities at fair value through profit or loss	<u>45,955,079</u>	<u>73,802,358</u>
Securities lending (note 11)	89,662	79,662
Net realized and unrealized foreign currency translation gain (loss)	253,178	(97,493)
Total income (loss), net	<u>46,297,919</u>	<u>73,784,527</u>
EXPENSES		
Management fees (note 5)	480,222	351,305
Fixed administration fees (note 6)	957,336	683,716
Independent Review Committee fees	587	576
Interest expense and bank overdraft charges	7,415	178
Foreign withholding taxes/tax reclaims	2,022,080	1,517,696
Harmonized Sales Tax/Goods and Services Tax	144,685	106,413
Transaction costs	640,389	546,895
Total expenses	<u>4,252,714</u>	<u>3,206,779</u>
Increase (decrease) in net assets attributable to holders of redeemable units from operations	<u>42,045,205</u>	<u>70,577,748</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series K	2,618,084	1,300,491
Series M	39,427,121	69,277,257
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT[†]		
Series K	0.51	0.70
Series M	0.52	1.08
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series K	5,146,142	1,851,619
Series M	75,812,657	63,907,861

[†] The increase (decrease) in net assets attributable to holders of redeemable units from operations per unit is calculated by dividing the increase (decrease) in net assets attributable to holders of redeemable units from operations per series by the weighted average number of units per series.

Scotia Private International Core Equity Pool (Unaudited – Continued)

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the periods ended June 30 (note 1),

(in dollars)	2018	2017
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series K	53,281,665	6,555,871
Series M	911,093,045	680,466,105
	<u>964,374,710</u>	<u>687,021,976</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series K	2,618,084	1,300,491
Series M	39,427,121	69,277,257
	<u>42,045,205</u>	<u>70,577,748</u>
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series K	20,328,658	24,840,005
Series M	158,952,074	160,767,213
Payments on redemption		
Series K	(6,861,161)	(679,729)
Series M	(67,068,980)	(107,992,859)
	<u>105,350,591</u>	<u>76,934,630</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series K	16,085,581	25,460,767
Series M	131,310,215	122,051,611
	<u>147,395,796</u>	<u>147,512,378</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series K	69,367,246	32,016,638
Series M	1,042,403,260	802,517,716
	<u>1,111,770,506</u>	<u>834,534,354</u>

STATEMENTS OF CASH FLOWS

For the periods ended June 30 (note 1),

(in dollars)	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	42,045,205	70,577,748
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(24,949,577)	18,311,970
Unrealized foreign currency translation (gain) loss	(9,572)	75,286
Change in unrealized (gain) loss on non-derivative financial assets	(5,110,884)	(78,151,072)
Change in unrealized (gain) loss on derivatives	(4,902)	(35,317)
Purchases of portfolio investments	(248,623,948)	(208,065,329)
Proceeds from sale of portfolio investments	160,711,589	147,441,967
Accrued investment income and other	(399,114)	(399,660)
Accrued expenses and other payables	270,468	206,520
Net cash provided by (used in) operating activities	<u>(76,070,735)</u>	<u>(50,037,887)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	175,923,919	183,249,673
Amounts paid on redemption of redeemable units	(74,033,898)	(108,198,396)
Distributions to unitholders of redeemable units	(127)	(98)
Net cash provided by (used in) financing activities	<u>101,889,894</u>	<u>75,051,179</u>
Unrealized foreign currency translation gain (loss)	9,572	(75,286)
Net increase (decrease) in cash	25,819,159	25,013,292
Cash (bank overdraft), beginning of period	90,145,183	50,749,026
CASH (BANK OVERDRAFT), END OF PERIOD	<u>115,973,914</u>	<u>75,687,032</u>
Interest paid ⁽¹⁾	7,415	178
Interest received, net of withholding taxes ⁽¹⁾	583,185	128,348
Dividends received, net of withholding taxes ⁽¹⁾	12,885,337	11,881,894

⁽¹⁾ Classified as operating items.

Scotia Private International Core Equity Pool (Unaudited – Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at June 30, 2018

Issuer	Number of Shares	Average Cost (\$)	Carrying Value (\$)	Issuer	Number of Shares	Average Cost (\$)	Carrying Value (\$)
EQUITIES – 89.5%				EQUITIES (cont'd)			
Australia – 2.4%				Switzerland – 3.7%			
Ansell Ltd.	1,004,000	21,408,418	26,630,232	Nestlé S.A.	272,500	27,124,941	27,731,388
Denmark – 1.5%				SGS SA	3,800	9,459,057	13,307,711
Topdanmark A/S	293,500	9,893,877	16,884,147			36,583,998	41,039,099
Finland – 3.3%				United Kingdom – 14.3%			
Nokian Renkaat Oyj	382,500	16,188,108	19,816,422	Admiral Group PLC	515,000	16,023,314	17,024,754
Sampo Oyj	259,500	17,992,276	16,632,869	B&M European Value Retail SA	726,500	4,117,503	5,090,907
		34,180,384	36,449,291	Beazley PLC	1,727,856	12,422,058	17,559,559
France – 6.4%				Diageo PLC	651,300	23,743,751	30,725,728
Dassault Systemes SA	55,800	4,738,247	10,263,397	Intertek Group PLC	165,100	8,406,611	16,364,084
LVMH Moët Hennessy Louis Vuitton SA	74,530	16,530,943	32,564,700	Just Eat PLC	1,871,400	24,386,788	25,282,418
Schneider Electric SA	256,100	23,430,492	27,999,581	RELX PLC	985,600	24,841,865	27,731,005
		44,699,682	70,827,678	Rio Tinto PLC	264,324	13,454,931	19,159,466
						127,396,821	158,937,921
Germany – 3.0%				United States – 6.0%			
Fresenius SE & Co. KGaA	317,300	30,661,641	33,488,549	Check Point Software Technologies Ltd.	212,900	23,411,691	27,351,017
Hong Kong – 2.9%				Grupo Aeroportuario del Sureste S.A. de CV – ADR	69,500	16,541,438	14,548,255
Techtron Industries Co., Ltd.	4,490,900	27,646,800	32,794,219	Nielsen Holdings PLC	608,500	29,880,611	24,753,275
Japan – 12.8%						69,833,740	66,652,547
Aeon Delight Co., Ltd.	329,200	11,452,441	14,720,101	Transaction Costs		(1,215,270)	
Kuraray Co., Ltd.	719,800	13,224,021	13,017,447	TOTAL INVESTMENT PORTFOLIO		838,078,088	995,365,887
Nexon Co., Ltd.	879,200	17,706,814	16,767,017	OTHER ASSETS, LESS LIABILITIES – 10.5%			116,404,619
Santen Pharmaceutical Co., Ltd.	756,100	16,658,061	17,304,611	NET ASSETS – 100.0%			1,111,770,506
Sony Corporation	528,800	26,155,311	35,670,919				
Square Enix Holdings Co., Ltd.	280,900	14,883,058	18,125,275				
Tsuruha Holdings Inc.	161,000	26,348,397	26,502,437				
		126,428,103	142,107,807				
Mexico – 1.4%							
Grupo Mexico S.A.B. de C.V.	4,300,600	18,386,676	16,058,799				
Netherlands – 8.1%							
Koninklijke Philips NV	600,600	24,844,018	33,461,198				
Unilever NV	379,800	22,491,759	27,828,379				
Wolters Kluwer NV	389,071	21,685,156	28,785,807				
		69,020,933	90,075,384				
Norway – 8.5%							
Attea ASA	1,123,110	12,459,735	21,264,444				
Equinor ASA	437,100	10,533,272	15,200,564				
Gjensidige Forsikring ASA	810,800	17,239,801	17,446,951				
Kongsberg Gruppen ASA	577,754	13,028,088	16,130,154				
Protector Forsikring ASA	1,026,424	11,572,820	10,970,648				
TGS Nopec Geophysical Co. ASA	281,500	7,675,616	13,596,541				
		72,509,332	94,609,302				
Singapore – 5.9%							
DBS Group Holdings Limited	651,900	12,126,720	16,647,092				
Mapletree Logistics Trust	12,139,690	13,329,675	14,400,479				
Parkway Life Real Estate Investment Trust	6,504,400	16,093,554	17,065,141				
United Overseas Bank Ltd.	659,000	13,665,974	17,067,875				
		55,215,923	65,180,587				
South Africa – 2.7%							
Naspers Limited N Shares	90,100	32,066,148	30,026,451				
South Korea – 2.4%							
Samsung Electronics Co., Ltd.	488,300	29,184,787	26,834,241				
Spain – 2.4%							
Amadeus IT Group S.A.	256,387	14,592,532	26,552,488				
Sweden – 1.8%							
Evolution Gaming Group AB	183,700	15,260,816	15,025,349				
Hexagon AB	70,900	4,322,747	5,191,796				
		19,583,563	20,217,145				

The accompanying notes are an integral part of the financial statements.

Scotia Private International Core Equity Pool (Unaudited – Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

The Fund (note 1)

The Fund's objective is long-term capital growth. It invests primarily in a broad range of equity securities of companies located outside of North America.

Risks associated with financial instruments (note 4)

Interest rate risk

The majority of the Fund's financial instruments were non-interest bearing as at June 30, 2018 and December 31, 2017. Accordingly, the Fund is not directly subject to significant risk due to fluctuations in the prevailing levels of market interest rates.

Currency risk

The Fund's exposure to currency risk is summarized in the tables below. Amounts shown are based on the carrying value of monetary and non-monetary assets and liabilities of the Fund net of currency contracts, as applicable.

June 30, 2018				
Currency	Gross currency exposure (\$)	Currency contracts (\$)	Net exposure (\$)	Percentage of net assets (%)
European Euro	259,539,897	–	259,539,897	23.3
British Pound	159,663,285	–	159,663,285	14.4
Japanese Yen	143,100,612	–	143,100,612	12.9
Norwegian Krone	93,368,349	–	93,368,349	8.4
Singapore Dollar	65,201,000	–	65,201,000	5.9
US Dollar	64,951,754	–	64,951,754	5.8
Swiss Franc	41,039,202	–	41,039,202	3.7
Hong Kong Dollar	33,156,923	–	33,156,923	3.0
South African Rand	30,022,011	–	30,022,011	2.7
Australian Dollar	26,941,488	–	26,941,488	2.4
South Korean Won	26,834,241	–	26,834,241	2.4
Swedish Krona	20,217,146	–	20,217,146	1.8
Danish Krone	16,884,147	–	16,884,147	1.5
Mexican Peso	16,058,799	–	16,058,799	1.4
	996,978,854	–	996,978,854	89.6

December 31, 2017				
Currency	Gross currency exposure (\$)	Currency contracts (\$)	Net exposure (\$)	Percentage of net assets (%)
European Euro	253,759,490	–	253,759,490	26.3
British Pound	176,711,752	–	176,711,752	18.3
Japanese Yen	119,188,145	–	119,188,145	12.4
Norwegian Krone	78,989,521	–	78,989,521	8.2
Singapore Dollar	61,252,488	–	61,252,488	6.4
US Dollar	51,506,722	–	51,506,722	5.3
Hong Kong Dollar	45,396,109	–	45,396,109	4.7
Swiss Franc	37,239,238	–	37,239,238	3.9
Australian Dollar	29,391,254	–	29,391,254	3.0
Danish Krone	15,901,870	–	15,901,870	1.6
South Korean Won	4,792,971	–	4,792,971	0.5
Swedish Krona	4,462,135	–	4,462,135	0.5
	878,591,695	–	878,591,695	91.1

If the Canadian dollar strengthened or weakened by 10% in relation to all other currencies, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by \$99,697,885 or 9.0% (December 31, 2017 – \$87,859,170 or 9.1%). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Price risk

Price risk is the risk that the carrying value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) caused by factors specific to a security, its issuer or all factors affecting a market or a market segment. Exposure to price risk is mainly in equities, underlying funds, derivatives and commodities, as applicable. As at June 30, 2018, approximately 89.5% (December 31, 2017 – 90.7%) of the Fund's net assets were exposed to price risk. If prices of these instruments had decreased or increased by 10%, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by approximately \$99,536,589 (December 31, 2017 – \$87,499,220). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Credit risk

The Fund had no significant exposure to bonds and debentures, money market instruments or preferred shares as at June 30, 2018 or December 31, 2017.

Concentration risk

Concentration risk arises as a result of the concentration of financial instruments within the same category, geographical location, asset type or industry sector, as applicable. The table below is a summary of the Fund's concentration risk by carrying value as a percentage of net assets:

	Percentage of net assets (%)	
	June 30, 2018	December 31, 2017
Australia	2.4	3.0
Denmark	1.5	1.6
Finland	3.3	5.4
France	6.4	6.6
Germany	3.0	3.1
Hong Kong	2.9	4.7
Japan	12.8	12.3
Mexico	1.4	–
Netherlands	8.1	7.8
Norway	8.5	8.2
Singapore	5.9	6.3
South Africa	2.7	–
South Korea	2.4	0.5
Spain	2.4	3.4
Sweden	1.8	0.5
Switzerland	3.7	3.9
United Kingdom	14.3	18.1
United States	6.0	5.3

Fair Value Classification (note 2)

The tables below illustrate the classification of the Fund's financial instruments within the fair value hierarchy.

	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
June 30, 2018				
Equities	82,711,346	912,654,541	–	995,365,887
Unrealized gain on currency spot contracts	–	4,802	–	4,802
	82,711,346	912,659,343	–	995,370,689

Scotia Private International Core Equity Pool (Unaudited – Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

December 31, 2017	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Equities	51,285,785	823,706,419	–	874,992,204
	51,285,785	823,706,419	–	874,992,204
Unrealized loss on currency spot contracts	–	(100)	–	(100)
	51,285,785	823,706,319	–	874,992,104

Transfers between levels

During the periods ended June 30, 2018 and December 31, 2017, there were no significant transfers between Level 1 and Level 2.

Offsetting of financial assets and liabilities (note 2)

As at June 30, 2018 and December 31, 2017, the Fund did not enter into any agreement whereby the financial instruments were eligible for offset.

Interest in Underlying Funds (note 2)

The Fund did not hold any interest in Underlying Funds as at June 30, 2018 or December 31, 2017.

Comparison of net asset value per unit and net assets per unit (note 2)

As at June 30, 2018 or December 31, 2017, there were no differences between the net asset value per unit and the net assets per unit for any series of the Fund.

Scotia International Value Fund (Unaudited)

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	June 30, 2018	December 31, 2017
ASSETS		
Current assets		
Financial assets at fair value through profit or loss (note 2)		
Non-derivative financial assets	8,791,838	9,071,625
Cash	1,355,226	882,876
Subscriptions receivable	955	4,041
Accrued investment income and other	4,033	3,639
	<u>10,152,052</u>	<u>9,962,181</u>
LIABILITIES		
Current liabilities		
Management fee payable	15,589	—
Payable for securities purchased	1,486	—
Redemptions payable	15,011	—
Accrued expenses	3,718	—
	<u>35,804</u>	<u>—</u>
Net assets attributable to holders of redeemable units	<u>10,116,248</u>	<u>9,962,181</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series A	9,934,118	9,802,184
Series F	28,708	8,500
Series I	153,422	151,497
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series A	9.62	9.48
Series F	9.66	9.49
Series I	10.04	9.79

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended June 30 (note 1),

(in dollars except average units)	2018	2017
INCOME		
Net gain (loss) on financial assets and liabilities at fair value through profit or loss		
Dividends	149,054	142,224
Interest for distribution purposes	1,381	1,480
Net realized gain (loss) on non-derivative financial assets	168,585	2,324,778
Change in unrealized gain (loss) on non-derivative financial assets	(53,332)	(1,058,118)
Net realized gain (loss) on derivatives	—	(134,173)
Change in unrealized gain (loss) on derivatives	—	9,126
Net gain (loss) on financial assets and liabilities at fair value through profit or loss	<u>265,688</u>	<u>1,285,317</u>
Securities lending (note 11)	862	106
Net realized and unrealized foreign currency translation gain (loss)	14,086	(56,371)
Other income	235	68
Total income (loss), net	<u>280,871</u>	<u>1,229,120</u>
EXPENSES		
Management fees (note 5)	87,341	83,062
Fixed administration fees and operating expense (note 6)	17,539	18,655
Independent Review Committee fees	587	576
Interest expense and bank overdraft charges	—	19
Foreign withholding taxes/tax reclaims	16,963	19,736
Harmonized Sales Tax/Goods and Services Tax	11,035	10,361
Transaction costs	3,943	30,106
Total expenses	<u>137,408</u>	<u>162,515</u>
Expenses absorbed by the Manager	—	(2,144)
Net expenses	<u>137,408</u>	<u>160,371</u>
Increase (decrease) in net assets attributable to holders of redeemable units from operations	<u>143,463</u>	<u>1,068,749</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A	139,641	1,048,637
Advisor Series	—	145
Series F	77	3,409
Series I	3,745	16,558
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT[†]		
Series A	0.14	0.97
Advisor Series	—	0.32
Series F	0.03	0.96
Series I	0.25	1.06
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series A	1,033,600	1,082,301
Advisor Series	—	458
Series F	2,342	3,533
Series I	14,839	15,685

[†] The increase (decrease) in net assets attributable to holders of redeemable units from operations per unit is calculated by dividing the increase (decrease) in net assets attributable to holders of redeemable units from operations per series by the weighted average number of units per series.

Scotia International Value Fund (Unaudited – Continued)

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the periods ended June 30 (note 1),

(in dollars)	2018	2017
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series A	9,802,184	8,846,400
Advisor Series	–	3,555
Series F	8,500	29,816
Series I	151,497	121,882
	<u>9,962,181</u>	<u>9,001,653</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A	139,641	1,048,637
Advisor Series	–	145
Series F	77	3,409
Series I	3,745	16,558
	<u>143,463</u>	<u>1,068,749</u>
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A	829,952	619,350
Series F	25,364	2,567
Series I	5,980	13,700
Payments on redemption		
Series A	(837,659)	(920,988)
Advisor Series	–	(3,700)
Series F	(5,233)	(4,862)
Series I	(7,800)	(6,960)
	<u>10,604</u>	<u>(300,893)</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A	131,934	746,999
Advisor Series	–	(3,555)
Series F	20,208	1,114
Series I	1,925	23,298
	<u>154,067</u>	<u>767,856</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series A	9,934,118	9,593,399
Series F	28,708	30,930
Series I	153,422	145,180
	<u>10,116,248</u>	<u>9,769,509</u>

STATEMENTS OF CASH FLOWS

For the periods ended June 30 (note 1),

(in dollars)	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	143,463	1,068,749
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(168,585)	(2,324,778)
Unrealized foreign currency translation (gain) loss	144	28,536
Change in unrealized (gain) loss on non-derivative financial assets	53,332	1,058,118
Change in unrealized (gain) loss on derivatives	–	(9,126)
Purchases of portfolio investments	(1,045,023)	(8,769,729)
Proceeds from sale of portfolio investments	1,441,549	11,204,999
Accrued investment income and other	(394)	(8,194)
Accrued expenses and other payables	19,307	18,893
Net cash provided by (used in) operating activities	443,793	2,267,468
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	864,381	640,731
Amounts paid on redemption of redeemable units	(835,680)	(907,211)
Distributions to unitholders of redeemable units	–	(37)
Net cash provided by (used in) financing activities	28,701	(266,517)
Unrealized foreign currency translation gain (loss)	(144)	(28,536)
Net increase (decrease) in cash	472,494	2,000,951
Cash (bank overdraft), beginning of period	882,876	60,789
CASH (BANK OVERDRAFT), END OF PERIOD	<u>1,355,226</u>	<u>2,033,204</u>
Interest paid ⁽¹⁾	–	19
Interest received, net of withholding taxes ⁽¹⁾	1,381	857
Dividends received, net of withholding taxes ⁽¹⁾	131,699	114,917

⁽¹⁾ Classified as operating items.

Scotia International Value Fund (Unaudited – Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at June 30, 2018

Issuer	Number of Shares	Average Cost (\$)	Carrying Value (\$)	Issuer	Number of Shares	Average Cost (\$)	Carrying Value (\$)
EQUITIES – 87.0%				EQUITIES (cont'd)			
Australia – 1.6%				Switzerland – 2.9%			
Ansell Ltd.	6,000	146,412	159,145	Nestlé S.A.	2,900	325,441	295,123
Brazil – 2.3%				United Kingdom – 11.6%			
Cielo S.A.	15,800	150,413	88,584	Admiral Group PLC	4,300	152,964	142,148
Odontoprev S.A.	31,900	152,379	141,500	B&M European Value Retail SA	8,500	48,182	59,563
		302,792	230,084	Beazley PLC	18,500	151,742	188,009
Denmark – 2.0%				Diageo PLC	7,100	294,596	334,950
Topdanmark A/S	3,600	150,894	207,097	Just Eat PLC	12,100	124,401	163,470
Finland – 3.7%				RELX PLC	10,300	298,309	289,803
Nokian Renkaat Oyj	4,600	253,486	238,315			1,070,194	1,177,943
Sampo Oyj	2,200	154,501	141,011	United States – 5.7%			
		407,987	379,326	Check Point Software Technologies Ltd.	2,200	322,648	282,631
France – 6.4%				Grupo Aeroportuario del Sureste S.A. de CV – ADR	200	47,490	41,865
LVMH Moët Hennessy Louis Vuitton SA	920	184,962	401,979	Nielsen Holdings PLC	6,100	306,616	248,143
Schneider Electric SA	2,200	219,873	240,527			676,754	572,639
		404,835	642,506	Transaction Costs		(15,947)	
Germany – 3.4%				TOTAL INVESTMENT PORTFOLIO	10,790,031		8,791,838
Fresenius SE & Co. KGaA	3,300	374,890	348,289	OTHER ASSETS, LESS LIABILITIES – 13.0%			1,324,410
Hong Kong – 3.1%				NET ASSETS – 100.0%			10,116,248
Techtronic Industries Co., Ltd.	42,500	250,070	310,351				
Japan – 12.4%							
Kuraray Co., Ltd.	7,000	174,440	126,594				
Nexon Co., Ltd.	6,800	136,246	129,681				
Santen Pharmaceutical Co., Ltd.	7,200	158,583	164,784				
Sony Corporation	6,300	311,626	424,975				
Square Enix Holdings Co., Ltd.	2,700	151,113	174,219				
Tsuruha Holdings Inc.	1,400	225,035	230,456				
		1,157,043	1,250,709				
Mexico – 1.5%							
Grupo Mexico S.A.B. de C.V.	39,300	166,746	146,749				
Netherlands – 10.4%							
Koninklijke Philips NV	6,900	331,719	384,419				
Unilever NV	4,400	330,054	322,393				
Wolters Kluwer NV	4,600	265,945	340,336				
		927,718	1,047,148				
Norway – 6.1%							
Attea ASA	8,600	142,557	162,828				
Gjensidige Forsikring ASA	6,900	150,660	148,476				
Kongsberg Gruppen ASA	7,600	154,510	212,182				
Protector Forsikring ASA	8,500	95,670	90,850				
		543,397	614,336				
Portugal – 0.0%							
Banco Espirito Santo	1,538,200	2,631,820	2,739				
Singapore – 5.2%							
DBS Group Holdings Limited	7,700	150,316	196,629				
Parkway Life Real Estate Investment Trust	60,100	149,367	157,680				
United Overseas Bank Ltd.	6,800	149,124	176,118				
		448,807	530,427				
South Africa – 1.6%							
Naspers Limited N Shares	500	175,343	166,628				
South Korea – 2.7%							
Samsung Electronics Co., Ltd.	5,000	271,937	274,772				
Spain – 2.4%							
Amadeus IT Group S.A.	2,300	182,472	238,197				
Sweden – 2.0%							
Evolution Gaming Group AB	1,700	141,834	139,048				
Hexagon AB	800	48,592	58,582				
		190,426	197,630				

The accompanying notes are an integral part of the financial statements.

Scotia International Value Fund (Unaudited – Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

The Fund (note 1)

The Fund's objective is to achieve long-term capital growth. It invests primarily in equity securities of companies located outside of the U.S. and Canada.

Risks associated with financial instruments (note 4)

Interest rate risk

The majority of the Fund's financial instruments were non-interest bearing as at June 30, 2018 and December 31, 2017. Accordingly, the Fund is not directly subject to significant risk due to fluctuations in the prevailing levels of market interest rates.

Currency risk

The Fund's exposure to currency risk is summarized in the tables below. Amounts shown are based on the carrying value of monetary and non-monetary assets and liabilities of the Fund net of currency contracts, as applicable.

June 30, 2018				
Currency	Gross currency exposure (\$)	Currency contracts (\$)	Net exposure (\$)	Percentage of net assets (%)
European Euro	2,723,822	–	2,723,822	26.9
Japanese Yen	1,274,485	–	1,274,485	12.6
British Pound	1,213,962	–	1,213,962	12.0
Norwegian Krone	633,981	–	633,981	6.3
US Dollar	599,387	–	599,387	5.9
Singapore Dollar	557,214	–	557,214	5.5
Hong Kong Dollar	533,591	–	533,591	5.3
Swiss Franc	301,011	–	301,011	3.0
South Korean Won	278,383	–	278,383	2.8
Brazilian Real	234,580	–	234,580	2.3
Danish Krone	221,683	–	221,683	2.2
Swedish Krona	197,629	–	197,629	2.0
Australian Dollar	168,165	–	168,165	1.7
South African Rand	166,628	–	166,628	1.6
Mexican Peso	148,081	–	148,081	1.5
Taiwan Dollar	5,956	–	5,956	0.1
	9,258,558	–	9,258,558	91.7

December 31, 2017				
Currency	Gross currency exposure (\$)	Currency contracts (\$)	Net exposure (\$)	Percentage of net assets (%)
European Euro	2,797,666	–	2,797,666	28.1
British Pound	1,407,882	–	1,407,882	14.1
Japanese Yen	939,067	–	939,067	9.4
Singapore Dollar	766,583	–	766,583	7.7
Hong Kong Dollar	716,805	–	716,805	7.2
US Dollar	627,215	–	627,215	6.3
Norwegian Krone	614,041	–	614,041	6.2
Brazilian Real	334,295	–	334,295	3.4
Swiss Franc	313,566	–	313,566	3.1
Australian Dollar	308,109	–	308,109	3.1
South Korean Won	299,561	–	299,561	3.0
Danish Krone	199,272	–	199,272	2.0
Swedish Krona	50,348	–	50,348	0.5
Taiwan Dollar	5,838	–	5,838	0.1
	9,380,248	–	9,380,248	94.2

If the Canadian dollar strengthened or weakened by 10% in relation to all other currencies, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by \$925,856 or 9.2% (December 31, 2017 – \$938,025 or 9.4%). In practice, actual results

may differ from this sensitivity analysis and the difference could be material.

Price risk

Price risk is the risk that the carrying value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) caused by factors specific to a security, its issuer or all factors affecting a market or a market segment. Exposure to price risk is mainly in equities, underlying funds, derivatives and commodities, as applicable. As at June 30, 2018, approximately 87.0% (December 31, 2017 – 91.1%) of the Fund's net assets were exposed to price risk. If prices of these instruments had decreased or increased by 10%, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by approximately \$879,184 (December 31, 2017 – \$907,163). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Credit risk

The Fund had no significant exposure to bonds and debentures, money market instruments or preferred shares as at June 30, 2018 or December 31, 2017.

Concentration risk

Concentration risk arises as a result of the concentration of financial instruments within the same category, geographical location, asset type or industry sector, as applicable. The table below is a summary of the Fund's concentration risk by carrying value as a percentage of net assets:

	Percentage of net assets (%)	
	June 30, 2018	December 31, 2017
Australia	1.6	3.0
Brazil	2.3	3.3
Denmark	2.0	2.0
Finland	3.7	4.1
France	6.4	7.0
Germany	3.4	3.7
Hong Kong	3.1	5.1
Japan	12.4	9.2
Mexico	1.5	–
Netherlands	10.4	9.4
Norway	6.1	6.1
Singapore	5.2	7.6
South Africa	1.6	–
South Korea	2.7	3.0
Spain	2.4	3.7
Sweden	2.0	0.5
Switzerland	2.9	3.1
United Kingdom	11.6	14.2
United States	5.7	6.1

Fair Value Classification (note 2)

The tables below illustrate the classification of the Fund's financial instruments within the fair value hierarchy.

	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
June 30, 2018				
Equities	722,127	8,069,711	–	8,791,838
	722,127	8,069,711	–	8,791,838

Scotia International Value Fund (Unaudited – Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

December 31, 2017	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Equities	613,230	8,458,395	–	9,071,625
	613,230	8,458,395	–	9,071,625

Transfers between levels

During the periods ended June 30, 2018 and December 31, 2017, there were no significant transfers between Level 1 and Level 2.

Offsetting of financial assets and liabilities (note 2)

As at June 30, 2018 and December 31, 2017, the Fund did not enter into any agreement whereby the financial instruments were eligible for offset.

Interest in Underlying Funds (note 2)

The Fund did not hold any interest in Underlying Funds as at June 30, 2018 or December 31, 2017.

Comparison of net asset value per unit and net assets per unit (note 2)

As at June 30, 2018 or December 31, 2017, there were no differences between the net asset value per unit and the net assets per unit for any series of the Fund.

Scotia European Fund (Unaudited)

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	June 30, 2018	December 31, 2017
ASSETS		
Current assets		
Financial assets at fair value through profit or loss (note 2)		
Non-derivative financial assets	19,229,321	19,046,049
Cash	1,153,198	77,881
Subscriptions receivable	11,173	1,189
Accrued investment income and other	24,626	–
	<u>20,418,318</u>	<u>19,125,119</u>
LIABILITIES		
Current liabilities		
Management fee payable	32,187	–
Redemptions payable	19,006	7,684
Accrued expenses	7,026	–
Distributions payable	–	134
	<u>58,219</u>	<u>7,818</u>
Net assets attributable to holders of redeemable units	<u>20,360,099</u>	<u>19,117,301</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series A	20,342,594	19,104,233
Series F	17,505	13,068
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series A	15.82	15.37
Series F	16.19	15.65

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended June 30 (note 1),

(in dollars except average units)	2018	2017
INCOME		
Net gain (loss) on financial assets and liabilities at fair value through profit or loss		
Dividends	359,029	512,962
Interest for distribution purposes	3,143	799
Net realized gain (loss) on non-derivative financial assets	573,211	(4,155)
Change in unrealized gain (loss) on non-derivative financial assets	(84,681)	1,979,401
Change in unrealized gain (loss) on derivatives	–	10
Net gain (loss) on financial assets and liabilities at fair value through profit or loss	<u>850,702</u>	<u>2,489,017</u>
Securities lending (note 11)	1,178	603
Net realized and unrealized foreign currency translation gain (loss)	(152)	1,329
Other income	743	8
Total income (loss), net	<u>852,471</u>	<u>2,490,957</u>
EXPENSES		
Management fees (note 5)	177,830	171,871
Fixed administration fees (note 6)	35,578	34,404
Independent Review Committee fees	587	576
Interest expense and bank overdraft charges	48	25
Foreign withholding taxes/tax reclaims	55,797	80,865
Harmonized Sales Tax/Goods and Services Tax	23,194	22,360
Transaction costs	2,334	4,178
Total expenses	<u>295,368</u>	<u>314,279</u>
Increase (decrease) in net assets attributable to holders of redeemable units from operations	<u>557,103</u>	<u>2,176,678</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A	556,731	2,172,410
Series F	372	4,268
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT[†]		
Series A	0.44	1.64
Series F	0.43	1.83
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series A	1,275,827	1,326,339
Series F	861	2,331

[†] The increase (decrease) in net assets attributable to holders of redeemable units from operations per unit is calculated by dividing the increase (decrease) in net assets attributable to holders of redeemable units from operations per series by the weighted average number of units per series.

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the periods ended June 30 (note 1),

(in dollars)	2018	2017
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series A	19,104,233	18,821,783
Series F	13,068	21,561
	<u>19,117,301</u>	<u>18,843,344</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A	556,731	2,172,410
Series F	372	4,268
	<u>557,103</u>	<u>2,176,678</u>
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A	2,341,762	1,516,737
Series F	4,065	10,898
Payments on redemption		
Series A	(1,660,132)	(2,307,643)
	<u>685,695</u>	<u>(780,008)</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A	1,238,361	1,381,504
Series F	4,437	15,166
	<u>1,242,798</u>	<u>1,396,670</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series A	20,342,594	20,203,287
Series F	17,505	36,727
	<u>20,360,099</u>	<u>20,240,014</u>

STATEMENTS OF CASH FLOWS

For the periods ended June 30 (note 1),

(in dollars)	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	557,103	2,176,678
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(573,211)	4,155
Unrealized foreign currency translation (gain) loss	18	618
Change in unrealized (gain) loss on non-derivative financial assets	84,681	(1,979,401)
Change in unrealized (gain) loss on derivatives	–	(10)
Purchases of portfolio investments	(2,743,182)	(1,987,812)
Proceeds from sale of portfolio investments	3,048,440	2,651,066
Accrued investment income and other	(24,626)	3,827
Accrued expenses and other payables	39,213	39,807
Net cash provided by (used in) operating activities	<u>388,436</u>	<u>908,928</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	2,331,853	1,472,221
Amounts paid on redemption of redeemable units	(1,644,820)	(2,128,171)
Distributions to unitholders of redeemable units	(134)	–
Net cash provided by (used in) financing activities	<u>686,899</u>	<u>(655,950)</u>
Unrealized foreign currency translation gain (loss)	(18)	(618)
Net increase (decrease) in cash	1,075,335	252,978
Cash (bank overdraft), beginning of period	77,881	143,101
CASH (BANK OVERDRAFT), END OF PERIOD	<u>1,153,198</u>	<u>395,461</u>
Interest paid ⁽¹⁾	48	25
Interest received, net of withholding taxes ⁽¹⁾	3,143	641
Dividends received, net of withholding taxes ⁽¹⁾	278,605	436,081

⁽¹⁾ Classified as operating items.

The accompanying notes are an integral part of the financial statements.

Scotia European Fund (Unaudited – Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at June 30, 2018

Issuer	Number of Shares	Average Cost (\$)	Carrying Value (\$)
EQUITIES – 94.5%			
Denmark – 5.4%			
Pandora A/S	4,559	676,772	418,830
Novo Nordisk A/S, Class B	11,125	450,108	675,457
		<u>1,126,880</u>	<u>1,094,287</u>
Finland – 3.5%			
Nokia Oyj	93,371	785,645	704,051
France – 8.1%			
Legrand SA	6,630	418,885	638,288
Sodexo	3,737	383,726	490,727
Valeo SA	7,381	278,542	529,545
		<u>1,081,153</u>	<u>1,658,560</u>
Germany – 26.1%			
Adidas-Salomon AG	2,715	217,668	779,303
Bayer AG	5,587	625,828	809,093
Deutsche Boerse AG	4,770	402,474	835,356
Fresenius SE & Co. KGaA	6,246	314,146	659,217
KION Group AG	3,867	324,613	365,238
Merck KGaA	3,451	481,092	442,869
QIAGEN NV	11,481	489,227	549,441
Wirecard AG	4,086	236,212	864,509
		<u>3,091,260</u>	<u>5,305,026</u>
Netherlands – 7.4%			
ASML Holding NV	3,234	211,301	838,347
ING Groep NV	35,850	468,444	676,163
		<u>679,745</u>	<u>1,514,510</u>
Norway – 5.4%			
DnB NOR ASA	23,136	338,072	592,967
Equinor ASA	14,733	320,927	512,354
		<u>658,999</u>	<u>1,105,321</u>
Spain – 13.7%			
Aena S.A.	2,000	205,816	476,864
Amadeus IT Group S.A.	8,225	404,130	851,815
Gamesa Corporation Tecnologica S.A.	29,728	498,796	522,749
Gas Natural SDG S.A.	9,614	272,101	334,369
Industria de Diseno Textil S.A.	13,661	465,621	612,705
		<u>1,846,464</u>	<u>2,798,502</u>
Sweden – 5.0%			
Lundin Petroleum AB	12,634	346,411	528,658
Swedbank AB	17,441	386,771	490,388
		<u>733,182</u>	<u>1,019,046</u>
Switzerland – 4.9%			
Dufry AG	1,509	242,447	252,842
Lonza Group AG	2,113	702,346	737,843
		<u>944,793</u>	<u>990,685</u>
United Kingdom – 12.1%			
ASOS PLC	4,238	445,866	448,461
ConvaTec Group PLC	143,130	556,934	526,858
DS Smith PLC	36,545	322,945	330,216
Prudential PLC	22,826	686,935	685,441
Sberbank of Russia	24,434	234,455	462,601
		<u>2,247,135</u>	<u>2,453,577</u>
United States – 2.9%			
Worldpay Inc.	5,446	527,458	585,756
Transaction Costs		<u>(10,847)</u>	
TOTAL INVESTMENT PORTFOLIO		<u>13,711,867</u>	<u>19,229,321</u>
OTHER ASSETS, LESS LIABILITIES – 5.5%			<u>1,130,778</u>
NET ASSETS – 100.0%			<u>20,360,099</u>

The accompanying notes are an integral part of the financial statements.

Scotia European Fund (Unaudited – Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

The Fund (note 1)

The Fund's objective is long-term capital growth. It invests primarily in a broad range of high quality equity securities of companies in Europe.

Risks associated with financial instruments (note 4)

Interest rate risk

The majority of the Fund's financial instruments were non-interest bearing as at June 30, 2018 and December 31, 2017. Accordingly, the Fund is not directly subject to significant risk due to fluctuations in the prevailing levels of market interest rates.

Currency risk

The Fund's exposure to currency risk is summarized in the tables below. Amounts shown are based on the carrying value of monetary and non-monetary assets and liabilities of the Fund net of currency contracts, as applicable.

June 30, 2018				
Currency	Gross currency exposure (\$)	Currency contracts (\$)	Net exposure (\$)	Percentage of net assets (%)
European Euro	11,987,348	–	11,987,348	58.9
British Pound	1,990,977	–	1,990,977	9.8
Norwegian Krone	1,105,321	–	1,105,321	5.4
Danish Krone	1,094,287	–	1,094,287	5.4
US Dollar	1,072,984	–	1,072,984	5.3
Swedish Krona	1,019,047	–	1,019,047	5.0
Swiss Franc	990,684	–	990,684	4.9
	19,260,648	–	19,260,648	94.7

December 31, 2017				
Currency	Gross currency exposure (\$)	Currency contracts (\$)	Net exposure (\$)	Percentage of net assets (%)
European Euro	11,332,528	–	11,332,528	59.3
British Pound	3,168,204	–	3,168,204	16.6
Swiss Franc	1,467,140	–	1,467,140	7.7
Danish Krone	1,120,858	–	1,120,858	5.9
Norwegian Krone	859,138	–	859,138	4.5
Swedish Krona	635,849	–	635,849	3.3
US Dollar	462,666	–	462,666	2.4
	19,046,383	–	19,046,383	99.7

If the Canadian dollar strengthened or weakened by 10% in relation to all other currencies, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by \$1,926,065 or 9.5% (December 31, 2017 – \$1,904,639 or 10.0%). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Price risk

Price risk is the risk that the carrying value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) caused by factors specific to a security, its issuer or all factors affecting a market or a market segment. Exposure to price risk is mainly in equities, underlying funds, derivatives and commodities, as applicable. As at June 30, 2018, approximately 94.5% (December 31, 2017 – 99.6%) of the Fund's net

assets were exposed to price risk. If prices of these instruments had decreased or increased by 10%, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by approximately \$1,922,932 (December 31, 2017 – \$1,904,605). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Credit risk

The Fund had no significant exposure to bonds and debentures, money market instruments or preferred shares as at June 30, 2018 or December 31, 2017.

Concentration risk

Concentration risk arises as a result of the concentration of financial instruments within the same category, geographical location, asset type or industry sector, as applicable. The table below is a summary of the Fund's concentration risk by carrying value as a percentage of net assets:

	Percentage of net assets (%)	
	June 30, 2018	December 31, 2017
Denmark	5.4	5.9
Finland	3.5	2.4
France	8.1	9.6
Germany	26.1	25.9
Ireland	–	1.1
Netherlands	7.4	7.5
Norway	5.4	4.5
Spain	13.7	12.7
Sweden	5.0	3.3
Switzerland	4.9	7.7
United Kingdom	12.1	19.0
United States	2.9	–

Fair Value Classification (note 2)

The tables below illustrate the classification of the Fund's financial instruments within the fair value hierarchy.

June 30, 2018	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Equities	585,756	18,643,565	–	19,229,321
	585,756	18,643,565	–	19,229,321

December 31, 2017	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Equities	–	19,046,049	–	19,046,049
	–	19,046,049	–	19,046,049

Transfers between levels

During the periods ended June 30, 2018 and December 31, 2017, there were no significant transfers between Level 1 and Level 2.

Offsetting of financial assets and liabilities (note 2)

As at June 30, 2018 and December 31, 2017, the Fund did not enter into any agreement whereby the financial instruments were eligible for offset.

Scotia European Fund (Unaudited – Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

Interest in Underlying Funds (note 2)

The Fund did not hold any interest in Underlying Funds as at June 30, 2018 or December 31, 2017.

Comparison of net asset value per unit and net assets per unit (note 2)

As at June 30, 2018 or December 31, 2017, there were no differences between the net asset value per unit and the net assets per unit for any series of the Fund.

Scotia Pacific Rim Fund (Unaudited)

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	June 30, 2018	December 31, 2017
ASSETS		
Current assets		
Financial assets at fair value through profit or loss (note 2)		
Non-derivative financial assets	17,205,379	17,690,081
Cash	227,707	55,840
Subscriptions receivable	23,884	2,759
Accrued investment income and other	49,153	9,219
	<u>17,506,123</u>	<u>17,757,899</u>
LIABILITIES		
Current liabilities		
Management fee payable	28,572	–
Redemptions payable	17,863	1,049
Accrued expenses	6,305	–
	<u>52,740</u>	<u>1,049</u>
Net assets attributable to holders of redeemable units	<u>17,453,383</u>	<u>17,756,850</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series A	17,428,079	17,731,840
Series F	<u>25,304</u>	<u>25,010</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series A	15.72	15.60
Series F	<u>16.01</u>	<u>15.82</u>

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended June 30 (note 1),

(in dollars except average units)	2018	2017
INCOME		
Net gain (loss) on financial assets and liabilities at fair value through profit or loss		
Dividends	183,647	187,069
Interest for distribution purposes	–	438
Net realized gain (loss) on non-derivative financial assets	812,494	2,143,991
Change in unrealized gain (loss) on non-derivative financial assets	(602,671)	(742,790)
Net realized gain (loss) on derivatives	–	(12,181)
Change in unrealized gain (loss) on derivatives	–	4,024
Net gain (loss) on financial assets and liabilities at fair value through profit or loss	<u>393,470</u>	<u>1,580,551</u>
Securities lending (note 11)	658	–
Net realized and unrealized foreign currency translation gain (loss)	(1,806)	2,739
Other income	1,937	15
Total income (loss), net	<u>394,259</u>	<u>1,583,305</u>
EXPENSES		
Management fees (note 5)	161,519	134,294
Fixed administration fees (note 6)	32,292	26,926
Independent Review Committee fees	587	576
Interest expense and bank overdraft charges	418	791
Foreign withholding taxes/tax reclaims	21,366	32,353
Harmonized Sales Tax/Goods and Services Tax	19,756	16,519
Transaction costs	7,922	38,677
Total expenses	<u>243,860</u>	<u>250,136</u>
Increase (decrease) in net assets attributable to holders of redeemable units from operations	<u>150,399</u>	<u>1,333,169</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A	150,105	1,332,416
Series F	<u>294</u>	<u>753</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT[†]		
Series A	0.13	1.14
Series F	<u>0.19</u>	<u>0.17</u>
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series A	1,140,387	1,164,380
Series F	<u>1,581</u>	<u>3,939</u>

[†] The increase (decrease) in net assets attributable to holders of redeemable units from operations per unit is calculated by dividing the increase (decrease) in net assets attributable to holders of redeemable units from operations per series by the weighted average number of units per series.

The accompanying notes are an integral part of the financial statements.

Scotia Pacific Rim Fund (Unaudited – Continued)

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the periods ended June 30 (note 1),

(in dollars)	2018	2017
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series A	17,731,840	14,528,179
Series F	25,010	18,108
	<u>17,756,850</u>	<u>14,546,287</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A	150,105	1,332,416
Series F	294	753
	<u>150,399</u>	<u>1,333,169</u>
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A	2,028,310	826,274
Series F	–	260,427
Payments on redemption		
Series A	(2,482,176)	(1,409,878)
Series F	–	(239,804)
	<u>(453,866)</u>	<u>(562,981)</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A	(303,761)	748,812
Series F	294	21,376
	<u>(303,467)</u>	<u>770,188</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series A	17,428,079	15,276,991
Series F	25,304	39,484
	<u>17,453,383</u>	<u>15,316,475</u>

STATEMENTS OF CASH FLOWS

For the periods ended June 30 (note 1),

(in dollars)	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	150,399	1,333,169
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(812,494)	(2,143,991)
Unrealized foreign currency translation (gain) loss	(418)	6,119
Change in unrealized (gain) loss on non-derivative financial assets	602,671	742,790
Change in unrealized (gain) loss on derivatives	–	(4,024)
Purchases of portfolio investments	(2,381,857)	(9,904,623)
Proceeds from sale of portfolio investments	3,076,382	10,321,781
Accrued investment income and other	(39,934)	(29,851)
Accrued expenses and other payables	34,877	29,844
	<u>629,626</u>	<u>351,214</u>
Net cash provided by (used in) operating activities		
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	2,007,185	1,092,215
Amounts paid on redemption of redeemable units	(2,465,362)	(1,596,151)
	<u>(458,177)</u>	<u>(503,936)</u>
Net cash provided by (used in) financing activities		
Unrealized foreign currency translation gain (loss)	418	(6,119)
Net increase (decrease) in cash	171,449	(152,722)
Cash (bank overdraft), beginning of period	55,840	323,712
	<u>227,707</u>	<u>164,871</u>
CASH (BANK OVERDRAFT), END OF PERIOD		
Interest paid ⁽¹⁾	418	791
Interest received, net of withholding taxes ⁽¹⁾	–	267
Dividends received, net of withholding taxes ⁽¹⁾	123,243	125,038

⁽¹⁾ Classified as operating items.

SCHEDULE OF INVESTMENT PORTFOLIO

As at June 30, 2018

Issuer	Number of Shares	Average Cost (\$)	Carrying Value (\$)
EQUITIES – 98.5%			
Hong Kong – 37.4%			
AAC Acoustic Technologies Holdings Inc.	10,500	74,626	193,235
AIA Group Ltd.	31,400	232,392	357,493
ANTA Sports Products Ltd.	49,000	263,706	339,002
BYD Co., Ltd., Class H	68,000	582,828	539,707
Fosun International Ltd.	233,000	499,584	572,334
Fuyao Glass Industry Group Co., Ltd.	105,000	487,508	466,115
Hengan International Group Co., Ltd.	39,500	412,637	496,784
Industrial and Commercial Bank of China Ltd., Class H	595,000	544,563	581,275
Li Ning Co., Ltd.	417,000	421,070	600,413
Ping An Insurance Group Company of China Ltd.	47,500	488,025	570,838
PRADA SpA	17,500	95,906	105,885
Sands China Ltd.	69,000	418,985	483,537
Tencent Holdings Limited	9,900	544,872	648,345
Tsingtao Brewery Company Ltd.	80,500	409,533	580,144
		<u>5,476,235</u>	<u>6,535,107</u>
Indonesia – 2.9%			
PT Bank Central Asia Tbk	133,500	160,091	262,810
PT Bank Rakyat Indonesia (Persero) Tbk	937,500	229,450	243,379
		<u>389,541</u>	<u>506,189</u>
Japan – 13.5%			
Horiba Ltd.	3,400	138,435	312,330
NIDEC Corporation	1,800	105,756	354,570
SMC Corporation	900	293,078	433,066
Square Enix Holdings Co., Ltd.	9,000	401,080	580,731
TechnoPro Holdings Inc.	4,100	160,041	330,720
Unicharm Corporation	8,900	243,123	352,111
		<u>1,341,513</u>	<u>2,363,528</u>
Philippines – 2.2%			
BDO Unibank, Inc.	125,452	347,689	387,372
Singapore – 0.4%			
Mapletree Logistics Trust	65,000	72,133	77,105
South Korea – 8.5%			
Amorepacific Corporation	1,600	526,101	608,670
Samsung Electronics Co., Ltd.	9,250	508,232	508,328
SK Hynix Inc.	3,600	296,159	363,179
		<u>1,330,492</u>	<u>1,480,177</u>
Switzerland – 3.6%			
Swatch Group AG, Class B	1,000	498,394	624,408
Taiwan – 5.1%			
Airtac International Group	18,072	198,704	338,005
Taiwan Semiconductor Manufacturing Company Ltd.	58,000	361,906	543,439
		<u>560,610</u>	<u>881,444</u>
Thailand – 4.2%			
Airports of Thailand Public Company Ltd.	118,000	202,013	296,296
Minor International PCL	337,000	484,789	435,381
		<u>686,802</u>	<u>731,677</u>
United States – 20.7%			
Alibaba Group Holding Ltd.	2,800	485,648	683,226
Baidu, Inc.	2,000	517,227	639,188
BEST Inc – ADR	25,500	300,865	409,830
BHP Billiton Ltd. – ADR	3,000	144,324	197,320
JinkoSolar Holding Co., Ltd. – ADR	15,800	483,391	286,143
NetEase, Inc.	1,700	645,371	564,930
Sony Corporation	9,500	480,924	640,463
Yum China Holdings Inc.	3,900	187,804	197,272
		<u>3,245,554</u>	<u>3,618,372</u>
Transaction Costs		(25,057)	
TOTAL INVESTMENT PORTFOLIO		<u>13,923,906</u>	<u>17,205,379</u>
OTHER ASSETS, LESS LIABILITIES – 1.5%			248,004
NET ASSETS – 100.0%			<u>17,453,383</u>

The accompanying notes are an integral part of the financial statements.

Scotia Pacific Rim Fund (Unaudited – Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

The Fund (note 1)

The Fund's objective is long-term capital growth. It invests primarily in a broad range of equity securities of companies in the western portion of the Pacific Rim.

Risks associated with financial instruments (note 4)

Interest rate risk

The majority of the Fund's financial instruments were non-interest bearing as at June 30, 2018 and December 31, 2017. Accordingly, the Fund is not directly subject to significant risk due to fluctuations in the prevailing levels of market interest rates.

Currency risk

The Fund's exposure to currency risk is summarized in the tables below. Amounts shown are based on the carrying value of monetary and non-monetary assets and liabilities of the Fund net of currency contracts, as applicable.

June 30, 2018				
Currency	Gross currency exposure (\$)	Currency contracts (\$)	Net exposure (\$)	Percentage of net assets (%)
Hong Kong Dollar	6,578,639	–	6,578,639	37.7
US Dollar	3,641,507	–	3,641,507	20.9
Japanese Yen	2,387,234	–	2,387,234	13.7
South Korean Won	1,491,019	–	1,491,019	8.5
Taiwan Dollar	897,477	–	897,477	5.1
Thai Baht	739,590	–	739,590	4.2
Swiss Franc	624,508	–	624,508	3.6
Indonesian Rupiah	513,687	–	513,687	2.9
Philippines Peso	388,645	–	388,645	2.2
Singapore Dollar	80,237	–	80,237	0.5
	17,342,543	–	17,342,543	99.3

December 31, 2017				
Currency	Gross currency exposure (\$)	Currency contracts (\$)	Net exposure (\$)	Percentage of net assets (%)
Hong Kong Dollar	6,240,958	–	6,240,958	35.1
US Dollar	4,101,782	–	4,101,782	23.1
Japanese Yen	2,644,314	–	2,644,314	14.9
South Korean Won	1,283,449	–	1,283,449	7.2
Taiwan Dollar	1,085,224	–	1,085,224	6.1
Thai Baht	770,728	–	770,728	4.3
Swiss Franc	614,519	–	614,519	3.5
Indonesian Rupiah	519,516	–	519,516	2.9
Philippines Peso	496,837	–	496,837	2.8
Singapore Dollar	81,597	–	81,597	0.5
Australian Dollar	533	–	533	0.0
	17,839,457	–	17,839,457	100.4

If the Canadian dollar strengthened or weakened by 10% in relation to all other currencies, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by \$1,734,254 or 9.9% (December 31, 2017 – \$1,783,946 or 10.0%). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Price risk

Price risk is the risk that the carrying value of financial instruments will fluctuate as a result of changes in market prices (other than those

arising from interest rate risk or currency risk) caused by factors specific to a security, its issuer or all factors affecting a market or a market segment. Exposure to price risk is mainly in equities, underlying funds, derivatives and commodities, as applicable. As at June 30, 2018, approximately 98.5% (December 31, 2017 – 99.6%) of the Fund's net assets were exposed to price risk. If prices of these instruments had decreased or increased by 10%, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by approximately \$1,720,538 (December 31, 2017 – \$1,769,008). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Credit risk

The Fund had no significant exposure to bonds and debentures, money market instruments or preferred shares as at June 30, 2018 or December 31, 2017.

Concentration risk

Concentration risk arises as a result of the concentration of financial instruments within the same category, geographical location, asset type or industry sector, as applicable. The table below is a summary of the Fund's concentration risk by carrying value as a percentage of net assets:

	Percentage of net assets (%)	
	June 30, 2018	December 31, 2017
Hong Kong	37.4	34.9
Indonesia	2.9	2.9
Japan	13.5	14.8
Philippines	2.2	2.8
Singapore	0.4	0.5
South Korea	8.5	7.2
Switzerland	3.6	3.5
Taiwan	5.1	5.8
Thailand	4.2	4.3
United Kingdom	–	2.1
United States	20.7	20.8

Fair Value Classification (note 2)

The tables below illustrate the classification of the Fund's financial instruments within the fair value hierarchy.

June 30, 2018	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Equities	3,618,372	13,587,007	–	17,205,379
	3,618,372	13,587,007	–	17,205,379

December 31, 2017	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Equities	3,725,057	13,965,024	–	17,690,081
	3,725,057	13,965,024	–	17,690,081

Transfers between levels

During the periods ended June 30, 2018 and December 31, 2017, there were no significant transfers between Level 1 and Level 2.

Scotia Pacific Rim Fund (Unaudited – Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

Offsetting of financial assets and liabilities (note 2)

As at June 30, 2018 and December 31, 2017, the Fund did not enter into any agreement whereby the financial instruments were eligible for offset.

Interest in Underlying Funds (note 2)

The Fund did not hold any interest in Underlying Funds as at June 30, 2018 or December 31, 2017.

Comparison of net asset value per unit and net assets per unit (note 2)

As at June 30, 2018 or December 31, 2017, there were no differences between the net asset value per unit and the net assets per unit for any series of the Fund.

Scotia Latin American Fund (Unaudited)

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	June 30, 2018	December 31, 2017
ASSETS		
Current assets		
Financial assets at fair value through profit or loss (note 2)		
Non-derivative financial assets	15,689,122	19,756,143
Cash	814,855	66,578
Subscriptions receivable	3,280	6,303
Accrued investment income and other	24,537	60,886
	<u>16,531,794</u>	<u>19,889,910</u>
LIABILITIES		
Current liabilities		
Management fee payable	25,150	–
Redemptions payable	28,829	8,877
Accrued expenses	5,333	–
Distributions payable	–	292
	<u>59,312</u>	<u>9,169</u>
Net assets attributable to holders of redeemable units	<u>16,472,482</u>	<u>19,880,741</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series A	16,442,797	19,848,287
Series F	29,685	32,454
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series A	15.76	17.79
Series F	15.46	17.37

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended June 30 (note 1),

(in dollars except average units)	2018	2017
INCOME		
Net gain (loss) on financial assets and liabilities at fair value through profit or loss		
Dividends	227,759	265,339
Interest for distribution purposes	130,560	158,950
Net realized gain (loss) on non-derivative financial assets	567,017	996,168
Change in unrealized gain (loss) on non-derivative financial assets	(2,680,447)	872,720
Net gain (loss) on financial assets and liabilities at fair value through profit or loss	(1,755,111)	2,293,177
Securities lending (note 11)	123	958
Net realized and unrealized foreign currency translation gain (loss)	(13,555)	(36,096)
Other income	278	123
Total income (loss), net	<u>(1,768,265)</u>	<u>2,258,162</u>
EXPENSES		
Management fees (note 5)	172,057	196,189
Fixed administration fees (note 6)	32,476	36,756
Independent Review Committee fees	587	576
Interest expense and bank overdraft charges	48	76
Foreign withholding taxes/tax reclaims	33,461	26,805
Harmonized Sales Tax/Goods and Services Tax	21,319	24,763
Transaction costs	2,928	9,699
Total expenses	<u>262,876</u>	<u>294,864</u>
Increase (decrease) in net assets attributable to holders of redeemable units from operations	<u>(2,031,141)</u>	<u>1,963,298</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A	(2,027,612)	1,962,513
Series F	(3,529)	785
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT[†]		
Series A	(1.89)	1.58
Series F	(1.64)	1.59
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series A	1,072,359	1,241,801
Series F	2,148	493

[†] The increase (decrease) in net assets attributable to holders of redeemable units from operations per unit is calculated by dividing the increase (decrease) in net assets attributable to holders of redeemable units from operations per series by the weighted average number of units per series.

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the periods ended June 30 (note 1),

(in dollars)	2018	2017
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series A	19,848,287	21,114,025
Series F	32,454	8,041
	<u>19,880,741</u>	<u>21,122,066</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A	(2,027,612)	1,962,513
Series F	(3,529)	785
	<u>(2,031,141)</u>	<u>1,963,298</u>
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A	927,672	1,273,838
Series F	23,955	490
Payments on redemption		
Series A	(2,305,550)	(2,977,091)
Series F	(23,195)	(501)
	<u>(1,377,118)</u>	<u>(1,703,264)</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A	(3,405,490)	259,260
Series F	(2,769)	774
	<u>(3,408,259)</u>	<u>260,034</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series A	16,442,797	21,373,285
Series F	29,685	8,815
	<u>16,472,482</u>	<u>21,382,100</u>

STATEMENTS OF CASH FLOWS

For the periods ended June 30 (note 1),

(in dollars)	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	(2,031,141)	1,963,298
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(567,017)	(996,168)
Unrealized foreign currency translation (gain) loss	237	1,244
Change in unrealized (gain) loss on non-derivative financial assets	2,680,447	(872,720)
Purchases of portfolio investments	(741,337)	(5,087,725)
Proceeds from sale of portfolio investments	2,694,929	6,668,779
Accrued investment income and other	36,349	(3,292)
Accrued expenses and other payables	30,483	40,020
Net cash provided by (used in) operating activities	<u>2,102,950</u>	<u>1,713,436</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	950,694	1,281,762
Amounts paid on redemption of redeemable units	(2,304,838)	(2,975,339)
Distributions to unitholders of redeemable units	(292)	(157)
Net cash provided by (used in) financing activities	<u>(1,354,436)</u>	<u>(1,693,734)</u>
Unrealized foreign currency translation gain (loss)	(237)	(1,244)
Net increase (decrease) in cash	748,514	19,702
Cash (bank overdraft), beginning of period	66,578	98,574
CASH (BANK OVERDRAFT), END OF PERIOD	<u>814,855</u>	<u>117,032</u>
Interest paid ⁽¹⁾	48	76
Interest received, net of withholding taxes ⁽¹⁾	130,560	158,913
Dividends received, net of withholding taxes ⁽¹⁾	230,648	235,279

⁽¹⁾ Classified as operating items.

The accompanying notes are an integral part of the financial statements.

Scotia Latin American Fund (Unaudited – Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at June 30, 2018

Issuer	Number of Shares	Average Cost (\$)	Carrying Value (\$)
EQUITIES – 95.3%			
Brazil – 51.5%			
AES Tiete Energia S.A.	146,617	967,479	480,173
Alupar Investimento S.A.	130,708	645,639	674,267
Ambev S.A.	8,060	60,892	49,183
B3 SA – Brasil Bolsa Balcao	79,536	424,823	552,005
Banco Bradesco S.A.	40,840	309,854	337,914
Banco Bradesco S.A., Preference	78,480	973,077	716,469
Banco do Brasil S. A.	22,109	271,674	214,971
BB Seguridade Participacoes S.A.	141,790	1,531,087	1,177,032
Cielo S.A.	131,661	1,181,203	738,165
Itau Unibanco Holding S.A., Preference	77,875	1,003,184	1,066,154
Itausa – Investimentos Itau S.A., Preference	188,266	623,111	586,544
Petroleo Brasileiro S.A., Preference	188,431	934,848	1,099,295
Sao Martinho S.A.	88,253	613,319	534,631
Telefonica Brasil S.A.	16,884	255,853	262,094
		<u>9,796,043</u>	<u>8,488,897</u>
Chile – 1.8%			
SACI Falabella	24,426	234,746	294,750
Colombia – 1.2%			
Cemex Latam Holdings S.A.	51,107	431,520	190,456
Mexico – 32.2%			
Alsea S.A.B. de C.V.	51,692	220,200	234,132
América Móvil S.A.B. de C.V.	41,879	45,799	45,952
Controladora Vuela Cia de Aviación S.A.B. de C.V.	244,705	389,959	163,661
Fibra Uno Administración S.A. de C.V.	277,340	622,586	529,651
Gentera S.A.B. de C.V.	222,224	415,755	258,550
Grupo Financiero Banorte S.A.B. de C.V., Series O	45,789	293,075	354,968
Grupo Financiero Interacciones S.A. de C.V.	99,907	751,508	629,222
Hoteles City Express S.A.B. de C.V.	207,630	325,191	291,617
Industrias Bachoco, S.A., Series B	123,902	651,105	785,021
Infraestructura Energetica Nova S.A.B. de C.V.	129,493	796,903	760,078
Prologis Property Mexico S.A. de C.V.	275,941	500,134	669,322
Promotora y Operadora de Infraestructura S.A.B. de C.V.	35,651	507,385	418,895
Regional S.A.B. de C.V.	9,284	62,771	65,560
Telesites S.A.B. de C.V.	98,851	83,821	94,325
		<u>5,666,192</u>	<u>5,300,954</u>
United States – 8.6%			
BRF S.A. – ADR	46,947	810,271	288,965
Embraer S.A. – ADR	3,850	117,791	126,082
Grupo Aeroportuario del Centro Norte S.A.B. de C.V. – ADR	10,990	573,860	602,012
Vale S.A. – ADR	23,546	249,850	397,006
		<u>1,751,772</u>	<u>1,414,065</u>
Transaction Costs		<u>(16,004)</u>	
TOTAL INVESTMENT PORTFOLIO		<u>17,864,269</u>	15,689,122
OTHER ASSETS, LESS LIABILITIES – 4.7%			<u>783,360</u>
NET ASSETS – 100.0%			<u>16,472,482</u>

The accompanying notes are an integral part of the financial statements.

Scotia Latin American Fund (Unaudited – Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

The Fund (note 1)

The Fund's objective is long-term capital growth. It invests primarily in a broad range of high quality equity securities of companies in Latin America.

Risks associated with financial instruments (note 4)

Interest rate risk

The majority of the Fund's financial instruments were non-interest bearing as at June 30, 2018 and December 31, 2017. Accordingly, the Fund is not directly subject to significant risk due to fluctuations in the prevailing levels of market interest rates.

Currency risk

The Fund's exposure to currency risk is summarized in the tables below. Amounts shown are based on the carrying value of monetary and non-monetary assets and liabilities of the Fund net of currency contracts, as applicable.

Currency	June 30, 2018			
	Gross currency exposure (\$)	Currency contracts (\$)	Net exposure (\$)	Percentage of net assets (%)
Brazilian Real	8,516,495	–	8,516,495	51.7
Mexican Peso	5,314,264	–	5,314,264	32.3
US Dollar	1,414,272	–	1,414,272	8.6
Chile Peso	294,750	–	294,750	1.8
Colombia Peso	190,456	–	190,456	1.2
	15,730,237	–	15,730,237	95.6

Currency	December 31, 2017			
	Gross currency exposure (\$)	Currency contracts (\$)	Net exposure (\$)	Percentage of net assets (%)
Brazilian Real	10,837,531	–	10,837,531	54.5
Mexican Peso	6,264,654	–	6,264,654	31.5
US Dollar	2,223,063	–	2,223,063	11.2
Chile Peso	306,157	–	306,157	1.5
Colombia Peso	236,465	–	236,465	1.2
	19,867,870	–	19,867,870	99.9

If the Canadian dollar strengthened or weakened by 10% in relation to all other currencies, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by \$1,573,024 or 9.6% (December 31, 2017 – \$1,986,787 or 10.0%). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Price risk

Price risk is the risk that the carrying value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) caused by factors specific to a security, its issuer or all factors affecting a market or a market segment. Exposure to price risk is mainly in equities, underlying funds, derivatives and commodities, as applicable. As at June 30, 2018, approximately 95.3% (December 31, 2017 – 99.4%) of the Fund's net assets were exposed to price risk. If prices of these instruments had decreased or increased by 10%, with all other variables held constant, net assets attributable to holders of

redeemable units of the Fund would have decreased or increased, respectively, by approximately \$1,568,912 (December 31, 2017 – \$1,975,614). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Credit risk

The Fund had no significant exposure to bonds and debentures, money market instruments or preferred shares as at June 30, 2018 or December 31, 2017.

Concentration risk

Concentration risk arises as a result of the concentration of financial instruments within the same category, geographical location, asset type or industry sector, as applicable. The table below is a summary of the Fund's concentration risk by carrying value as a percentage of net assets:

	Percentage of net assets (%)	
	June 30, 2018	December 31, 2017
Brazil	51.5	54.3
Chile	1.8	1.5
Colombia	1.2	1.2
Mexico	32.2	31.5
United States	8.6	10.9

Fair Value Classification (note 2)

The tables below illustrate the classification of the Fund's financial instruments within the fair value hierarchy.

June 30, 2018	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Equities	7,823,868	7,865,254	–	15,689,122
	7,823,868	7,865,254	–	15,689,122

December 31, 2017	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Equities	8,738,470	11,017,673	–	19,756,143
	8,738,470	11,017,673	–	19,756,143

Transfers between levels

During the periods ended June 30, 2018 and December 31, 2017, there were no significant transfers between Level 1 and Level 2.

Offsetting of financial assets and liabilities (note 2)

As at June 30, 2018 and December 31, 2017, the Fund did not enter into any agreement whereby the financial instruments were eligible for offset.

Interest in Underlying Funds (note 2)

The Fund did not hold any interest in Underlying Funds as at June 30, 2018 or December 31, 2017.

Comparison of net asset value per unit and net assets per unit (note 2)

As at June 30, 2018 or December 31, 2017, there were no differences between the net asset value per unit and the net assets per unit for any series of the Fund.

Scotia Private Global Low Volatility Equity Pool (Unaudited)

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	June 30, 2018	December 31, 2017
ASSETS		
Current assets		
Financial assets at fair value through profit or loss (note 2)		
Non-derivative financial assets	274,905,415	311,921,814
Cash	1,279,900	—
Receivable for securities sold	1,495	1,691,320
Subscriptions receivable	1,438,057	933,565
Accrued investment income and other	482,052	543,889
	<u>278,106,919</u>	<u>315,090,588</u>
LIABILITIES		
Current liabilities		
Financial liabilities at fair value through profit or loss (note 2)		
Derivatives	1,121	1,492
Bank overdraft	—	688,914
Management fee payable	35,769	—
Payable for securities purchased	812,810	291,033
Redemptions payable	166,511	508,433
Accrued expenses	24,433	9
Distributions payable	585	699
	<u>1,041,229</u>	<u>1,490,580</u>
Net assets attributable to holders of redeemable units	<u>277,065,690</u>	<u>313,600,008</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series M	277,065,690	313,600,008
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series M	10.81	10.39

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended June 30 (note 1),

(in dollars except average units)	2018	2017
INCOME		
Net gain (loss) on financial assets and liabilities at fair value through profit or loss		
Dividends	4,128,393	3,392,400
Interest for distribution purposes	5,382	3,863
Net realized gain (loss) on non-derivative financial assets	4,552,737	(190,613)
Change in unrealized gain (loss) on non-derivative financial assets	2,956,144	340,260
Change in unrealized gain (loss) on derivatives	371	(1,683)
Net gain (loss) on financial assets and liabilities at fair value through profit or loss	<u>11,643,027</u>	<u>3,544,227</u>
Securities lending (note 11)	5,290	—
Net realized and unrealized foreign currency translation gain (loss)	(266,137)	(194,094)
Total income (loss), net	<u>11,382,180</u>	<u>3,350,133</u>
EXPENSES		
Management fees (note 5)	192,730	137,058
Fixed administration fees (note 6)	128,487	91,372
Independent Review Committee fees	587	576
Interest expense and bank overdraft charges	1,334	1,217
Foreign withholding taxes/tax reclaims	506,514	506,420
Harmonized Sales Tax/Goods and Services Tax	32,379	25,117
Transaction costs	38,384	72,921
Total expenses	<u>900,415</u>	<u>834,681</u>
Increase (decrease) in net assets attributable to holders of redeemable units from operations	<u>10,481,765</u>	<u>2,515,452</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series M	10,481,765	2,515,452
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT[†]		
Series M	0.43	0.14
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series M	24,523,730	17,838,988

[†] The increase (decrease) in net assets attributable to holders of redeemable units from operations per unit is calculated by dividing the increase (decrease) in net assets attributable to holders of redeemable units from operations per series by the weighted average number of units per series.

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the periods ended June 30 (note 1),

(in dollars)	2018	2017
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series M	313,600,008	150,053
	<u>313,600,008</u>	<u>150,053</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series M	10,481,765	2,515,452
	<u>10,481,765</u>	<u>2,515,452</u>
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series M	61,735,955	287,760,496
Payments on redemption		
Series M	(108,752,038)	(12,507,143)
	<u>(47,016,083)</u>	<u>275,253,353</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series M	(36,534,318)	277,768,805
	<u>(36,534,318)</u>	<u>277,768,805</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series M	277,065,690	277,918,858
	<u>277,065,690</u>	<u>277,918,858</u>

STATEMENTS OF CASH FLOWS

For the periods ended June 30 (note 1),

(in dollars)	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units		
	10,481,765	2,515,452
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(4,552,737)	190,613
Unrealized foreign currency translation (gain) loss	(1,736)	14,781
Change in unrealized (gain) loss on non-derivative financial assets	(2,956,144)	(340,260)
Change in unrealized (gain) loss on derivatives	(371)	1,683
Purchases of portfolio investments	(54,207,222)	(287,311,291)
Proceeds from sale of portfolio investments	100,944,104	12,337,757
Accrued investment income and other	61,837	(488,211)
Accrued expenses and other payables	60,193	64,966
Net cash provided by (used in) operating activities	<u>49,829,689</u>	<u>(273,014,510)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units		
	61,231,463	286,798,806
Amounts paid on redemption of redeemable units		
	(109,093,960)	(11,981,979)
Distributions to unitholders of redeemable units		
	(114)	—
Net cash provided by (used in) financing activities	<u>(47,862,611)</u>	<u>274,816,827</u>
Unrealized foreign currency translation gain (loss)		
	1,736	(14,781)
Net increase (decrease) in cash		
	1,967,078	1,802,317
Cash (bank overdraft), beginning of period		
	(688,914)	149,999
CASH (BANK OVERDRAFT), END OF PERIOD	<u>1,279,900</u>	<u>1,937,535</u>
Interest paid ⁽¹⁾		
	1,334	1,217
Interest received, net of withholding taxes ⁽¹⁾		
	5,382	3,217
Dividends received, net of withholding taxes ⁽¹⁾		
	3,683,715	2,398,416

⁽¹⁾ Classified as operating items.

The accompanying notes are an integral part of the financial statements.

Scotia Private Global Low Volatility Equity Pool (Unaudited – Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at June 30, 2018

Issuer	Number of Shares	Average Cost (\$)	Carrying Value (\$)	Issuer	Number of Shares	Average Cost (\$)	Carrying Value (\$)
EQUITIES – 99.1%				EQUITIES (cont'd)			
Australia – 5.5%				Japan (cont'd)			
Alumina Ltd.	837,772	1,709,055	2,279,492	Daiwa House Real Estate Investment Trust Investment Corporation	135	455,864	421,173
AusNet Services	336,187	559,414	526,741	Inpex Corporation	44,179	555,592	600,324
Australian Stock Exchange Ltd.	13,096	692,762	823,459	Japan Prime Realty Investment Corporation	82	408,211	391,791
BHP Billiton Limited	7,076	188,901	233,053	Kobe Steel Ltd.	24,465	314,003	294,046
Caltex Australia Limited	9,582	296,151	304,180	Lawson Inc.	1,644	145,419	135,011
Coca-Cola Amatil Ltd.	178,173	1,726,132	1,593,602	Maruichi Steel Tube Ltd.	69,735	2,844,933	3,100,992
Cochlear Limited	10,258	1,480,377	2,004,663	McDonald's Holdings Company Japan Ltd.	46,028	1,994,692	3,085,332
Computershare Ltd.	100,044	1,545,648	1,799,827	Mediceo Paltac Holding Company	25,547	623,593	674,790
Goodman Group	41,226	350,538	386,792	Mitsubishi Materials Corporation	13,828	592,118	498,495
GPT Group	25,560	128,497	126,246	Mitsubishi Tanabe Pharma Corporation	34,824	936,798	790,606
Newcrest Mining Limited	52,049	1,193,929	1,108,974	Nippon Prologis REIT Inc.	227	654,453	619,192
Origin Energy Ltd.	13,419	113,776	131,559	Nippon Steel Corporation	52,912	1,670,357	1,364,447
SEEK Ltd.	17,132	287,779	365,097	Ryohin Keikaku Co., Ltd.	1,175	425,346	543,371
Sonic Healthcare Limited	58,490	1,284,210	1,398,320	Sega Sammy Holdings Inc.	24,479	468,538	551,080
Stockland	101,893	460,329	394,721	Sumitomo Metal Mining Co., Ltd.	3,623	147,165	181,499
Telstra Corporation Limited	196,471	869,527	500,304	Suntory Beverage & Food Ltd.	21,017	1,177,686	1,179,560
Vicinity Centres	216,745	614,911	546,669	Suzuken Co., Ltd.	13,159	601,924	731,978
Woolworths Group Ltd.	27,814	758,014	828,129	Taisho Pharmaceutical Holdings Co., Ltd.	5,287	580,302	812,267
		<u>14,259,950</u>	<u>15,351,828</u>	Takashimaya Co., Ltd.	95,759	1,181,805	1,076,539
				Toho Co Ltd.	3,642	140,439	160,429
Austria – 0.7%				Unicharm Corporation	15,489	522,746	612,792
Voestalpine AG	33,110	1,992,424	2,002,240	United Urban Investment Corporation	75	151,145	153,233
Belgium – 0.6%				USS Co., Ltd.	22,968	621,002	574,044
Colruyt SA	22,976	1,565,265	1,722,276			<u>18,076,080</u>	<u>19,452,381</u>
Denmark – 0.5%				New Zealand – 2.4%			
William Demant Holding AS	26,950	796,856	1,424,714	Auckland International Airport Limited	289,974	1,830,499	1,749,094
France – 1.1%				Fisher & Paykel Healthcare Corporation Ltd.	11,963	140,762	158,448
Atos SE	2,106	332,563	377,211	Meridian Energy Ltd.	54,083	142,067	150,109
ICADE	4,372	487,320	538,707	Ryman Healthcare Limited	247,291	2,109,553	2,633,530
Iliad SA	966	278,663	200,482	Spark New Zealand Ltd.	614,154	2,033,776	2,037,262
TOTAL SA	21,192	1,459,399	1,693,897			<u>6,256,657</u>	<u>6,728,443</u>
Veolia Environnement SA	12,809	407,315	360,189				
		<u>2,965,260</u>	<u>3,170,486</u>	Norway – 2.9%			
Germany – 0.9%				Equinor ASA	50,989	1,233,118	1,773,190
Deutsche Telekom AG	8,017	211,474	163,537	Norsk Hydro ASA	262,753	2,078,399	2,066,963
Fraport AG Frankfurt Airport Services Worldwide	4,815	465,597	610,324	Orkla ASA	201,495	2,458,443	2,318,391
Fresenius Medical Care AG & Co. KGaA	4,269	480,402	566,415	Telenor ASA	64,974	1,463,782	1,749,821
Henkel AG & Co KGaA	866	139,899	145,669			<u>7,233,742</u>	<u>7,908,365</u>
RTL Group SA	5,883	651,655	524,312	Singapore – 2.8%			
ThyssenKrupp AG	13,531	450,517	432,713	Ascendas Real Estate Investment Trust	251,864	598,486	642,758
		<u>2,399,544</u>	<u>2,442,970</u>	Capitaland Commercial Trust	257,687	389,882	412,273
Hong Kong – 3.3%				Capitaland Mall Trust	700,968	1,310,591	1,398,575
Cheung Kong Infrastructure Holdings Limited	135,875	1,463,944	1,322,666	Dairy Farm International Holdings Ltd.	38,100	435,254	440,633
CLP Holdings Limited	191,691	2,528,342	2,704,719	Singapore Exchange Limited	28,519	201,861	197,012
HK Electric Investments & HK Electric Investments Ltd.	393,575	472,833	493,273	Singapore Press Holdings Ltd.	700,488	2,128,127	1,754,797
HKT Trust and HKT Ltd.	475,305	816,930	797,027	Singapore Telecommunications Limited	232,637	841,025	690,654
Hong Kong and China Gas Company Limited	461,723	991,687	1,158,716	Suntec Real Estate Investment Trust	711,864	1,203,909	1,190,547
Hongkong Electric Holdings Limited	36,744	416,574	337,794	Wilmar International Ltd.	341,972	1,150,381	1,008,464
Hysan Development Company Ltd.	21,813	136,566	159,645			<u>8,259,516</u>	<u>7,735,713</u>
Link Real Estate Investment Trust, The	58,327	557,204	697,372	Sweden – 1.1%			
PCCW Limited	1,091,523	852,026	807,749	Bolden AB	24,000	973,819	1,021,054
Shangri-La Asia Limited	230,719	412,860	567,879	Millicom International Cellular S.A.	25,533	2,130,005	1,974,589
		<u>8,648,966</u>	<u>9,046,840</u>			<u>3,103,824</u>	<u>2,995,643</u>
Israel – 1.8%				Switzerland – 5.5%			
Bank Hapoalim BM	36,812	308,251	328,743	Baloise Holding AG	3,600	643,858	688,214
Bank Leumi le-Israel Ltd.	189,173	1,158,157	1,474,783	Dufry AG	1,104	206,295	184,982
Bezeq Israeli Telecommunication Corporation Ltd.	323,953	732,183	480,357	Givaudan SA	257	635,773	765,727
Israel Chemicals Limited	27,460	158,927	165,704	Kuehne + Nagel International AG	9,161	1,764,050	1,808,843
Mizrahi Tefahot Bank Ltd.	87,417	1,944,009	2,117,576	Lindt & Spruengli AG	206	1,528,599	1,756,266
NICE Systems Limited	3,401	324,533	464,614	Lindt & Spruengli AG	3	259,410	300,016
		<u>4,626,060</u>	<u>5,031,777</u>	Nestlé S.A.	12,569	1,256,386	1,279,104
Japan – 7.0%				Pargesa Holding SA	1,561	142,438	174,043
Alfresa Holdings Corporation	6,294	152,838	194,319	Sika AG	2,400	321,955	434,762
Brother Industries, Ltd.	27,195	709,111	705,071	Sonova Holdings AG	10,119	1,849,085	2,386,259

The accompanying notes are an integral part of the financial statements.

Scotia Private Global Low Volatility Equity Pool (Unaudited – Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at June 30, 2018

Issuer	Number of Shares	Average Cost (\$)	Carrying Value (\$)	Issuer	Number of Shares	Average Cost (\$)	Carrying Value (\$)
EQUITIES (cont'd)				EQUITIES (cont'd)			
Switzerland (cont'd)				United States (cont'd)			
Swiss Life Holding AG	2,857	1,181,978	1,306,263	Halliburton Company	38,338	2,369,749	2,272,023
Swiss Prime Site AG	14,541	1,610,670	1,758,353	Harris Corporation	2,709	418,270	514,979
Swisscom AG	4,165	2,501,560	2,447,561	Helemerich & Payne, Inc.	15,139	1,125,058	1,269,514
		<u>13,902,057</u>	<u>15,290,393</u>	Henry Schein Inc.	23,039	2,479,302	2,201,059
				Hormel Foods Corporation	51,071	2,387,947	2,499,345
United Kingdom – 3.6%				Invitation Homes Inc.	25,173	699,564	763,460
Antofagasta PLC	39,356	568,704	671,942	IQVIA Holdings Inc.	7,823	842,341	1,027,030
British American Tobacco PLC	15,899	1,316,110	1,055,295	J.M. Smucker Company, The	13,527	2,276,093	1,912,147
Coca-Cola HBC AG	35,926	1,270,142	1,576,943	Jack Henry & Associates Inc.	17,856	2,587,539	3,061,404
Compass Group PLC	15,194	394,427	425,419	Juniper Networks, Inc.	4,077	141,108	147,028
Fresnillo PLC	20,305	506,567	402,320	Kellogg Company	13,591	1,260,024	1,248,919
Imperial Brands PLC	26,381	1,564,432	1,290,996	Kimberly-Clark Corporation	16,044	2,656,167	2,222,788
John Wood Group PLC	32,045	386,018	347,598	Kimco Realty Corporation	17,573	487,170	392,673
National Grid PLC	76,869	1,271,425	1,117,691	Laboratory Corporation of America Holdings	6,740	1,286,820	1,591,436
Randgold Resources Limited	1,604	197,655	162,127	Liberty Property Trust	27,836	1,449,917	1,622,919
RELX PLC	54,065	1,387,433	1,521,182	M&T Bank Corporation	11,048	2,413,298	2,472,338
Royal Mail PLC	103,099	740,714	902,978	McCormick & Company, Inc.	19,886	2,571,564	3,036,228
Wm Morrison Supermarkets PLC	117,544	522,875	513,223	Motorola Solutions, Inc.	16,107	1,788,450	2,465,176
		<u>10,126,502</u>	<u>9,987,714</u>	National-Oilwell Varco Inc.	15,581	772,291	889,359
				New York Community Bancorp, Inc.	108,728	2,047,168	1,578,711
United States – 59.4%				Newmont Mining Corporation	15,412	736,608	764,377
Alliant Energy Corporation	46,662	2,374,879	2,597,175	News Corporation, Class A	21,305	378,522	434,316
Altria Group, Inc.	29,376	2,717,700	2,194,101	NISource Inc.	13,363	419,116	461,872
American Capital Agency Corporation	49,105	1,154,663	1,200,597	Nucor Corporation	29,630	2,407,987	2,435,588
American Electric Power Company, Inc.	17,175	1,484,131	1,564,259	Occidental Petroleum Corporation	25,192	2,192,098	2,772,531
American Water Works Co., Inc.	1,461	144,347	164,058	OGE Energy Corporation	38,283	1,724,646	1,772,818
AmerisourceBergen Corporation	18,107	2,122,668	2,030,649	ONEOK, Inc.	6,545	470,515	601,096
Annaly Capital Management Inc.	185,497	2,612,582	2,510,409	O'Reilly Automotive, Inc.	5,512	1,847,425	1,983,215
ANSYS Inc.	2,301	337,501	527,117	Paychex, Inc.	33,527	2,636,591	3,013,876
Arthur J. Gallagher & Co.	28,070	2,151,424	2,409,987	People's United Financial Inc.	7,453	186,768	177,322
AvalonBay Communities Inc.	8,374	1,946,703	1,893,109	Philip Morris International Inc.	19,950	2,718,007	2,118,477
Avis Capital Holdings Ltd.	8,344	692,328	610,376	Phillips 66 Company	12,679	1,376,262	1,872,818
Baker Hughes, a GE company	12,550	636,938	545,186	Pinnacle West Capital Corporation	16,981	1,783,186	1,799,181
Baxter International Inc.	2,365	170,884	229,676	Procter & Gamble Company, The	21,854	2,515,637	2,243,632
Broadridge Financial Solutions Inc.	4,550	464,667	688,777	Public Service Enterprise Group Incorporated	2,764	177,255	196,811
Brown-Forman Corporation, Class B	25,785	1,388,836	1,662,050	Public Storage Real Estate Investment Trust	2,564	736,641	765,012
C.H. Robinson Worldwide, Inc.	4,175	434,612	459,374	Quest Diagnostics Incorporated	17,948	2,355,754	2,595,159
Camden Property Trust	10,871	1,179,829	1,302,936	Regency Centers Corporation	22,785	1,986,817	1,860,342
Campbell Soup Company	34,442	2,464,842	1,836,387	RenaissanceRe Holdings Ltd.	5,949	1,104,392	941,399
CentrePoint Energy, Inc.	61,873	2,172,219	2,254,913	Ross Stores, Inc.	3,812	333,456	424,898
Chevron Corporation	17,058	2,492,288	2,836,419	SCANA Corporation	21,024	1,665,514	1,065,108
Church & Dwight Co., Inc.	41,553	2,691,376	2,905,223	Schlumberger Limited	32,359	3,128,022	2,852,702
Clorox Company, The	15,292	2,661,714	2,720,155	Sempra Energy	12,869	1,811,585	1,965,199
CMS Energy Corporation	32,830	1,892,282	2,041,458	SL Green Realty Corporation	4,329	537,830	572,368
Coca-Cola Company, The	8,920	506,997	514,548	Southern Company	12,875	803,017	784,177
Colgate-Palmolive Company	26,439	2,470,545	2,253,612	Stryker Corporation	9,652	1,702,586	2,143,563
Consolidated Edison, Inc.	15,480	1,532,398	1,587,619	Synopsis Inc.	16,625	1,616,288	1,871,007
Cooper Companies Inc., The	2,457	660,330	760,845	Sysco Corporation	18,695	1,322,690	1,679,093
Costco Wholesale Corporation	5,117	1,181,956	1,406,411	Torchmark Corporation	14,448	1,487,736	1,546,955
Crown Castle International Corporation	2,109	293,254	299,067	UDR Inc.	61,599	2,830,696	3,041,306
DaVita, Inc.	23,018	2,016,751	2,102,178	Varian Medical Systems Inc.	6,057	730,932	905,913
DENTSPLY International Inc.	30,301	2,412,329	1,744,318	VeriSign, Inc.	16,394	1,953,211	2,962,969
Dollar General Corporation	3,375	352,988	437,666	Vornado Realty Trust Real Estate Investment Trust	2,987	385,368	290,395
Dollar Tree Inc.	20,597	2,223,792	2,302,582	W.R. Berkley Corporation	2,249	207,550	214,181
Dominion Resources, Inc.	7,491	710,384	671,721	WEC Energy Group Inc.	30,398	2,357,882	2,584,674
DTE Energy Company	19,939	2,627,026	2,717,572	Western Union Company	46,567	1,209,020	1,245,110
Entergy Corporation	6,555	646,833	696,502	Weyerhaeuser Company	38,335	1,701,598	1,838,249
Equity Residential Real Estate Investment Trust	5,293	428,058	443,369	Worldpay Inc.	19,580	1,727,964	2,105,969
Eversource Energy	18,458	1,390,894	1,422,815	Xcel Energy, Inc.	29,772	1,689,909	1,788,654
Expeditors International of Washington, Inc.	25,858	1,963,984	2,486,019			<u>157,802,424</u>	<u>164,613,632</u>
Express Scripts, Inc.	11,106	1,014,335	1,127,777	Transaction Costs		(60,661)	
Exxon Mobil Corporation	12,806	1,363,385	1,393,377	TOTAL INVESTMENT PORTFOLIO		<u>261,954,466</u>	<u>274,905,415</u>
F5 Networks, Inc.	2,818	523,552	639,141	OTHER ASSETS, LESS LIABILITIES – 0.9%			<u>2,160,275</u>
Federal Realty Investment Trust	10,793	1,899,386	1,796,373	NET ASSETS – 100.0%			<u>277,065,690</u>
Fiserv, Inc.	4,328	405,526	421,734				
FMC Technologies, Inc.	61,425	2,390,409	2,564,155				
Gartner Inc., Class A	14,112	2,023,378	2,466,640				
Genuine Parts Company	10,705	1,357,600	1,292,332				

The accompanying notes are an integral part of the financial statements.

Scotia Private Global Low Volatility Equity Pool (Unaudited – Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

The Fund (note 1)

The Fund's objective is to achieve long-term capital growth while seeking to provide lower volatility than the broad global markets. It invests primarily in equity securities of companies around the world.

Risks associated with financial instruments (note 4)

Interest rate risk

The majority of the Fund's financial instruments were non-interest bearing as at June 30, 2018 and December 31, 2017. Accordingly, the Fund is not directly subject to significant risk due to fluctuations in the prevailing levels of market interest rates.

Currency risk

The Fund's exposure to currency risk is summarized in the tables below. Amounts shown are based on the carrying value of monetary and non-monetary assets and liabilities of the Fund net of currency contracts, as applicable.

June 30, 2018				
Currency	Gross currency exposure (\$)	Currency contracts (\$)	Net exposure (\$)	Percentage of net assets (%)
US Dollar	165,392,792	–	165,392,792	59.7
Japanese Yen	19,579,932	–	19,579,932	7.1
Australian Dollar	15,416,490	–	15,416,490	5.6
Swiss Franc	15,296,330	–	15,296,330	5.5
British Pound	10,112,265	–	10,112,265	3.6
European Euro	9,386,068	–	9,386,068	3.4
Hong Kong Dollar	9,105,165	–	9,105,165	3.3
Norwegian Krone	7,926,866	–	7,926,866	2.9
Singapore Dollar	7,379,343	–	7,379,343	2.7
New Zealand Dollar	6,756,287	–	6,756,287	2.4
Israel Shekel	5,057,023	–	5,057,023	1.8
Swedish Krona	3,005,095	–	3,005,095	1.1
Danish Krone	1,438,347	–	1,438,347	0.5
	275,852,003	–	275,852,003	99.6

December 31, 2017				
Currency	Gross currency exposure (\$)	Currency contracts (\$)	Net exposure (\$)	Percentage of net assets (%)
US Dollar	182,013,382	–	182,013,382	58.0
Japanese Yen	27,089,393	–	27,089,393	8.6
Swiss Franc	17,684,228	–	17,684,228	5.6
Australian Dollar	16,091,259	–	16,091,259	5.1
British Pound	11,342,927	–	11,342,927	3.6
Singapore Dollar	10,896,995	–	10,896,995	3.5
European Euro	10,288,958	–	10,288,958	3.3
Hong Kong Dollar	9,929,270	–	9,929,270	3.2
Norwegian Krone	9,843,301	–	9,843,301	3.1
New Zealand Dollar	7,442,711	–	7,442,711	2.4
Israel Shekel	6,226,314	–	6,226,314	2.0
Swedish Krona	2,496,935	–	2,496,935	0.8
Danish Krone	1,100,497	–	1,100,497	0.4
	312,446,170	–	312,446,170	99.6

If the Canadian dollar strengthened or weakened by 10% in relation to all other currencies, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by \$27,585,200 or 10.0% (December 31, 2017 – \$31,244,617 or 10.0%). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Price risk

Price risk is the risk that the carrying value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) caused by factors specific to a security, its issuer or all factors affecting a market or a market segment. Exposure to price risk is mainly in equities, underlying funds, derivatives and commodities, as applicable. As at June 30, 2018, approximately 99.1% (December 31, 2017 – 99.5%) of the Fund's net assets were exposed to price risk. If prices of these instruments had decreased or increased by 10%, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by approximately \$27,490,542 (December 31, 2017 – \$31,192,181). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Credit risk

The table below summarizes the credit ratings of bonds and debentures, money market instruments and preferred shares held by the Fund, as applicable.

	June 30, 2018		December 31, 2017	
	Percentage of total credit rated instruments (%)	Percentage of net assets (%)	Percentage of total credit rated instruments (%)	Percentage of net assets (%)
Credit ratings				
NOT RATED	100.0	0.1	–	–
	100.0	0.1	–	–

Concentration risk

Concentration risk arises as a result of the concentration of financial instruments within the same category, geographical location, asset type or industry sector, as applicable. The table below is a summary of the Fund's concentration risk by carrying value as a percentage of net assets:

	Percentage of net assets (%)	
	June 30, 2018	December 31, 2017
Australia	5.5	5.2
Austria	0.7	0.9
Belgium	0.6	0.3
Denmark	0.5	0.3
France	1.1	1.1
Germany	0.9	0.9
Hong Kong	3.3	3.2
Israel	1.8	2.0
Japan	7.0	8.7
New Zealand	2.4	2.4
Norway	2.9	3.2
Singapore	2.8	3.5
Sweden	1.1	0.8
Switzerland	5.5	5.6
United Kingdom	3.6	3.6
United States	59.4	57.7

Scotia Private Global Low Volatility Equity Pool (Unaudited – Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

Fair Value Classification (note 2)

The tables below illustrate the classification of the Fund's financial instruments within the fair value hierarchy.

June 30, 2018	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Equities	164,613,632	110,291,783	–	274,905,415
	164,613,632	110,291,783	–	274,905,415
Unrealized loss on currency spot contracts	–	(1,121)	–	(1,121)
	164,613,632	110,290,662	–	274,904,294

December 31, 2017	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Equities	181,024,887	130,874,125	–	311,899,012
Warrants, rights and options	–	22,802	–	22,802
	181,024,887	130,896,927	–	311,921,814
Unrealized loss on currency spot contracts	–	(1,492)	–	(1,492)
	181,024,887	130,895,435	–	311,920,322

Transfers between levels

During the periods ended June 30, 2018 and December 31, 2017, there were no significant transfers between Level 1 and Level 2.

Offsetting of financial assets and liabilities (note 2)

As at June 30, 2018 and December 31, 2017, the Fund did not enter into any agreement whereby the financial instruments were eligible for offset.

Interest in Underlying Funds (note 2)

The Fund did not hold any interest in Underlying Funds as at June 30, 2018 or December 31, 2017.

Comparison of net asset value per unit and net assets per unit (note 2)

As at June 30, 2018 or December 31, 2017, there were no differences between the net asset value per unit and the net assets per unit for any series of the Fund.

Scotia Global Dividend Fund (Unaudited)

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	June 30, 2018	December 31, 2017
ASSETS		
Current assets		
Financial assets at fair value through profit or loss (note 2)		
Non-derivative financial assets	763,801,803	722,396,674
Derivatives	2,147,005	3,143,625
Cash	69,710,323	60,767,264
Subscriptions receivable	182,629	1,143,611
Accrued investment income and other	1,554,013	1,195,303
	<u>837,395,773</u>	<u>788,646,477</u>
LIABILITIES		
Current liabilities		
Financial liabilities at fair value through profit or loss (note 2)		
Derivatives	84,549	447,908
Management fee payable	334,256	–
Payable for securities purchased	2,414,556	3,355,281
Redemptions payable	276,606	234,121
Accrued expenses	52,938	–
	<u>3,162,905</u>	<u>4,037,310</u>
Net assets attributable to holders of redeemable units	<u>834,232,868</u>	<u>784,609,167</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series A	252,783,289	245,585,186
Series I	581,449,579	539,023,981
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series A	16.34	16.25
Series I	16.45	16.21

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended June 30 (note 1),

(in dollars except average units)	2018	2017
INCOME		
Net gain (loss) on financial assets and liabilities at fair value through profit or loss		
Dividends	12,476,620	11,151,474
Interest for distribution purposes	411,804	129,716
Net realized gain (loss) on non-derivative financial assets	19,930,042	55,313,528
Change in unrealized gain (loss) on non-derivative financial assets	(14,193,211)	(1,525,908)
Net realized gain (loss) on derivatives	(4,295,231)	(3,386,286)
Change in unrealized gain (loss) on derivatives	(633,261)	4,675,205
Net gain (loss) on financial assets and liabilities at fair value through profit or loss	<u>13,696,763</u>	<u>66,357,729</u>
Securities lending (note 11)	18,310	11,850
Net realized and unrealized foreign currency translation gain (loss)	358,601	(478,289)
Other income	3,437	972
Total income (loss), net	<u>14,077,111</u>	<u>65,892,262</u>
EXPENSES		
Management fees (note 5)	1,869,344	1,710,331
Fixed administration fees (note 6)	290,007	256,530
Independent Review Committee fees	587	576
Interest expense and bank overdraft charges	6,661	–
Foreign withholding taxes/tax reclaims	1,451,767	1,606,123
Harmonized Sales Tax/Goods and Services Tax	221,105	200,327
Transaction costs	325,010	533,760
Total expenses	<u>4,164,481</u>	<u>4,307,647</u>
Increase (decrease) in net assets attributable to holders of redeemable units from operations	<u>9,912,630</u>	<u>61,584,615</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A	1,302,546	17,757,771
Series I	8,610,084	43,826,844
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT[†]		
Series A	0.08	1.36
Series I	0.25	1.56
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series A	15,423,204	13,028,769
Series I	34,685,096	28,157,100

[†] The increase (decrease) in net assets attributable to holders of redeemable units from operations per unit is calculated by dividing the increase (decrease) in net assets attributable to holders of redeemable units from operations per series by the weighted average number of units per series.

Scotia Global Dividend Fund (Unaudited – Continued)

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the periods ended June 30 (note 1),

(in dollars)	2018	2017
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series A	245,585,186	209,069,335
Series I	539,023,981	461,190,520
	<u>784,609,167</u>	<u>670,259,855</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A	1,302,546	17,757,771
Series I	8,610,084	43,826,844
	<u>9,912,630</u>	<u>61,584,615</u>
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A	30,464,127	26,600,759
Series I	40,464,375	7,653,806
Payments on redemption		
Series A	(24,568,570)	(19,104,696)
Series I	(6,648,861)	(13,811,495)
	<u>39,711,071</u>	<u>1,338,374</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A	7,198,103	25,253,834
Series I	42,425,598	37,669,155
	<u>49,623,701</u>	<u>62,922,989</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series A	252,783,289	234,323,169
Series I	581,449,579	498,859,675
	<u>834,232,868</u>	<u>733,182,844</u>

STATEMENTS OF CASH FLOWS

For the periods ended June 30 (note 1),

(in dollars)	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	9,912,630	61,584,615
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(19,930,042)	(55,313,528)
Unrealized foreign currency translation (gain) loss	12,483	241,295
Change in unrealized (gain) loss on non-derivative financial assets	14,193,211	1,525,908
Change in unrealized (gain) loss on derivatives	633,261	(4,675,205)
Purchases of portfolio investments	(322,004,581)	(356,612,597)
Proceeds from sale of portfolio investments	285,395,558	374,929,223
Accrued investment income and other	(358,710)	239,851
Accrued expenses and other payables	387,194	358,533
Net cash provided by (used in) operating activities	<u>(31,758,996)</u>	<u>22,278,095</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	71,889,484	33,865,261
Amounts paid on redemption of redeemable units	(31,174,946)	(33,051,850)
Distributions to unitholders of redeemable units	–	(385)
Net cash provided by (used in) financing activities	<u>40,714,538</u>	<u>813,026</u>
Unrealized foreign currency translation gain (loss)	(12,483)	(241,295)
Net increase (decrease) in cash	8,955,542	23,091,121
Cash (bank overdraft), beginning of period	60,767,264	44,319,812
CASH (BANK OVERDRAFT), END OF PERIOD	<u>69,710,323</u>	<u>67,169,638</u>
Interest paid ⁽¹⁾	6,661	–
Interest received, net of withholding taxes ⁽¹⁾	411,804	123,332
Dividends received, net of withholding taxes ⁽¹⁾	10,666,142	9,791,585

⁽¹⁾ Classified as operating items.

Scotia Global Dividend Fund (Unaudited – Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at June 30, 2018

Issuer	Number of Shares	Average Cost (\$)	Carrying Value (\$)	Issuer	Number of Shares	Average Cost (\$)	Carrying Value (\$)
EQUITIES – 91.5%				EQUITIES (cont'd)			
Belgium – 2.5%				United States (cont'd)			
Anheuser-Busch InBev NV	156,900	21,977,048	20,804,358	Medtronic PLC	146,300	14,403,413	16,472,556
Canada – 5.2%				Merck & Co., Inc.	155,700	11,518,976	12,429,952
Canadian Imperial Bank of Commerce	108,200	10,965,409	12,373,752	Microsoft Corporation	190,850	15,091,116	24,751,714
Enbridge Inc.	391,799	20,010,132	18,414,553	Mondelez International, Inc.	315,200	16,389,489	16,996,607
TransCanada Corporation	220,813	11,851,268	12,559,843	Morgan Stanley	186,300	12,430,536	11,614,041
		<u>42,826,809</u>	<u>43,348,148</u>	Nielsen Holdings PLC	314,800	17,106,327	12,805,803
Denmark – 0.8%				Oracle Corporation	348,700	18,933,350	20,206,384
Danske Bank A/S	169,000	7,708,157	6,943,237	Pfizer Inc.	361,900	14,482,657	17,268,238
France – 3.8%				Philip Morris International Inc.	167,700	20,083,195	17,807,952
Danone	124,545	10,499,076	12,000,548	Texas Instruments Incorporated	113,000	13,233,341	16,385,104
Gecina SA	11,100	2,433,822	2,439,584	United Technologies Corporation	122,900	17,559,602	20,209,626
Thales SA	100,300	13,504,451	16,973,745	Visa Inc.	71,300	7,533,379	12,420,342
		<u>26,437,349</u>	<u>31,413,877</u>	Wells Fargo & Company, Warrants Oct 28, 2018	93,627	1,713,432	2,711,506
Germany – 6.2%						<u>403,612,916</u>	<u>439,900,578</u>
Bayer AG	146,521	20,670,630	21,218,731	Transaction Costs		<u>(462,682)</u>	
GEA Group AG	213,500	11,873,129	9,459,195	TOTAL INVESTMENT PORTFOLIO		<u>730,828,032</u>	<u>763,801,803</u>
Siemens AG	119,400	20,152,771	20,739,544	Unrealized Gain (Loss) on Derivatives – 0.2%			2,062,456
		<u>52,696,530</u>	<u>51,417,470</u>	OTHER ASSETS, LESS LIABILITIES – 8.3%			<u>68,368,609</u>
Hong Kong – 1.9%				NET ASSETS – 100.0%			<u>834,232,868</u>
CK Hutchison Holdings Ltd.	1,136,700	18,212,352	15,776,803				
Japan – 3.4%							
SoftBank Group Corporation	154,300	16,636,212	14,556,991				
Sony Corporation	201,300	12,272,547	13,578,964				
		<u>28,908,759</u>	<u>28,135,955</u>				
Netherlands – 3.0%							
ING Groep NV	731,200	15,100,031	13,791,080				
Unilever NV	154,600	10,976,728	11,327,718				
		<u>26,076,759</u>	<u>25,118,798</u>				
Spain – 2.0%							
Ferrovial S.A.	630,169	16,389,888	16,980,678				
Sweden – 1.4%							
Assa Abloy AB, Class B	421,800	11,060,112	11,802,265				
Switzerland – 1.8%							
Novartis AG	154,700	14,833,266	15,403,224				
United Kingdom – 6.8%							
British American Tobacco PLC	259,100	19,301,812	17,197,739				
Lloyds Banking Group PLC	14,416,900	16,590,554	15,762,867				
National Grid PLC	877,991	14,172,426	12,766,171				
Prudential PLC	367,300	10,485,977	11,029,635				
		<u>60,550,769</u>	<u>56,756,412</u>				
United States – 52.7%							
3M Company	15,600	4,150,163	4,036,131				
Affiliated Managers Group, Inc.	38,900	9,420,654	7,606,154				
Allergan PLC	85,900	23,021,315	18,835,321				
American Tower Corporation	47,600	6,795,405	9,025,557				
Anthem, Inc.	65,300	14,077,049	20,442,643				
Apple Inc.	85,200	13,819,945	20,742,526				
Bank of America Corporation	220,800	8,447,197	8,186,275				
Broadcom Ltd.	49,700	15,761,205	15,860,284				
Cisco Systems, Inc.	221,100	12,365,965	12,512,735				
Citigroup Inc.	191,200	16,606,321	16,828,135				
Coca-Cola Company, The	221,400	11,170,971	12,771,397				
Comcast Corporation, Class A	383,000	16,387,565	16,527,119				
DowDuPont Inc.	220,800	18,643,266	19,142,931				
Equinix Inc.	24,500	12,998,884	13,852,099				
Intel Corporation	178,200	12,223,326	11,650,475				
Johnson & Johnson	79,300	12,538,107	12,655,210				
McDonald's Corporation	83,200	14,706,765	17,145,761				

The accompanying notes are an integral part of the financial statements.

Scotia Global Dividend Fund (Unaudited – Continued)

SCHEDULE OF DERIVATIVE INSTRUMENTS

UNREALIZED GAIN ON CURRENCY FORWARD CONTRACTS

Counterparty	Credit Rating	Settlement Date	Currency To Be Received	Contractual Amount	Currency To Be Delivered	Contractual Amount	Contract Price	Market Price	Unrealized Gain (\$)
Toronto-Dominion Bank, The	A-1+	Jul. 18, 2018	Canadian Dollar	448,130	US Dollar	340,000	0.759	0.761	1,361
Bank of Montreal	A-1	Aug. 23, 2018	Canadian Dollar	31,429,762	US Dollar	23,645,000	0.752	0.762	388,987
Royal Bank of Canada	A-1+	Aug. 23, 2018	Canadian Dollar	26,851,302	US Dollar	20,203,000	0.752	0.762	329,129
Toronto-Dominion Bank, The	A-1+	Aug. 23, 2018	Canadian Dollar	22,041,386	US Dollar	16,587,000	0.753	0.762	266,240
Canadian Imperial Bank of Commerce	A-1	Aug. 23, 2018	Canadian Dollar	7,383,400	US Dollar	5,555,000	0.752	0.762	90,886
State Street Bank & Trust Company	A-1+	Aug. 23, 2018	Canadian Dollar	1,063,368	US Dollar	800,000	0.752	0.762	13,141
Bank of Nova Scotia, The	A-1	Aug. 23, 2018	Canadian Dollar	1,036,686	US Dollar	780,000	0.752	0.762	12,715
State Street Bank & Trust Company	A-1+	Sep. 14, 2018	Canadian Dollar	1,240,823	European Euro	795,000	0.641	0.649	14,936
Bank of Montreal	A-1	Sep. 14, 2018	Canadian Dollar	1,230,686	Swiss Franc	910,000	0.739	0.75	16,932
Bank of Montreal	A-1	Sep. 14, 2018	Canadian Dollar	6,846,173	British Pound	3,871,000	0.565	0.575	115,053
Canadian Imperial Bank of Commerce	A-1	Sep. 14, 2018	Canadian Dollar	10,637,525	British Pound	6,002,000	0.564	0.575	200,897
Canadian Imperial Bank of Commerce	A-1	Sep. 14, 2018	Canadian Dollar	1,055,330	Japanese Yen	86,400,000	81.87	83.876	25,239
Toronto-Dominion Bank, The	A-1+	Sep. 14, 2018	Canadian Dollar	6,712,236	European Euro	4,304,000	0.641	0.649	75,485
Toronto-Dominion Bank, The	A-1+	Sep. 14, 2018	Canadian Dollar	1,400,049	Japanese Yen	115,000,000	82.14	83.876	28,979
Royal Bank of Canada	A-1+	Sep. 14, 2018	Canadian Dollar	4,757,517	Swiss Franc	3,510,000	0.738	0.75	75,894
Royal Bank of Canada	A-1+	Sep. 14, 2018	Canadian Dollar	22,730,364	European Euro	14,556,000	0.64	0.649	285,067
Royal Bank of Canada	A-1+	Sep. 14, 2018	Canadian Dollar	5,061,006	British Pound	2,857,000	0.565	0.575	93,088
Royal Bank of Canada	A-1+	Sep. 14, 2018	Canadian Dollar	4,886,089	Japanese Yen	400,350,000	81.937	83.876	112,976
									<u>2,147,005</u>

UNREALIZED LOSS ON CURRENCY FORWARD CONTRACTS

Counterparty	Credit Rating	Settlement Date	Currency To Be Received	Contractual Amount	Currency To Be Delivered	Contractual Amount	Contract Price	Market Price	Unrealized Loss (\$)
Canadian Imperial Bank of Commerce	A-1	Jul. 18, 2018	Canadian Dollar	933,420	US Dollar	730,000	0.782	0.761	(25,819)
Bank of Montreal	A-1	Jul. 18, 2018	Canadian Dollar	739,552	US Dollar	570,000	0.771	0.761	(9,443)
Canadian Imperial Bank of Commerce	A-1	Jul. 18, 2018	US Dollar	600,000	Canadian Dollar	798,691	1.331	1.314	(10,288)
Bank of Montreal	A-1	Jul. 18, 2018	US Dollar	1,010,000	Canadian Dollar	1,341,911	1.329	1.314	(14,764)
Royal Bank of Canada	A-1+	Sep. 14, 2018	British Pound	850,000	Canadian Dollar	1,502,276	1.767	1.739	(24,235)
									<u>(84,549)</u>

The accompanying notes are an integral part of the financial statements.

Scotia Global Dividend Fund (Unaudited – Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

The Fund (note 1)

The Fund aims to achieve high total investment return. It invests primarily in equity securities of companies anywhere in the world that pays, or may be expected to pay, dividends as well as in other types of securities that may be expected to distribute income.

Risks associated with financial instruments (note 4)

Interest rate risk

The majority of the Fund's financial instruments were non-interest bearing as at June 30, 2018 and December 31, 2017. Accordingly, the Fund is not directly subject to significant risk due to fluctuations in the prevailing levels of market interest rates.

Currency risk

The Fund's exposure to currency risk is summarized in the tables below. Amounts shown are based on the carrying value of monetary and non-monetary assets and liabilities of the Fund net of currency contracts, as applicable.

Currency	June 30, 2018			
	Gross currency exposure (\$)	Currency contracts (\$)	Net exposure (\$)	Percentage of net assets (%)
US Dollar	447,780,685	(88,717,284)	359,063,401	43.0
European Euro	147,017,841	(30,307,937)	116,709,904	14.0
British Pound	60,142,843	(20,637,118)	39,505,725	4.7
Japanese Yen	28,888,094	(7,174,273)	21,713,821	2.6
Hong Kong Dollar	16,436,555	–	16,436,555	2.0
Swedish Krona	12,031,297	–	12,031,297	1.4
Swiss Franc	15,654,186	(5,895,377)	9,758,809	1.2
Danish Krone	7,196,649	–	7,196,649	0.9
	735,148,150	(152,731,989)	582,416,161	69.8

Currency	December 31, 2017			
	Gross currency exposure (\$)	Currency contracts (\$)	Net exposure (\$)	Percentage of net assets (%)
US Dollar	373,668,162	(90,764,694)	282,903,468	36.1
European Euro	115,100,856	(35,282,106)	79,818,750	10.2
British Pound	104,316,670	(51,281,615)	53,035,055	6.8
Japanese Yen	28,879,932	(7,377,085)	21,502,847	2.7
Swedish Krona	16,502,733	–	16,502,733	2.1
Hong Kong Dollar	14,873,217	–	14,873,217	1.9
Danish Krone	8,253,767	–	8,253,767	1.1
Swiss Franc	11,077,790	(3,947,336)	7,130,454	0.9
	672,673,127	(188,652,836)	484,020,291	61.8

If the Canadian dollar strengthened or weakened by 10% in relation to all other currencies, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by \$58,241,616 or 7.0% (December 31, 2017 – \$48,402,030 or 6.2%). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Price risk

Price risk is the risk that the carrying value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) caused by factors specific to a security, its issuer or all factors affecting a market or a market segment. Exposure to price risk is mainly in equities, underlying

funds, derivatives and commodities, as applicable. As at June 30, 2018, approximately 91.5% (December 31, 2017 – 92.1%) of the Fund's net assets were exposed to price risk. If prices of these instruments had decreased or increased by 10%, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by approximately \$76,380,180 (December 31, 2017 – \$72,239,667). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Credit risk

The Fund had no significant exposure to bonds and debentures, money market instruments or preferred shares as at June 30, 2018 or December 31, 2017.

Concentration risk

Concentration risk arises as a result of the concentration of financial instruments within the same category, geographical location, asset type or industry sector, as applicable. The table below is a summary of the Fund's concentration risk by carrying value as a percentage of net assets:

	Percentage of net assets (%)	
	June 30, 2018	December 31, 2017
Belgium	2.5	2.0
Canada	5.2	7.0
Denmark	0.8	1.1
France	3.8	2.7
Germany	6.2	5.4
Hong Kong	1.9	1.9
Japan	3.4	3.6
Netherlands	3.0	2.0
Spain	2.0	2.6
Sweden	1.4	2.1
Switzerland	1.8	1.4
United Kingdom	6.8	13.1
United States	52.7	47.2

Fair Value Classification (note 2)

The tables below illustrate the classification of the Fund's financial instruments within the fair value hierarchy.

	June 30, 2018			
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Equities	480,537,220	280,553,077	–	761,090,297
Warrants, rights and options	2,711,506	–	–	2,711,506
Unrealized gain on currency forward contracts	–	2,147,005	–	2,147,005
	483,248,726	282,700,082	–	765,948,808
Unrealized loss on currency forward contracts	–	(84,549)	–	(84,549)
	483,248,726	282,615,533	–	765,864,259

	December 31, 2017			
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Equities	422,827,817	296,323,472	–	719,151,289
Warrants, rights and options	3,245,385	–	–	3,245,385
Unrealized gain on currency forward contracts	–	3,136,484	–	3,136,484
Unrealized gain on currency spot contracts	–	7,141	–	7,141
	426,073,202	299,467,097	–	725,540,299
Unrealized loss on currency forward contracts	–	(447,908)	–	(447,908)
	426,073,202	299,019,189	–	725,092,391

The accompanying notes are an integral part of the financial statements.

Scotia Global Dividend Fund (Unaudited – Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

Transfers between levels

During the periods ended June 30, 2018 and December 31, 2017, there were no significant transfers between Level 1 and Level 2.

Reconciliation of Level 3 financial instruments

The following table presents the movement in the Fund's Level 3 financial instruments for the periods ended:

	June 30, 2018 (\$)	December 31, 2017 (\$)
-		
Beginning of period	-	-
Purchases	-	-
Sales	-	-
Transfers into Level 3	-	-
Transfers out of Level 3	-	(246,214)
Net realized gains (losses)	-	-
Net change in unrealized gain (loss)*	-	246,214
End of period	-	-

* Net change in unrealized gain (loss) for Level 3 financial instruments held as at June 30, 2018 and December 31, 2017 was nil and \$246,214, respectively.

Offsetting of financial assets and liabilities (note 2)

The following table presents offsetting of financial assets and liabilities and collateral amounts that would occur if future events, such as bankruptcy or termination of contracts, were to arise. No amounts were offset in the financial statements.

Financial assets – by type	June 30, 2018			
	Gross amount of assets (\$)	Master netting offset (\$)	Collateral pledged/ received (\$)	Net Amount (\$)
Currency forward contracts	2,147,005	(84,549)	-	2,062,456
Options contracts – OTC	-	-	-	-
Swap contracts – OTC	-	-	-	-
	2,147,005	(84,549)	-	2,062,456

Financial liabilities – by type	June 30, 2018			
	Gross amount of liabilities (\$)	Master netting offset (\$)	Collateral pledged/ received (\$)	Net Amount (\$)
Currency forward contracts	84,549	(84,549)	-	-
Options contracts – OTC	-	-	-	-
Swap contracts – OTC	-	-	-	-
	84,549	(84,549)	-	-

Financial assets – by type	December 31, 2017			
	Gross amount of assets (\$)	Master netting offset (\$)	Collateral pledged/ received (\$)	Net Amount (\$)
Currency forward contracts	3,136,484	(447,908)	-	2,688,576
Options contracts – OTC	-	-	-	-
Swap contracts – OTC	-	-	-	-
	3,136,484	(447,908)	-	2,688,576

Financial liabilities – by type	Gross amount of liabilities (\$)	Master netting offset (\$)	Collateral pledged/ received (\$)	Net Amount (\$)
Currency forward contracts	447,908	(447,908)	-	-
Options contracts – OTC	-	-	-	-
Swap contracts – OTC	-	-	-	-
	447,908	(447,908)	-	-

Interest in Underlying Funds (note 2)

The Fund did not hold any interest in Underlying Funds as at June 30, 2018 or December 31, 2017.

Comparison of net asset value per unit and net assets per unit (note 2)

As at June 30, 2018 or December 31, 2017, there were no differences between the net asset value per unit and the net assets per unit for any series of the Fund.

The accompanying notes are an integral part of the financial statements.

Scotia Global Growth Fund (Unaudited)

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	June 30, 2018	December 31, 2017
ASSETS		
Current assets		
Financial assets at fair value through profit or loss (note 2)		
Non-derivative financial assets	1,134,007,640	1,039,000,490
Derivatives	172	–
Cash	22,345,214	27,098,680
Subscriptions receivable	1,077,782	389,242
Accrued investment income and other	1,796,803	454,953
	<u>1,159,227,611</u>	<u>1,066,943,365</u>
LIABILITIES		
Current liabilities		
Financial liabilities at fair value through profit or loss (note 2)		
Derivatives	–	42
Management fee payable	344,264	–
Redemptions payable	698,385	115,140
Accrued expenses	83,320	–
	<u>1,125,969</u>	<u>115,182</u>
Net assets attributable to holders of redeemable units	<u>1,158,101,642</u>	<u>1,066,828,183</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series A	222,597,858	175,042,718
Advisor Series	655,304	609,343
Series F	392,436	166,807
Series I	934,456,044	891,009,315
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series A	75.94	70.50
Advisor Series	74.95	69.59
Series F	83.60	77.26
Series I	86.73	79.67

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended June 30 (note 1),

(in dollars except average units)	2018	2017
INCOME		
Net gain (loss) on financial assets and liabilities at fair value through profit or loss		
Dividends	12,506,810	8,052,343
Interest for distribution purposes	157,793	37,375
Net realized gain (loss) on non-derivative financial assets	48,735,171	44,124,451
Change in unrealized gain (loss) on non-derivative financial assets	34,993,703	83,696,434
Change in unrealized gain (loss) on derivatives	214	(528)
Net gain (loss) on financial assets and liabilities at fair value through profit or loss	96,393,691	135,910,075
Securities lending (note 11)	67,906	136,123
Net realized and unrealized foreign currency translation gain (loss)	74,730	(37,663)
Other income	8,837	541
Total income (loss), net	<u>96,545,164</u>	<u>136,009,076</u>
EXPENSES		
Management fees (note 5)	1,774,897	1,313,492
Fixed administration fees and operating expense (note 6)	439,780	355,490
Independent Review Committee fees	587	576
Interest expense and bank overdraft charges	1,356	–
Foreign withholding taxes/tax reclaims	1,122,848	1,058,430
Harmonized Sales Tax/Goods and Services Tax	231,928	174,691
Transaction costs	89,920	64,216
Total expenses	3,661,316	2,966,895
Expenses absorbed by the Manager	–	(3,975)
Net expenses	<u>3,661,316</u>	<u>2,962,920</u>
Increase (decrease) in net assets attributable to holders of redeemable units from operations	<u>92,883,848</u>	<u>133,046,156</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A	13,896,108	18,441,006
Advisor Series	46,921	67,211
Series F	14,438	8,827
Series I	78,926,381	114,529,112
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT[†]		
Series A	5.13	7.70
Advisor Series	5.36	7.64
Series F	4.06	7.27
Series I	7.18	9.64
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series A	2,709,867	2,394,952
Advisor Series	8,750	8,793
Series F	3,553	1,215
Series I	10,984,986	11,874,826

[†] The increase (decrease) in net assets attributable to holders of redeemable units from operations per unit is calculated by dividing the increase (decrease) in net assets attributable to holders of redeemable units from operations per series by the weighted average number of units per series.

Scotia Global Growth Fund (Unaudited – Continued)

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the periods ended June 30 (note 1),

(in dollars)	2018	2017
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series A	175,042,718	136,267,823
Advisor Series	609,343	496,369
Series F	166,807	38,259
Series I	891,009,315	773,309,124
	<u>1,066,828,183</u>	<u>910,111,575</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A	13,896,108	18,441,006
Advisor Series	46,921	67,211
Series F	14,438	8,827
Series I	78,926,381	114,529,112
	<u>92,883,848</u>	<u>133,046,156</u>
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A	50,103,324	12,091,789
Series F	277,869	64,925
Series I	17,004,611	11,206,912
Payments on redemption		
Series A	(16,444,292)	(10,494,965)
Advisor Series	(960)	(3,240)
Series F	(66,678)	(324)
Series I	(52,484,263)	(67,565,826)
	<u>(1,610,389)</u>	<u>(54,700,729)</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A	47,555,140	20,037,830
Advisor Series	45,961	63,971
Series F	225,629	73,428
Series I	43,446,729	58,170,198
	<u>91,273,459</u>	<u>78,345,427</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series A	222,597,858	156,305,653
Advisor Series	655,304	560,340
Series F	392,436	111,687
Series I	934,456,044	831,479,322
	<u>1,158,101,642</u>	<u>988,457,002</u>

STATEMENTS OF CASH FLOWS

For the periods ended June 30 (note 1),

(in dollars)	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	92,883,848	133,046,156
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(48,735,171)	(44,124,451)
Unrealized foreign currency translation (gain) loss	(577)	29,452
Change in unrealized (gain) loss on non-derivative financial assets	(34,993,703)	(83,696,434)
Change in unrealized (gain) loss on derivatives	(214)	528
Non-cash transactions	(3,139,199)	–
Purchases of portfolio investments	(99,415,781)	(50,651,260)
Proceeds from sale of portfolio investments	91,276,704	95,686,501
Accrued investment income and other	(1,341,850)	(952,579)
Accrued expenses and other payables	427,584	316,331
Net cash provided by (used in) operating activities	<u>(3,038,359)</u>	<u>49,654,244</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	66,430,495	23,156,047
Amounts paid on redemption of redeemable units	<u>(68,146,179)</u>	<u>(78,103,013)</u>
Net cash provided by (used in) financing activities	<u>(1,715,684)</u>	<u>(54,946,966)</u>
Unrealized foreign currency translation gain (loss)	577	(29,452)
Net increase (decrease) in cash	(4,754,043)	(5,292,722)
Cash (bank overdraft), beginning of period	27,098,680	22,400,358
CASH (BANK OVERDRAFT), END OF PERIOD	<u>22,345,214</u>	<u>17,078,184</u>
Interest paid ⁽¹⁾	1,356	–
Interest received, net of withholding taxes ⁽¹⁾	157,793	38,329
Dividends received, net of withholding taxes ⁽¹⁾	6,902,915	6,040,379

⁽¹⁾ Classified as operating items.

Scotia Global Growth Fund (Unaudited – Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at June 30, 2018

Issuer	Number of Shares	Average Cost (\$)	Carrying Value (\$)	Issuer	Number of Shares	Average Cost (\$)	Carrying Value (\$)
EQUITIES – 97.8%				EQUITIES (cont'd)			
Australia – 0.4%				Sweden – 1.7%			
Orica Ltd.	299,979	5,613,441	5,189,813	Atlas Copco AB, Class B	259,002	5,601,231	8,905,382
Brazil – 1.2%				Epiroc AB, Class B	259,002	3,139,199	3,117,529
B3 SA – Brasil Bolsa Balcao	703,300	4,258,169	4,881,127	Svenska Handelsbanken AB	489,819	6,635,952	7,148,210
Banco Bradesco S.A., Preference	934,120	10,201,881	8,527,881			15,376,382	19,171,121
		14,460,050	13,409,008	Switzerland – 2.4%			
Canada – 1.1%				Compagnie Financiere Richemont SA, Class A	92,041	6,824,491	10,249,931
Fairfax Financial Holdings Limited	17,836	9,192,321	13,139,068	OC Oerlikon Corporation AG	252,771	3,152,157	5,087,093
Denmark – 0.9%				Schindler Holdings AG	45,160	6,207,541	12,785,489
AP Moller – Maersk A/S	3,954	9,656,088	6,464,368			16,184,189	28,122,513
Genmab A/S	21,650	5,780,192	4,389,288	Taiwan – 0.2%			
		15,436,280	10,853,656	HTC Corporation	1,084,000	4,227,003	2,660,787
France – 1.9%				United Kingdom – 7.1%			
Bureau Veritas SA	304,974	9,467,592	10,689,157	Hays PLC	1,570,613	2,827,430	5,081,870
Pernod Ricard SA	54,994	10,811,517	11,797,926	BHP Billiton PLC	398,529	11,883,003	11,720,959
		20,279,109	22,487,083	CRH PLC	391,836	13,538,030	18,173,911
Germany – 3.3%				Mail.Ru Group Ltd. – GDR	125,899	5,237,783	4,793,057
Deutsche Boerse AG	51,905	4,427,988	9,089,971	Prudential PLC	1,080,432	21,450,592	32,444,244
Infinion Technologies AG	177,633	4,218,488	5,949,898	Sberbank of Russia	519,250	6,788,180	9,830,785
SAP SE	153,417	14,808,222	23,296,326			61,725,018	82,044,826
		23,454,698	38,336,195	United States – 58.2%			
Hong Kong – 3.7%				58.com Inc.	89,325	5,646,526	8,146,087
AIA Group Ltd.	2,076,600	13,956,655	23,642,329	ABIOMED Inc.	23,914	3,750,315	12,865,326
Ping An Insurance Group Company of China Ltd.	895,500	11,538,484	10,761,790	Advanced Micro Devices Inc.	270,149	5,056,575	5,325,951
Sands China Ltd.	759,200	4,164,701	5,320,307	Albemarle Corporation	43,255	5,575,020	5,366,342
Tsingtao Brewery Company Ltd.	418,000	2,637,723	3,012,426	Alibaba Group Holding Ltd.	109,653	11,171,360	26,756,347
		32,297,563	42,736,852	Alnylam Pharmaceuticals Inc.	34,152	4,295,094	4,423,850
Ireland – 0.9%				Alphabet Inc., Class C	15,460	8,401,259	22,684,521
Bank of Ireland Group PLC	1,001,651	11,663,472	10,262,127	Amazon.com, Inc.	25,126	9,741,245	56,171,153
Italy – 1.3%				Anthem, Inc.	88,792	10,887,189	27,796,985
Fiat Chrysler Automobiles NV	579,265	8,304,752	14,493,816	Apache Corporation	449,733	24,651,943	27,652,126
Japan – 7.6%				Arthur J. Gallagher & Co.	127,527	10,782,161	10,949,000
Advantest Corporation	316,500	7,580,288	8,647,020	Autohome Inc.	66,239	3,742,657	8,798,878
Cyberagent Inc.	150,600	3,469,463	11,885,024	Baidu, Inc.	41,702	6,381,253	13,327,703
Kansai Paint Co., Ltd.	138,500	3,461,098	3,775,905	C.H. Robinson Worldwide, Inc.	85,200	7,887,651	9,374,532
LINE Corporation	77,600	4,478,596	4,195,705	China Biologic Products Inc.	26,193	3,892,095	3,421,825
MS & AD Insurance Group Holdings, Inc.	371,500	13,142,664	15,171,743	Ctrip.com International Ltd. – ADR	141,208	8,195,198	8,845,697
Olympus Corporation	211,900	8,139,167	10,406,315	EOG Resources, Inc.	83,895	6,227,595	13,729,456
Persol Holdings Co., Ltd.	189,400	5,616,822	5,548,758	Facebook Inc.	68,713	6,211,155	17,560,973
ROHM Company Limited	63,400	4,123,422	6,980,782	First Republic Bank	69,479	3,847,418	8,844,560
SMC Corporation	21,200	5,608,490	10,201,119	GrubHub Inc.	103,314	3,673,888	14,255,033
Sumitomo Mitsui Trust Holdings Inc.	216,200	11,612,059	11,260,468	HDFC Bank Ltd. – ADR	81,031	7,751,764	11,192,198
		67,232,069	88,072,839	Howard Hughes Corporation	30,224	4,598,880	5,266,960
Netherlands – 0.7%				ICICI Bank Limited – ADR	1,412,926	13,171,190	14,922,003
Philips Lighting NV	241,803	11,794,823	8,247,828	Interactive Brokers Group Inc., Class A	73,219	3,782,980	6,202,535
Norway – 0.8%				Jefferies Financial Group Inc.	248,673	7,561,696	7,437,231
Schibsted ASA, Class A	164,659	7,407,661	6,567,247	Kirby Corporation	59,967	4,312,395	6,593,420
Schibsted ASA, Class B	85,688	1,077,654	3,176,546	LendingTree Inc.	15,450	6,350,931	4,344,385
		8,485,315	9,743,793	Lincoln Electric Holdings, Inc.	40,531	2,773,288	4,678,171
Singapore – 0.5%				Markel Corporation	8,594	5,700,024	12,256,233
Jardine Matheson Holdings Limited	71,500	4,196,496	5,926,120	MarketAxess Holdings Inc.	35,095	7,268,655	9,132,621
South Africa – 3.7%				Martin Marietta Materials Inc.	33,262	4,807,717	9,769,843
MTN Group Limited	158,295	3,285,145	1,635,879	MasterCard, Inc., Class A	84,341	5,149,046	21,799,055
Naspers Limited N Shares	122,683	12,878,417	40,884,962	Moody's Corporation	121,517	11,737,799	27,258,778
		16,163,562	42,520,841	Myriad Genetics, Inc.	175,673	7,279,334	8,634,164
Spain – 0.2%				NetEase, Inc.	13,633	5,902,873	4,530,408
Distribuidora Internacional de Alimentacion S.A.	589,572	4,942,195	2,255,447	Netflix Inc.	16,772	5,758,289	8,634,379
				NOW Inc.	195,176	6,399,277	3,421,754
				ResMed Inc.	91,208	8,164,783	12,425,132
				Ritchie Bros. Auctioneers Incorporated	139,908	3,633,688	6,278,324
				Royal Caribbean Cruises Ltd.	101,672	6,284,310	13,853,301
				Ryanair Holding PLC – ADR	104,624	6,257,132	15,718,231
				Seattle Genetics, Inc.	119,026	4,507,788	10,392,898

The accompanying notes are an integral part of the financial statements.

Scotia Global Growth Fund (Unaudited – Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at June 30, 2018

Issuer	Number of Shares	Average Cost (\$)	Carrying Value (\$)
EQUITIES (cont'd)			
United States (cont'd)			
SiteOne Landscape Supply Inc.	70,373	4,638,543	7,771,814
Stericycle, Inc.	49,240	7,946,318	4,228,213
Taiwan Semiconductor Manufacturing Company Ltd. – ADR	579,973	12,408,994	27,887,278
TD Ameritrade Holding Corporation	131,209	4,101,518	9,451,452
Teradyne, Inc.	141,666	2,855,221	7,093,175
Tesla Motors Inc.	22,218	3,108,208	10,021,389
Thermo Fisher Scientific, Inc.	43,770	10,759,321	11,924,294
Verisk Analytics, Inc.	76,818	8,453,110	10,874,990
Visa Inc.	110,285	6,116,568	19,211,469
Wabtec Corporation	72,090	7,396,906	9,346,650
Waters Corporation	43,060	4,211,372	10,963,497
Zillow Group Inc., Class A	24,293	3,443,176	1,909,023
Zillow Group Inc., Class C	162,371	6,637,030	12,612,294
		<u>371,247,721</u>	<u>674,333,907</u>
Transaction Costs		(300,351)	
TOTAL INVESTMENT PORTFOLIO		<u>721,976,108</u>	1,134,007,640
OTHER ASSETS, LESS LIABILITIES – 2.2%			24,094,002
NET ASSETS – 100.0%			<u>1,158,101,642</u>

The accompanying notes are an integral part of the financial statements.

Scotia Global Growth Fund (Unaudited – Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

The Fund (note 1)

The Fund's objective is long-term capital growth. It invests primarily in a broad range of equity securities of companies around the world.

Risks associated with financial instruments (note 4)

Interest rate risk

The majority of the Fund's financial instruments were non-interest bearing as at June 30, 2018 and December 31, 2017. Accordingly, the Fund is not directly subject to significant risk due to fluctuations in the prevailing levels of market interest rates.

Currency risk

The Fund's exposure to currency risk is summarized in the tables below. Amounts shown are based on the carrying value of monetary and non-monetary assets and liabilities of the Fund net of currency contracts, as applicable.

June 30, 2018				
Currency	Gross currency exposure (\$)	Currency contracts (\$)	Net exposure (\$)	Percentage of net assets (%)
US Dollar	696,483,858	–	696,483,858	60.1
European Euro	96,082,495	–	96,082,495	8.3
Japanese Yen	88,239,705	–	88,239,705	7.6
British Pound	67,420,984	–	67,420,984	5.8
Hong Kong Dollar	42,958,581	–	42,958,581	3.7
South African Rand	42,520,840	–	42,520,840	3.7
Swiss Franc	28,122,513	–	28,122,513	2.4
Swedish Krona	19,171,121	–	19,171,121	1.7
Brazilian Real	13,458,988	–	13,458,988	1.2
Danish Krone	10,853,656	–	10,853,656	0.9
Norwegian Krone	9,743,792	–	9,743,792	0.8
Australian Dollar	5,248,172	–	5,248,172	0.5
Taiwan Dollar	2,660,787	–	2,660,787	0.2
	1,122,965,492	–	1,122,965,492	96.9

December 31, 2017				
Currency	Gross currency exposure (\$)	Currency contracts (\$)	Net exposure (\$)	Percentage of net assets (%)
US Dollar	627,980,732	–	627,980,732	58.9
European Euro	93,365,919	–	93,365,919	8.8
Japanese Yen	78,523,145	–	78,523,145	7.4
British Pound	57,411,391	–	57,411,391	5.4
South African Rand	48,741,404	–	48,741,404	4.6
Hong Kong Dollar	29,855,740	–	29,855,740	2.8
Swiss Franc	28,871,942	–	28,871,942	2.7
Swedish Krona	20,879,872	–	20,879,872	2.0
Danish Krone	19,534,280	–	19,534,280	1.8
Brazilian Real	17,926,730	–	17,926,730	1.7
Norwegian Krone	8,763,351	–	8,763,351	0.8
Taiwan Dollar	3,344,738	–	3,344,738	0.3
	1,035,199,244	–	1,035,199,244	97.2

If the Canadian dollar strengthened or weakened by 10% in relation to all other currencies, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by \$112,296,549 or 9.7% (December 31, 2017 – \$103,519,924 or 9.7%). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Price risk

Price risk is the risk that the carrying value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) caused by factors specific to a security, its issuer or all factors affecting a market or a market segment. Exposure to price risk is mainly in equities, underlying funds, derivatives and commodities, as applicable. As at June 30, 2018, approximately 97.8% (December 31, 2017 – 97.5%) of the Fund's net assets were exposed to price risk. If prices of these instruments had decreased or increased by 10%, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by approximately \$113,400,764 (December 31, 2017 – \$103,900,049). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Credit risk

The Fund had no significant exposure to bonds and debentures, money market instruments or preferred shares as at June 30, 2018 or December 31, 2017.

Concentration risk

Concentration risk arises as a result of the concentration of financial instruments within the same category, geographical location, asset type or industry sector, as applicable. The table below is a summary of the Fund's concentration risk by carrying value as a percentage of net assets:

	Percentage of net assets (%)	
	June 30, 2018	December 31, 2017
Australia	0.4	–
Brazil	1.2	1.6
Canada	1.1	0.5
Denmark	0.9	1.8
France	1.9	2.0
Germany	3.3	3.7
Hong Kong	3.7	2.8
Ireland	0.9	1.0
Italy	1.3	1.2
Japan	7.6	7.4
Netherlands	0.7	0.5
Norway	0.8	0.8
Singapore	0.5	0.5
South Africa	3.7	4.6
Spain	0.2	0.4
Sweden	1.7	2.0
Switzerland	2.4	2.7
Taiwan	0.2	0.3
United Kingdom	7.1	8.1
United States	58.2	55.6

Fair Value Classification (note 2)

The tables below illustrate the classification of the Fund's financial instruments within the fair value hierarchy.

	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
June 30, 2018				
Equities	692,354,102	441,653,538	–	1,134,007,640
Unrealized gain on currency spot contracts	–	172	–	172
	692,354,102	441,653,710	–	1,134,007,812

The accompanying notes are an integral part of the financial statements.

Scotia Global Growth Fund (Unaudited – Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

December 31, 2017	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Equities	598,560,434	440,440,056	–	1,039,000,490
	598,560,434	440,440,056	–	1,039,000,490
Unrealized loss on currency spot contracts	–	(42)	–	(42)
	598,560,434	440,440,014	–	1,039,000,448

Transfers between levels

During the periods ended June 30, 2018 and December 31, 2017, there were no significant transfers between Level 1 and Level 2.

Offsetting of financial assets and liabilities (note 2)

As at June 30, 2018 and December 31, 2017, the Fund did not enter into any agreement whereby the financial instruments were eligible for offset.

Interest in Underlying Funds (note 2)

The Fund did not hold any interest in Underlying Funds as at June 30, 2018 or December 31, 2017.

Comparison of net asset value per unit and net assets per unit (note 2)

As at June 30, 2018 or December 31, 2017, there were no differences between the net asset value per unit and the net assets per unit for any series of the Fund.

Scotia Global Small Cap Fund (Unaudited)

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	June 30, 2018	December 31, 2017
ASSETS		
Current assets		
Financial assets at fair value through profit or loss (note 2)		
Non-derivative financial assets	128,257,524	117,832,821
Derivatives	275,989	221,993
Cash	3,725,220	3,424,547
Subscriptions receivable	85,893	985
Accrued investment income and other	57,434	8,884
	<u>132,402,060</u>	<u>121,489,230</u>
LIABILITIES		
Current liabilities		
Financial liabilities at fair value through profit or loss (note 2)		
Derivatives	801,331	–
Management fee payable	7,597	–
Redemptions payable	666	–
Accrued expenses	11,586	–
	<u>821,180</u>	<u>–</u>
Net assets attributable to holders of redeemable units	<u>131,580,880</u>	<u>121,489,230</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series A	4,892,900	4,640,383
Series F	1,671	1,558
Series I	<u>126,686,309</u>	<u>116,847,289</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series A	12.19	11.40
Series F	12.42	11.58
Series I	<u>14.02</u>	<u>12.99</u>

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended June 30 (note 1),

(in dollars except average units)	2018	2017
INCOME		
Net gain (loss) on financial assets and liabilities at fair value through profit or loss		
Dividends	860,454	893,268
Interest for distribution purposes	2,311	11,389
Net realized gain (loss) on non-derivative financial assets	10,516,346	8,746,708
Change in unrealized gain (loss) on non-derivative financial assets	2,435,696	(1,228,869)
Net realized gain (loss) on derivatives	(3,037,730)	(878,056)
Change in unrealized gain (loss) on derivatives	(747,335)	1,691,527
Net gain (loss) on financial assets and liabilities at fair value through profit or loss	<u>10,029,742</u>	<u>9,235,967</u>
Securities lending (note 11)	11,064	9,617
Net realized and unrealized foreign currency translation gain (loss)	48,205	(185,142)
Other income	18	148
Total income (loss), net	<u>10,089,029</u>	<u>9,060,590</u>
EXPENSES		
Management fees (note 5)	42,147	40,908
Fixed administration fees (note 6)	59,654	51,691
Independent Review Committee fees	587	576
Interest expense and bank overdraft charges	4,624	2,155
Foreign withholding taxes/tax reclaims	92,354	126,556
Harmonized Sales Tax/Goods and Services Tax	10,542	9,708
Transaction costs	186,828	178,568
Total expenses	<u>396,736</u>	<u>410,162</u>
Increase (decrease) in net assets attributable to holders of redeemable units from operations	<u>9,692,293</u>	<u>8,650,428</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A	313,135	319,434
Series F	113	89
Series I	<u>9,379,045</u>	<u>8,330,905</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT[†]		
Series A	0.77	0.73
Series F	0.84	0.67
Series I	<u>1.04</u>	<u>0.94</u>
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series A	404,128	435,772
Series F	135	133
Series I	<u>9,051,524</u>	<u>8,884,848</u>

[†] The increase (decrease) in net assets attributable to holders of redeemable units from operations per unit is calculated by dividing the increase (decrease) in net assets attributable to holders of redeemable units from operations per series by the weighted average number of units per series.

Scotia Global Small Cap Fund (Unaudited – Continued)

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the periods ended June 30 (note 1),

(in dollars)	2018	2017
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series A	4,640,383	4,484,078
Series F	1,558	529
Series I	116,847,289	102,469,764
	<u>121,489,230</u>	<u>106,954,371</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A	313,135	319,434
Series F	113	89
Series I	9,379,045	8,330,905
	<u>9,692,293</u>	<u>8,650,428</u>
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A	517,472	359,602
Series F	–	849
Series I	2,824,975	2,372,600
Payments on redemption		
Series A	(578,090)	(593,512)
Series I	(2,365,000)	(4,135,600)
	<u>399,357</u>	<u>(1,996,061)</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A	252,517	85,524
Series F	113	938
Series I	9,839,020	6,567,905
	<u>10,091,650</u>	<u>6,654,367</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series A	4,892,900	4,569,602
Series F	1,671	1,467
Series I	126,686,309	109,037,669
	<u>131,580,880</u>	<u>113,608,738</u>

STATEMENTS OF CASH FLOWS

For the periods ended June 30 (note 1),

(in dollars)	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	9,692,293	8,650,428
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(10,516,346)	(8,746,708)
Unrealized foreign currency translation (gain) loss	1,365	23,474
Change in unrealized (gain) loss on non-derivative financial assets	(2,435,696)	1,228,869
Change in unrealized (gain) loss on derivatives	747,335	(1,691,527)
Purchases of portfolio investments	(86,277,241)	(94,723,760)
Proceeds from sale of portfolio investments	88,804,580	96,834,478
Accrued investment income and other	(48,550)	15,806
Accrued expenses and other payables	19,183	17,103
Net cash provided by (used in) operating activities	<u>(13,077)</u>	<u>1,608,163</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	3,257,539	2,733,367
Amounts paid on redemption of redeemable units	(2,942,424)	(4,730,538)
Net cash provided by (used in) financing activities	315,115	(1,997,171)
Unrealized foreign currency translation gain (loss)	(1,365)	(23,474)
Net increase (decrease) in cash	302,038	(389,008)
Cash (bank overdraft), beginning of period	3,424,547	3,800,510
CASH (BANK OVERDRAFT), END OF PERIOD	<u>3,725,220</u>	<u>3,388,028</u>
Interest paid ⁽¹⁾	4,624	2,155
Interest received, net of withholding taxes ⁽¹⁾	2,311	9,970
Dividends received, net of withholding taxes ⁽¹⁾	719,550	783,937

⁽¹⁾ Classified as operating items.

Scotia Global Small Cap Fund (Unaudited – Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at June 30, 2018

Issuer	Number of Shares	Average Cost (\$)	Carrying Value (\$)	Issuer	Number of Shares	Average Cost (\$)	Carrying Value (\$)
EQUITIES – 97.5%				EQUITIES (cont'd)			
Canada – 2.0%				United States (cont'd)			
CAE, Inc.	98,000	2,342,364	2,676,380	E*Trade Financial Corporation	73,700	5,313,323	5,928,258
Denmark – 2.1%				Flowsense Corporation	49,300	2,739,566	2,619,512
Chr Hansen Holding A/S	22,400	2,542,899	2,716,672	Fortune Brands Home & Security Inc.	37,200	2,874,921	2,626,809
France – 3.4%				GDS Holdings Ltd. – ADR	41,900	1,322,073	2,209,237
Worldline SA	60,300	3,530,731	4,487,229	HealthEquity Inc.	21,000	1,631,084	2,074,204
Japan – 4.4%				Hill-Rom Holdings Inc.	38,600	3,800,686	4,433,969
Daiwa Securities Group Inc.	349,600	2,841,752	2,666,937	InterXion Holding NV	53,400	2,431,778	4,383,865
Harmonic Drive Systems Inc.	56,600	2,745,198	3,137,066	Invesco Limited	75,100	3,272,649	2,623,374
		5,586,950	5,804,003	iShares Nasdaq Biotechnology ETF	16,200	2,012,408	2,339,853
Netherlands – 2.0%				KeyCorp.	213,600	5,204,539	5,489,313
Arcadis NV	114,000	2,914,571	2,692,561	Landstar System Inc.	21,000	2,964,391	3,016,019
Norway – 1.7%				Live Nation Entertainment Inc.	52,300	2,863,546	3,340,888
Orkla ASA	195,300	2,010,300	2,247,112	PriceSmart Inc.	17,100	2,033,861	2,035,339
Spain – 2.6%				PTC Inc.	29,400	2,253,604	3,627,343
Viscofan S.A.	37,600	2,697,933	3,363,984	Regions Financial Corporation	147,300	3,403,267	3,444,504
Sweden – 2.1%				Switch Inc., Class A	367,200	6,819,426	5,877,402
Hexagon AB	38,000	2,812,849	2,782,627	The Ultimate Software Group, Inc.	10,100	2,632,979	3,417,985
Switzerland – 3.1%				Veeva Systems Inc., Class A	32,700	2,775,153	3,305,524
Julius Baer Group Ltd.	52,800	3,769,005	4,077,470	Wayfair Inc.	17,800	1,696,155	2,780,240
United Kingdom – 8.3%				Worldpay Inc.	30,200	2,239,764	3,248,226
InterContinental Hotels Group PLC	39,400	2,655,825	3,221,397	Xilinx Inc.	23,500	1,825,784	2,017,006
Sabre Insurance Group PLC	742,000	3,617,996	3,486,603	Zayo Group Holdings Inc.	139,500	6,031,978	6,693,006
Spirax-Sarco Engineering PLC	37,000	3,838,997	4,178,096			76,037,336	86,523,390
		10,112,818	10,886,096	Transaction Costs		(131,199)	
United States – 65.8%				TOTAL INVESTMENT PORTFOLIO		114,226,557	128,257,524
Advanced Micro Devices Inc.	136,500	2,074,157	2,691,079	Unrealized Gain (Loss) on Derivatives – (0.4%)			(525,342)
Allegion Public Limited Company	26,500	2,766,420	2,696,215	OTHER ASSETS, LESS LIABILITIES – 2.9%			3,848,698
Blackline Inc.	63,100	3,053,824	3,604,220	NET ASSETS – 100.0%			131,580,880

SCHEDULE OF DERIVATIVE INSTRUMENTS

UNREALIZED GAIN ON CURRENCY FORWARD CONTRACTS

Counterparty	Credit Rating	Settlement Date	Currency To Be Received	Contractual Amount	Currency To Be Delivered	Contractual Amount	Contract Price	Market Price	Unrealized Gain (\$)
Toronto-Dominion Bank, The	A-1+	Aug. 23, 2018	Canadian Dollar	8,105,894	US Dollar	6,100,000	0.753	0.762	97,912
Bank of Montreal	A-1	Aug. 23, 2018	Canadian Dollar	2,219,822	US Dollar	1,670,000	0.752	0.762	27,473
Canadian Imperial Bank of Commerce	A-1	Aug. 23, 2018	Canadian Dollar	1,741,180	US Dollar	1,310,000	0.752	0.762	21,433
Royal Bank of Canada	A-1+	Aug. 23, 2018	Canadian Dollar	233,917	US Dollar	176,000	0.752	0.762	2,867
State Street Bank & Trust Company	A-1+	Sep. 14, 2018	Canadian Dollar	1,438,656	Japanese Yen	118,200,000	82.16	83.876	29,435
Bank of Montreal	A-1	Sep. 14, 2018	Canadian Dollar	582,364	Japanese Yen	47,840,000	82.148	83.876	11,998
Canadian Imperial Bank of Commerce	A-1	Sep. 14, 2018	Canadian Dollar	1,529,008	Japanese Yen	125,180,000	81.87	83.876	36,568
Toronto-Dominion Bank, The	A-1+	Sep. 14, 2018	Canadian Dollar	1,639,153	Japanese Yen	134,640,000	82.14	83.876	33,928
Royal Bank of Canada	A-1+	Sep. 14, 2018	Canadian Dollar	621,699	Japanese Yen	50,940,000	81.937	83.876	14,375
									275,989

UNREALIZED LOSS ON CURRENCY FORWARD CONTRACTS

Counterparty	Credit Rating	Settlement Date	Currency To Be Received	Contractual Amount	Currency To Be Delivered	Contractual Amount	Contract Price	Market Price	Unrealized Loss (\$)
Bank of Montreal	A-1	Jul. 18, 2018	Canadian Dollar	29,368,902	US Dollar	22,910,000	0.78	0.761	(735,431)
Royal Bank of Canada	A-1+	Jul. 18, 2018	Canadian Dollar	205,184	US Dollar	160,000	0.78	0.761	(5,060)
Toronto-Dominion Bank, The	A-1+	Jul. 18, 2018	Canadian Dollar	1,046,292	US Dollar	816,000	0.78	0.761	(25,954)
Canadian Imperial Bank of Commerce	A-1	Jul. 18, 2018	Canadian Dollar	602,848	US Dollar	470,000	0.78	0.761	(14,744)
Canadian Imperial Bank of Commerce	A-1	Jul. 18, 2018	Canadian Dollar	127,866	US Dollar	100,000	0.782	0.761	(3,537)
Toronto-Dominion Bank, The	A-1+	Jul. 18, 2018	US Dollar	812,000	Canadian Dollar	1,078,649	1.328	1.314	(11,676)
Canadian Imperial Bank of Commerce	A-1	Sep. 14, 2018	Japanese Yen	16,800,000	Canadian Dollar	205,203	0.012	0.012	(4,929)
									(801,331)

The accompanying notes are an integral part of the financial statements.

Scotia Global Small Cap Fund (Unaudited – Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

The Fund (note 1)

The Fund's objective is to achieve long-term capital growth. It invests primarily in equity securities of smaller companies located around the world.

Risks associated with financial instruments (note 4)

Interest rate risk

The majority of the Fund's financial instruments were non-interest bearing as at June 30, 2018 and December 31, 2017. Accordingly, the Fund is not directly subject to significant risk due to fluctuations in the prevailing levels of market interest rates.

Currency risk

The Fund's exposure to currency risk is summarized in the tables below. Amounts shown are based on the carrying value of monetary and non-monetary assets and liabilities of the Fund net of currency contracts, as applicable.

June 30, 2018				
Currency	Gross currency exposure (\$)	Currency contracts (\$)	Net exposure (\$)	Percentage of net assets (%)
US Dollar	87,209,311	(43,207,326)	44,001,985	33.4
British Pound	10,960,191	–	10,960,191	8.3
European Euro	10,618,044	–	10,618,044	8.1
Swiss Franc	4,165,920	–	4,165,920	3.2
Swedish Krona	2,782,627	–	2,782,627	2.1
Danish Krone	2,736,684	–	2,736,684	2.1
Norwegian Krone	2,316,746	–	2,316,746	1.8
Japanese Yen	5,882,057	(5,480,141)	401,916	0.3
Hong Kong Dollar	(61)	–	(61)	0.0
	126,671,519	(48,687,467)	77,984,052	59.3

December 31, 2017				
Currency	Gross currency exposure (\$)	Currency contracts (\$)	Net exposure (\$)	Percentage of net assets (%)
US Dollar	80,986,370	–	80,986,370	66.7
European Euro	18,025,457	–	18,025,457	14.8
British Pound	4,061,405	–	4,061,405	3.3
Swiss Franc	3,379,269	–	3,379,269	2.8
Norwegian Krone	2,794,645	–	2,794,645	2.3
Hong Kong Dollar	1,544,799	–	1,544,799	1.3
Japanese Yen	9,024,184	(8,426,984)	597,200	0.5
	119,816,129	(8,426,984)	111,389,145	91.7

If the Canadian dollar strengthened or weakened by 10% in relation to all other currencies, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by \$7,798,406 or 5.9% (December 31, 2017 – \$11,138,915 or 9.2%). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Price risk

Price risk is the risk that the carrying value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) caused by factors specific to a security, its issuer or all factors affecting a market or a

market segment. Exposure to price risk is mainly in equities, underlying funds, derivatives and commodities, as applicable. As at June 30, 2018, approximately 97.5% (December 31, 2017 – 97.0%) of the Fund's net assets were exposed to price risk. If prices of these instruments had decreased or increased by 10%, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by approximately \$12,825,752 (December 31, 2017 – \$11,783,282). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Credit risk

The Fund had no significant exposure to bonds and debentures, money market instruments or preferred shares as at June 30, 2018 or December 31, 2017.

Concentration risk

Concentration risk arises as a result of the concentration of financial instruments within the same category, geographical location, asset type or industry sector, as applicable. The table below is a summary of the Fund's concentration risk by carrying value as a percentage of net assets:

	Percentage of net assets (%)	
	June 30, 2018	December 31, 2017
Canada	2.0	–
Denmark	2.1	–
France	3.4	8.3
Germany	–	3.6
Hong Kong	–	1.3
Japan	4.4	7.4
Netherlands	2.0	–
Norway	1.7	2.1
Spain	2.6	2.1
Sweden	2.1	–
Switzerland	3.1	2.8
United Kingdom	8.3	3.3
United States	65.8	66.1

Fair Value Classification (note 2)

The tables below illustrate the classification of the Fund's financial instruments within the fair value hierarchy.

	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
June 30, 2018				
Equities	89,199,770	39,057,754	–	128,257,524
Unrealized gain on currency forward contracts	–	275,989	–	275,989
	89,199,770	39,333,743	–	128,533,513
Unrealized loss on currency forward contracts	–	(801,331)	–	(801,331)
	89,199,770	38,532,412	–	127,732,182

	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
December 31, 2017				
Equities	80,262,100	37,570,721	–	117,832,821
Unrealized gain on currency forward contracts	–	221,993	–	221,993
	80,262,100	37,792,714	–	118,054,814

Scotia Global Small Cap Fund (Unaudited – Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

Transfers between levels

During the periods ended June 30, 2018 and December 31, 2017, there were no significant transfers between Level 1 and Level 2.

Offsetting of financial assets and liabilities (note 2)

The following table presents offsetting of financial assets and liabilities and collateral amounts that would occur if future events, such as bankruptcy or termination of contracts, were to arise. No amounts were offset in the financial statements.

Financial assets – by type	June 30, 2018			
	Gross amount of assets (\$)	Master netting offset (\$)	Collateral pledged/received (\$)	Net Amount (\$)
Currency forward contracts	275,989	(105,371)	–	170,618
Options contracts – OTC	–	–	–	–
Swap contracts – OTC	–	–	–	–
	275,989	(105,371)	–	170,618

Financial liabilities – by type	June 30, 2018			
	Gross amount of liabilities (\$)	Master netting offset (\$)	Collateral pledged/received (\$)	Net Amount (\$)
Currency forward contracts	801,331	(105,371)	–	695,960
Options contracts – OTC	–	–	–	–
Swap contracts – OTC	–	–	–	–
	801,331	(105,371)	–	695,960

Financial assets – by type	December 31, 2017			
	Gross amount of assets (\$)	Master netting offset (\$)	Collateral pledged/received (\$)	Net Amount (\$)
Currency forward contracts	221,993	–	–	221,993
Options contracts – OTC	–	–	–	–
Swap contracts – OTC	–	–	–	–
	221,993	–	–	221,993

Financial liabilities – by type	December 31, 2017			
	Gross amount of liabilities (\$)	Master netting offset (\$)	Collateral pledged/received (\$)	Net Amount (\$)
Currency forward contracts	–	–	–	–
Options contracts – OTC	–	–	–	–
Swap contracts – OTC	–	–	–	–
	–	–	–	–

Interest in Underlying Funds (note 2)

The following tables present the percentage of the Underlying Funds owned by the Fund.

Underlying Fund	June 30, 2018	
	Carrying value of the Underlying Fund (\$)	Ownership percentage in Underlying Fund (%)
iShares Nasdaq Biotechnology ETF	2,339,853	0.0
	2,339,853	

Underlying Fund	December 31, 2017	
	Carrying value of the Underlying Fund (\$)	Ownership percentage in Underlying Fund (%)
iShares MSCI Europe Financials ETF	2,500,093	0.1
iShares Nasdaq Biotechnology ETF	3,459,593	0.0
	5,959,686	

Comparison of net asset value per unit and net assets per unit (note 2)

As at June 30, 2018 or December 31, 2017, there were no differences between the net asset value per unit and the net assets per unit for any series of the Fund.

Scotia Global Opportunities Fund (Unaudited)

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	June 30, 2018	December 31, 2017
ASSETS		
Current assets		
Financial assets at fair value through profit or loss (note 2)		
Non-derivative financial assets	287,847,202	272,724,824
Derivatives	—	778
Cash	25,452,131	17,724,588
Subscriptions receivable	132,640	242,827
Accrued investment income and other	103,173	106,262
	<u>313,535,146</u>	<u>290,799,279</u>
LIABILITIES		
Current liabilities		
Management fee payable	27,371	—
Payable for securities purchased	46,795	963,413
Redemptions payable	15,926	7,239
Accrued expenses	20,995	—
	<u>111,087</u>	<u>970,652</u>
Net assets attributable to holders of redeemable units	<u>313,424,059</u>	<u>289,828,627</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series A	17,528,763	15,523,594
Advisor Series	264,368	254,073
Series F	600	29,655
Series I	<u>295,630,328</u>	<u>274,021,305</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series A	13.87	13.35
Advisor Series	13.55	13.02
Series F	14.11	13.52
Series I	<u>15.34</u>	<u>14.61</u>

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended June 30 (note 1),

(in dollars except average units)	2018	2017
INCOME		
Net gain (loss) on financial assets and liabilities at fair value through profit or loss		
Dividends	4,507,321	3,948,824
Interest for distribution purposes	85,777	61,815
Net realized gain (loss) on non-derivative financial assets	5,606,809	(5,663,047)
Change in unrealized gain (loss) on non-derivative financial assets	5,014,475	21,912,380
Change in unrealized gain (loss) on derivatives	(778)	10,219
Net gain (loss) on financial assets and liabilities at fair value through profit or loss	<u>15,213,604</u>	<u>20,270,191</u>
Securities lending (note 11)	12,912	18,902
Net realized and unrealized foreign currency translation gain (loss)	381,299	(85,160)
Other income	296	106
Total income (loss), net	<u>15,608,111</u>	<u>20,204,039</u>
EXPENSES		
Management fees (note 5)	147,799	125,342
Fixed administration fees and operating expense (note 6)	115,132	103,852
Independent Review Committee fees	587	576
Interest expense and bank overdraft charges	12,703	55
Foreign withholding taxes/tax reclaims	617,570	474,865
Harmonized Sales Tax/Goods and Services Tax	27,066	23,347
Transaction costs	100,242	103,185
Total expenses	<u>1,021,099</u>	<u>831,222</u>
Expenses absorbed by the Manager	—	(4,137)
Net expenses	<u>1,021,099</u>	<u>827,085</u>
Increase (decrease) in net assets attributable to holders of redeemable units from operations	<u>14,587,012</u>	<u>19,376,954</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A	623,265	842,584
Advisor Series	10,295	20,367
Series F	929	35
Series I	<u>13,952,523</u>	<u>18,513,968</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT[†]		
Series A	0.51	0.75
Advisor Series	0.53	0.83
Series F	0.56	0.81
Series I	<u>0.73</u>	<u>1.00</u>
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series A	1,217,163	1,124,973
Advisor Series	19,517	24,656
Series F	1,668	43
Series I	<u>19,066,100</u>	<u>18,485,296</u>

[†] The increase (decrease) in net assets attributable to holders of redeemable units from operations per unit is calculated by dividing the increase (decrease) in net assets attributable to holders of redeemable units from operations per series by the weighted average number of units per series.

Scotia Global Opportunities Fund (Unaudited – Continued)

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the periods ended June 30 (note 1),

(in dollars)	2018	2017
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series A	15,523,594	13,000,186
Advisor Series	254,073	303,882
Series F	29,655	502
Series I	274,021,305	234,219,495
	<u>289,828,627</u>	<u>247,524,065</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A	623,265	842,584
Advisor Series	10,295	20,367
Series F	929	35
Series I	13,952,523	18,513,968
	<u>14,587,012</u>	<u>19,376,954</u>
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A	2,670,446	1,455,190
Series I	9,718,500	6,695,300
Payments on redemption		
Series A	(1,288,542)	(1,136,980)
Advisor Series	—	(59,079)
Series F	(29,984)	—
Series I	(2,062,000)	(5,797,200)
	<u>9,008,420</u>	<u>1,157,231</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A	2,005,169	1,160,794
Advisor Series	10,295	(38,712)
Series F	(29,055)	35
Series I	21,609,023	19,412,068
	<u>23,595,432</u>	<u>20,534,185</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series A	17,528,763	14,160,980
Advisor Series	264,368	265,170
Series F	600	537
Series I	295,630,328	253,631,563
	<u>313,424,059</u>	<u>268,058,250</u>

STATEMENTS OF CASH FLOWS

For the periods ended June 30 (note 1),

(in dollars)	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	14,587,012	19,376,954
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(5,606,809)	5,663,047
Unrealized foreign currency translation (gain) loss	(11,750)	190,912
Change in unrealized (gain) loss on non-derivative financial assets	(5,014,475)	(21,912,380)
Change in unrealized (gain) loss on derivatives	778	(10,219)
Purchases of portfolio investments	(41,413,747)	(42,838,060)
Proceeds from sale of portfolio investments	35,996,035	33,235,688
Accrued investment income and other	3,089	(70,086)
Accrued expenses and other payables	48,366	41,671
Net cash provided by (used in) operating activities	<u>(1,411,501)</u>	<u>(6,322,473)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	12,499,133	8,053,292
Amounts paid on redemption of redeemable units	(3,371,839)	(6,998,644)
Net cash provided by (used in) financing activities	9,127,294	1,054,648
Unrealized foreign currency translation gain (loss)	11,750	(190,912)
Net increase (decrease) in cash	7,715,793	(5,267,825)
Cash (bank overdraft), beginning of period	17,724,588	30,196,281
CASH (BANK OVERDRAFT), END OF PERIOD	<u>25,452,131</u>	<u>24,737,544</u>
Interest paid ⁽¹⁾	12,703	55
Interest received, net of withholding taxes ⁽¹⁾	85,777	60,392
Dividends received, net of withholding taxes ⁽¹⁾	3,892,839	3,405,297

⁽¹⁾ Classified as operating items.

Scotia Global Opportunities Fund (Unaudited – Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at June 30, 2018

Issuer	Number of Shares	Average Cost (\$)	Carrying Value (\$)	Issuer	Number of Shares	Average Cost (\$)	Carrying Value (\$)
EQUITIES – 91.8%				EQUITIES (cont'd)			
Australia – 1.5%				United Kingdom (cont'd)			
Ansell Ltd.	182,892	3,924,510	4,851,052	RELX PLC	238,500	6,786,400	6,710,476
Brazil – 0.2%						25,412,382	31,531,531
Odontoprev S.A.	142,200	492,803	630,756	United States – 29.7%			
Denmark – 1.6%				3M Company	31,300	6,645,744	8,098,135
Topdanmark A/S	88,800	2,993,520	5,108,389	Alphabet Inc., Class A	5,740	4,624,573	8,524,542
Finland – 2.1%				Check Point Software Technologies Ltd.	34,600	3,445,620	4,445,022
Nokia Renkaat Oyj	124,092	4,307,500	6,428,914	Cognizant Technology Solutions Corporation	114,700	7,644,057	11,915,923
France – 4.7%				Costco Wholesale Corporation	17,400	2,541,141	4,782,403
LVMH Moët Hennessy Louis Vuitton SA	17,100	3,944,352	7,471,573	Grupo Aeroportuario del Sureste S.A. de CV – ADR	6,300	1,493,026	1,318,763
Schneider Electric SA	67,000	6,187,773	7,325,153	Microsoft Corporation	81,600	4,686,135	10,582,866
		10,132,125	14,796,726	Nielsen Holdings PLC	166,100	10,705,254	6,756,810
Germany – 3.3%				Oracle Corporation	141,100	7,569,660	8,176,429
Fresenius SE & Co. KGaA	97,550	9,359,813	10,295,644	Progressive Corporation, The	60,700	2,267,530	4,722,105
Hong Kong – 3.0%				Ross Stores, Inc.	88,300	6,846,698	9,842,209
Techtronic Industries Co., Ltd.	1,284,900	10,510,604	9,382,817	Visa Inc.	52,340	4,771,096	9,117,543
Japan – 5.6%				Walmart Inc.	41,400	4,429,774	4,663,585
Aeon Delight Co., Ltd.	101,300	3,150,555	4,529,606			67,670,308	92,946,335
Kuraray Co., Ltd.	212,400	3,914,691	3,841,214	Transaction Costs		(282,285)	
Nexon Co., Ltd.	205,100	4,139,488	3,911,414	TOTAL INVESTMENT PORTFOLIO		226,212,803	287,847,202
Square Enix Holdings Co., Ltd.	80,800	4,525,469	5,213,678	OTHER ASSETS, LESS LIABILITIES – 8.2%			25,576,857
		15,730,203	17,495,912	NET ASSETS – 100.0%			313,424,059
Mexico – 1.4%							
Grupo Mexico S.A.B. de C.V.	1,210,800	5,124,565	4,521,228				
Netherlands – 8.5%							
Koninklijke Philips NV	197,500	7,923,075	11,003,308				
Unilever NV	92,700	6,868,992	6,792,235				
Wolters Kluwer NV	120,610	6,725,410	8,923,451				
		21,517,477	26,718,994				
Norway – 5.5%							
Gjensidige Forsikring ASA	187,500	3,781,373	4,034,661				
Kongsberg Gruppen ASA	187,230	4,055,000	5,227,223				
Protector Forsikring ASA	292,200	3,231,130	3,123,099				
TGS Nopec Geophysical Co. ASA	100,904	2,698,812	4,873,696				
		13,766,315	17,258,679				
Singapore – 4.4%							
DBS Group Holdings Limited	212,800	3,376,284	5,434,117				
Mapletree Logistics Trust	3,227,290	3,155,470	3,828,312				
United Overseas Bank Ltd.	180,400	3,246,683	4,672,298				
		9,778,437	13,934,727				
South Africa – 1.5%							
Naspers Limited N Shares	14,200	5,003,786	4,732,249				
South Korea – 2.8%							
Samsung Electronics Co., Ltd.	160,000	4,610,971	8,792,707				
Sweden – 1.9%							
Evolution Gaming Group AB	53,200	4,430,158	4,351,380				
Hexagon AB	22,300	1,359,515	1,632,963				
		5,789,673	5,984,343				
Switzerland – 4.0%							
Nestlé S.A.	74,370	6,988,735	7,568,379				
SGS SA	1,390	3,381,361	4,867,820				
		10,370,096	12,436,199				
United Kingdom – 10.1%							
Admiral Group PLC	131,400	4,304,156	4,343,792				
Diageo PLC	205,000	7,351,445	9,671,080				
Intertek Group PLC	63,500	2,735,529	6,293,878				
Just Eat PLC	334,000	4,234,852	4,512,305				

The accompanying notes are an integral part of the financial statements.

Scotia Global Opportunities Fund (Unaudited – Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

The Fund (note 1)

The Fund's objective is to achieve long-term capital growth. It invests primarily in a more concentrated portfolio of equity securities of companies located around the world.

Risks associated with financial instruments (note 4)

Interest rate risk

The majority of the Fund's financial instruments were non-interest bearing as at June 30, 2018 and December 31, 2017. Accordingly, the Fund is not directly subject to significant risk due to fluctuations in the prevailing levels of market interest rates.

Currency risk

The Fund's exposure to currency risk is summarized in the tables below. Amounts shown are based on the carrying value of monetary and non-monetary assets and liabilities of the Fund net of currency contracts, as applicable.

June 30, 2018				
Currency	Gross currency exposure (\$)	Currency contracts (\$)	Net exposure (\$)	Percentage of net assets (%)
US Dollar	96,211,551	–	96,211,551	30.7
European Euro	61,058,003	–	61,058,003	19.5
British Pound	33,428,758	–	33,428,758	10.7
Norwegian Krone	18,934,480	–	18,934,480	6.0
Japanese Yen	18,443,183	–	18,443,183	5.9
Singapore Dollar	15,459,478	–	15,459,478	4.9
Swiss Franc	12,676,255	–	12,676,255	4.0
Hong Kong Dollar	10,596,891	–	10,596,891	3.4
South Korean Won	8,908,247	–	8,908,247	2.8
Swedish Krona	5,984,343	–	5,984,343	1.9
Danish Krone	5,361,677	–	5,361,677	1.7
Australian Dollar	5,136,595	–	5,136,595	1.6
South African Rand	4,760,688	–	4,760,688	1.5
Mexican Peso	4,561,495	–	4,561,495	1.5
Brazilian Real	639,097	–	639,097	0.2
Israel Shekel	11,569	–	11,569	0.0
	302,172,310	–	302,172,310	96.3

December 31, 2017				
Currency	Gross currency exposure (\$)	Currency contracts (\$)	Net exposure (\$)	Percentage of net assets (%)
US Dollar	93,044,792	–	93,044,792	32.1
European Euro	59,547,524	–	59,547,524	20.5
British Pound	38,421,687	–	38,421,687	13.3
Japanese Yen	19,147,348	–	19,147,348	6.6
Norwegian Krone	17,223,201	–	17,223,201	5.9
Singapore Dollar	14,425,923	–	14,425,923	5.0
Swiss Franc	12,580,545	–	12,580,545	4.3
South Korean Won	9,585,941	–	9,585,941	3.3
Australian Dollar	7,654,237	–	7,654,237	2.6
Danish Krone	4,811,196	–	4,811,196	1.7
Hong Kong Dollar	3,531,386	–	3,531,386	1.2
Swedish Krona	1,403,464	–	1,403,464	0.5
Brazilian Real	861,984	–	861,984	0.3
South African Rand	30,092	–	30,092	0.0
Israel Shekel	11,611	–	11,611	0.0
	282,280,931	–	282,280,931	97.3

If the Canadian dollar strengthened or weakened by 10% in relation to all other currencies, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by \$30,217,231 or 9.6%

(December 31, 2017 – \$28,228,093 or 9.7%). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Price risk

Price risk is the risk that the carrying value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) caused by factors specific to a security, its issuer or all factors affecting a market or a market segment. Exposure to price risk is mainly in equities, underlying funds, derivatives and commodities, as applicable. As at June 30, 2018, approximately 91.8% (December 31, 2017 – 94.1%) of the Fund's net assets were exposed to price risk. If prices of these instruments had decreased or increased by 10%, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by approximately \$28,784,720 (December 31, 2017 – \$27,272,482). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Credit risk

The Fund had no significant exposure to bonds and debentures, money market instruments or preferred shares as at June 30, 2018 or December 31, 2017.

Concentration risk

Concentration risk arises as a result of the concentration of financial instruments within the same category, geographical location, asset type or industry sector, as applicable. The table below is a summary of the Fund's concentration risk by carrying value as a percentage of net assets:

	Percentage of net assets (%)	
	June 30, 2018	December 31, 2017
Australia	1.5	2.6
Brazil	0.2	0.3
Denmark	1.6	1.7
Finland	2.1	3.8
France	4.7	4.6
Germany	3.3	3.3
Hong Kong	3.0	1.0
Japan	5.6	6.3
Mexico	1.4	–
Netherlands	8.5	8.2
Norway	5.5	5.5
Singapore	4.4	4.6
South Africa	1.5	–
South Korea	2.8	3.3
Sweden	1.9	0.5
Switzerland	4.0	4.3
United Kingdom	10.1	12.7
United States	29.7	31.4

Scotia Global Opportunities Fund (Unaudited – Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

Fair Value Classification (note 2)

The tables below illustrate the classification of the Fund's financial instruments within the fair value hierarchy.

June 30, 2018	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Equities	97,467,563	190,379,639	–	287,847,202
	97,467,563	190,379,639	–	287,847,202

December 31, 2017	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Equities	90,594,174	182,130,650	–	272,724,824
Unrealized gain on currency spot contracts	–	778	–	778
	90,594,174	182,131,428	–	272,725,602

Transfers between levels

During the periods ended June 30, 2018 and December 31, 2017, there were no significant transfers between Level 1 and Level 2.

Offsetting of financial assets and liabilities (note 2)

As at June 30, 2018 and December 31, 2017, the Fund did not enter into any agreement whereby the financial instruments were eligible for offset.

Interest in Underlying Funds (note 2)

The Fund did not hold any interest in Underlying Funds as at June 30, 2018 or December 31, 2017.

Comparison of net asset value per unit and net assets per unit (note 2)

As at June 30, 2018 or December 31, 2017, there were no differences between the net asset value per unit and the net assets per unit for any series of the Fund.

Scotia Private Options Income Pool (Unaudited)

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	June 30, 2018	December 31, 2017
ASSETS		
Current assets		
Financial assets at fair value through profit or loss (note 2)		
Non-derivative financial assets	817,156,038	725,210,927
Derivatives	18,725,814	20,340,956
Cash	53,106,080	133,051,085
Cash collateral deposited on derivatives	18,933,584	8,035,960
Margin deposited on derivatives	7,582,283	–
Receivable for securities sold	19,264,854	1,856,331
Subscriptions receivable	809,971	536,986
Accrued investment income and other	293,747	289,136
	<u>935,872,371</u>	<u>889,321,381</u>
LIABILITIES		
Current liabilities		
Financial liabilities at fair value through profit or loss (note 2)		
Derivatives	13,725,933	4,574,150
Management fee payable	26,761	–
Payable for securities purchased	18,549,715	4,922,165
Redemptions payable	559,014	1,863,675
Accrued expenses	68,640	5
Distributions payable	89,791	1,376
	<u>33,019,854</u>	<u>11,361,371</u>
Net assets attributable to holders of redeemable units	<u>902,852,517</u>	<u>877,960,010</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series I	570,481,993	577,689,643
Series K	27,795,324	25,073,596
Series M	304,575,200	275,196,771
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series I	10.51	10.37
Series K	9.86	9.88
Series M	9.75	9.76

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended June 30 (note 1),

(in dollars except average units)	2018	2017
INCOME		
Net gain (loss) on financial assets and liabilities at fair value through profit or loss		
Dividends	3,864,119	2,505,192
Interest for distribution purposes	3,048,164	1,442,383
Net realized gain (loss) on non-derivative financial assets	19,684,262	10,641,148
Change in unrealized gain (loss) on non-derivative financial assets	1,640,220	(15,502,835)
Net realized gain (loss) on derivatives	(4,714,002)	27,097,917
Change in unrealized gain (loss) on derivatives	<u>(8,186,179)</u>	<u>13,237,273</u>
Net gain (loss) on financial assets and liabilities at fair value through profit or loss	15,336,584	39,421,078
Securities lending (note 11)	8	–
Net realized and unrealized foreign currency translation gain (loss)	<u>6,471,496</u>	<u>(11,822,592)</u>
Total income (loss), net	<u>21,808,088</u>	<u>27,598,486</u>
EXPENSES		
Management fees (note 5)	146,324	115,786
Fixed administration fees (note 6)	380,010	329,855
Independent Review Committee fees	587	576
Interest expense and bank overdraft charges	4,466	2,001
Foreign withholding taxes/tax reclaims	567,631	308,008
Harmonized Sales Tax/Goods and Services Tax	53,357	45,943
Transaction costs	<u>2,007,182</u>	<u>2,003,479</u>
Total expenses	<u>3,159,557</u>	<u>2,805,648</u>
Increase (decrease) in net assets attributable to holders of redeemable units from operations	<u>18,648,531</u>	<u>24,792,838</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series I	12,061,419	18,609,426
Series K	517,179	88,441
Series M	<u>6,069,933</u>	<u>6,094,971</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT[†]		
Series I	0.22	0.33
Series K	0.19	0.08
Series M	<u>0.20</u>	<u>0.25</u>
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series I	54,554,937	55,775,682
Series K	2,682,426	1,070,269
Series M	<u>29,842,790</u>	<u>24,048,994</u>

[†] The increase (decrease) in net assets attributable to holders of redeemable units from operations per unit is calculated by dividing the increase (decrease) in net assets attributable to holders of redeemable units from operations per series by the weighted average number of units per series.

Scotia Private Options Income Pool (Unaudited – Continued)

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the periods ended June 30 (note 1),

(in dollars)	2018	2017
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series I	577,689,643	575,786,743
Series K	25,073,596	4,307,394
Series M	275,196,771	215,627,871
	<u>877,960,010</u>	<u>795,722,008</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series I	12,061,419	18,609,426
Series K	517,179	88,441
Series M	6,069,933	6,094,971
	<u>18,648,531</u>	<u>24,792,838</u>
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net investment income		
Series I	(4,146,205)	–
Series K	(75,469)	–
Series M	(786,796)	–
From net realized gains on investments		
Series K	(537,659)	(87,787)
Series M	(5,863,380)	(161,326)
From return of capital		
Series K	–	(177,781)
Series M	–	(5,199,023)
	<u>(11,409,509)</u>	<u>(5,625,917)</u>
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series I	11,516,989	32,170,309
Series K	6,053,455	11,859,389
Series M	52,616,153	41,432,531
Reinvested distributions		
Series I	3,917,847	–
Series K	613,042	265,567
Series M	6,434,086	5,220,384
Payments on redemption		
Series I	(30,557,700)	(37,067,365)
Series K	(3,848,820)	(357,536)
Series M	(29,091,567)	(18,126,828)
	<u>17,653,485</u>	<u>35,396,451</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series I	(7,207,650)	13,712,370
Series K	2,721,728	11,590,293
Series M	29,378,429	29,260,709
	<u>24,892,507</u>	<u>54,563,372</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series I	570,481,993	589,499,113
Series K	27,795,324	15,897,687
Series M	304,575,200	244,888,580
	<u>902,852,517</u>	<u>850,285,380</u>

STATEMENTS OF CASH FLOWS

For the periods ended June 30 (note 1),

(in dollars)	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	18,648,531	24,792,838
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(19,684,262)	(10,641,148)
Unrealized foreign currency translation (gain) loss	155,128	10,920,127
Change in unrealized (gain) loss on non-derivative financial assets	(1,640,220)	15,502,835
Net realized (gain) loss on derivatives	(24,599,201)	(21,452,152)
Change in unrealized (gain) loss on derivatives	8,186,179	(13,237,273)
Purchases of portfolio investments	(1,233,809,583)	(448,307,988)
Proceeds from sale of portfolio investments	1,186,587,927	564,334,636
Cash collateral deposited on derivatives	(10,897,624)	–
Margin deposited on derivatives	(7,582,283)	–
Accrued investment income and other	(4,611)	(130,334)
Accrued expenses and other payables	95,396	83,275
Net cash provided by (used in) operating activities	<u>(84,544,623)</u>	<u>121,864,816</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	69,827,195	84,085,782
Amounts paid on redemption of redeemable units	(64,716,330)	(55,533,226)
Distributions to unitholders of redeemable units	(356,119)	(113,076)
Net cash provided by (used in) financing activities	4,754,746	28,439,480
Unrealized foreign currency translation gain (loss)	(155,128)	(10,920,127)
Net increase (decrease) in cash	(79,789,877)	150,304,296
Cash (bank overdraft), beginning of period	133,051,085	397,659,013
CASH (BANK OVERDRAFT), END OF PERIOD	<u>53,106,080</u>	<u>537,043,182</u>
Interest paid ⁽¹⁾	4,466	2,001
Interest received, net of withholding taxes ⁽¹⁾	3,048,164	1,284,988
Dividends received, net of withholding taxes ⁽¹⁾	3,291,875	2,224,244

⁽¹⁾ Classified as operating items.

Scotia Private Options Income Pool (Unaudited – Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at June 30, 2018

Issuer	Number of Shares/ Number of Contracts	Average Cost (\$)	Carrying Value (\$)	Issuer	Number of Shares/ Number of Contracts	Average Cost (\$)	Carrying Value (\$)
LONG POSITIONS – 91.3%				LONG POSITIONS (cont'd)			
Consumer Discretionary – 6.4%				Health Care (cont'd)			
Amazon.com, Inc.	3,758	4,538,913	8,401,305	Johnson & Johnson	37,769	5,907,544	6,027,423
Booking Holdings Inc.	1,704	4,447,397	4,542,917	Mylan NV	77,203	3,976,821	3,669,564
Comcast Corporation, Class A	281,500	13,546,220	12,147,217	UnitedHealth Group Incorporated	2,493	687,038	804,420
Dollar General Corporation	25,420	2,990,990	3,296,436			<u>53,093,542</u>	<u>63,697,086</u>
General Motors Company	28,428	1,523,816	1,473,108				
LKQ Corporation	19,104	936,223	801,507	Industrials – 7.0%			
McDonald's Corporation	3,808	818,766	784,748	Air Canada	325,000	8,583,250	6,906,250
Michael Kors Holdings Limited	53,046	4,214,405	4,646,426	Ametek Inc.	17,216	1,586,950	1,633,883
News Corporation, Class A	313,645	6,235,643	6,393,847	Delta Air Lines, Inc.	15,451	1,053,873	1,006,711
Ross Stores, Inc.	75,619	7,793,848	8,428,743	FedEx Corporation	5,032	1,573,256	1,502,704
Royal Caribbean Cruises Ltd.	48,679	6,965,132	6,632,749	General Dynamics Corporation	36,671	9,426,756	8,990,506
		<u>54,011,353</u>	<u>57,549,003</u>	General Electric Company, Call Options \$25.00 Sep 21, 2018	4,465	173,375	5,872
				Honeywell International Inc.	34,648	6,165,920	6,564,227
Consumer Staples – 4.3%				Huntington Ingalls Industries Inc.	15,000	4,597,331	4,276,837
Altria Group, Inc.	62,500	5,010,065	4,668,142	Jacobs Engineering Group, Inc.	61,014	5,070,337	5,094,798
Archer-Daniels-Midland Company	49,031	2,786,281	2,955,376	Norfolk Southern Corporation	4,034	810,944	800,444
Colgate-Palmolive Company	50,000	4,515,649	4,261,909	Raytheon Company	14,497	3,676,883	3,683,261
Mondelez International, Inc.	54,588	2,846,707	2,943,562	Rockwell Automation, Inc.	25,000	5,970,387	5,465,647
PepsiCo, Inc.	33,844	4,718,053	4,845,985	Southwest Airlines Company	78,383	5,372,043	5,245,189
Philip Morris International Inc.	29,362	3,203,254	3,117,931	Stanley Black & Decker Inc.	55,860	10,803,259	9,757,170
Procter & Gamble Company, The	31,421	3,077,274	3,225,824	Union Pacific Corporation	4,286	733,446	798,643
Walmart Inc.	110,000	12,569,337	12,391,169	Waste Management, Inc.	14,677	1,576,213	1,570,123
		<u>38,726,620</u>	<u>38,409,898</u>			<u>67,174,223</u>	<u>63,302,265</u>
Currency Options – 0.3%				Information Technology – 10.4%			
USD Call / CAD Put, Call Option \$1.385 Aug 07, 2018	240,000,000	151,511	151,196	Alphabet Inc., Class A	3,443	4,388,846	5,113,240
USD Call / CAD Put, Call Options \$1.325 Sep 07, 2018	160,000,000	1,429,915	1,958,913	Applied Materials, Inc.	120,442	7,663,845	7,316,748
USD Call / CAD Put, Call Options \$1.345 Aug 07, 2018	240,000,000	1,140,038	886,656	Broadcom Ltd.	12,500	3,878,246	3,989,005
USD Put / CAD Call, Put Options \$1.26 Sep 07, 2018	80,000,000	152,789	161,928	Broadcom Ltd., Call Options \$300.00 Sep 21, 2018	1,200	1,054,888	185,443
		<u>2,874,253</u>	<u>3,158,693</u>	Cadence Design Systems Inc.	37,116	1,815,850	2,114,178
				Cisco Systems, Inc.	84,422	4,784,109	4,777,703
Energy – 2.6%				Cognizant Technology Solutions Corporation	40,273	4,009,133	4,183,871
Alerian MLP ETF, Call Options \$14.00 Jan 18, 2019	23,000	406,366	75,624	DXC Technology Company	32,972	3,517,078	3,495,637
Chevron Corporation	48,925	7,812,193	8,135,292	eBay Inc.	154,660	7,795,895	7,375,610
Halliburton Company	133,499	8,664,934	7,911,546	Facebook Inc.	16,149	3,591,062	4,127,198
Marathon Oil Corporation	141,607	3,949,620	3,885,001	Hewlett Packard Enterprise Company	333,890	7,006,401	6,415,726
Marathon Petroleum Corporation	35,634	2,478,371	3,288,110	HP Inc.	278,491	7,746,768	8,310,704
		<u>23,311,484</u>	<u>23,295,573</u>	International Business Machines Corporation	20,204	3,752,739	3,712,154
				Lam Research Corporation	20,000	4,695,027	4,546,650
Financials – 9.2%				MasterCard, Inc., Class A	15,094	3,009,981	3,901,245
Bank of America Corporation	436,405	16,694,601	16,179,942	Micron Technology, Inc.	24,787	1,878,433	1,709,538
Berkshire Hathaway Inc., Class B	3,929	978,382	964,500	Microsoft Corporation	61,332	6,549,353	7,954,269
Capital One Financial Corporation	33,007	3,989,616	3,989,456	Synopsys Inc.	68,970	7,498,186	7,762,005
Citigroup Inc.	199,896	17,772,375	17,593,498	Visa Inc.	1,700	168,005	296,137
Invesco Limited	55,000	2,233,504	1,921,246	Western Digital Corporation	45,000	4,581,556	4,581,437
Jefferies Financial Group Inc.	34,064	1,048,661	1,018,775	Xilinx Inc.	20,923	1,904,616	1,795,822
JPMorgan Chase & Co.	56,013	7,844,699	7,676,243			<u>91,290,017</u>	<u>93,664,320</u>
Morgan Stanley	153,448	10,381,840	9,566,030	Materials – 1.1%			
Northern Trust Corporation	5,896	804,153	797,853	Air Products and Chemicals, Inc.	31,660	6,685,156	6,484,483
Principal Financial Group, Inc.	50,000	4,136,166	3,481,995	Avery Dennison Corporation	9,500	1,307,298	1,275,679
Prudential Financial, Inc.	96,394	13,027,267	11,854,963	Freeport-McMoRan Copper & Gold Inc.	111,474	2,440,481	2,530,501
State Street Corporation	60,648	7,732,748	7,425,260			<u>10,432,935</u>	<u>10,290,663</u>
Unum Group	15,638	796,015	760,778				
		<u>87,440,027</u>	<u>83,230,539</u>	Options on Index Based Exchange-Traded Funds – 0.5%			
				SPDR S&P 500 ETF, Put Options \$235.00 Aug 03, 2018	6,500	380,582	294,934
Health Care – 5.9%				SPDR S&P 500 ETF, Put Options \$242.50 Jul 13, 2018	6,500	212,608	102,586
Agilent Technologies, Inc.	52,694	4,436,477	4,285,710	SPDR S&P 500 ETF, Put Options \$242.50 Jul 27, 2018	6,500	291,863	307,757
Anthem, Inc.	13,661	3,924,047	4,276,676	SPDR S&P 500 ETF, Put Options \$243.00 Jul 20, 2018	6,500	274,308	209,446
Biogen Inc.	2,073	748,685	791,314	SPDR S&P 500 ETF, Put Options \$255.00 Aug 03, 2018	6,500	1,081,200	940,369
Bristol-Myers Squibb Company	86,947	5,988,555	6,328,283	SPDR S&P 500 ETF, Put Options \$262.50 Jul 13, 2018	6,500	667,295	645,435
Centene Corporation	31,579	4,680,650	5,117,248	SPDR S&P 500 ETF, Put Options \$262.50 Jul 27, 2018	6,500	833,290	1,316,516
CIGNA Corporation	27,539	6,774,754	6,155,474	SPDR S&P 500 ETF, Put Options \$263.00 Jul 20, 2018	6,500	789,163	1,089,973
Danaheer Corporation	60,521	7,856,734	7,854,660			<u>4,530,309</u>	<u>4,907,016</u>
Gilead Sciences, Inc.	90,012	8,112,237	8,386,314				

The accompanying notes are an integral part of the financial statements.

Scotia Private Options Income Pool (Unaudited – Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at June 30, 2018

Issuer	Number of Contracts	Average Cost (\$)	Carrying Value (\$)	Issuer	Number of Contracts	Average Cost (\$)	Carrying Value (\$)
SHORT POSITIONS (cont'd)				SHORT POSITIONS (cont'd)			
Information Technology (cont'd)				Options on Index Based Exchange-Traded Funds – (0.4%)			
Alphabet Inc., Class A, Written Put Options \$1050.00 Aug 03, 2018	(30)	(61,830)	(49,912)	SPDR S&P 500 ETF, Written Put Options \$245.00 Aug 03, 2018	(13,000)	(1,202,278)	(1,000,210)
Alphabet Inc., Class A, Written Put Options \$1070.00 Aug 17, 2018	(40)	(79,845)	(112,055)	SPDR S&P 500 ETF, Written Put Options \$252.50 Jul 13, 2018	(13,000)	(686,231)	(418,892)
Apple Inc., Written Put Options \$170.00 Aug 17, 2018	(200)	(58,153)	(47,347)	SPDR S&P 500 ETF, Written Put Options \$252.50 Jul 27, 2018	(13,000)	(909,416)	(1,171,187)
Apple Inc., Written Put Options \$175.00 Aug 17, 2018	(200)	(61,521)	(72,336)	SPDR S&P 500 ETF, Written Put Options \$253.00 Jul 20, 2018	(13,000)	(835,573)	(854,881)
Applied Materials Inc., Written Put Options \$43.00 Aug 17, 2018	(700)	(58,220)	(103,572)			<u>(3,633,498)</u>	<u>(3,445,170)</u>
Broadcom Ltd., Written Call Options \$330.00 Sep 21, 2018	(450)	(154,021)	(20,714)	Real Estate – 0.0%			
Broadcom Ltd., Written Call Options \$340.00 Sep 21, 2018	(750)	(201,264)	(27,126)	CB Richard Ellis Group Inc., Written Put Options \$45.00 Jul 20, 2018	(650)	(45,269)	(10,686)
Broadcom Ltd., Written Put Options \$240.00 Jul 20, 2018	(150)	(66,110)	(85,817)	Equinix Inc., Written Put Options \$370.00 Aug 17, 2018	(95)	(66,309)	(24,989)
Broadcom Ltd., Written Put Options \$245.00 Jul 27, 2018	(150)	(66,223)	(147,960)	Equinix Inc., Written Put Options \$380.00 Sep 21, 2018	(100)	(116,483)	(71,021)
Cisco Systems Inc., Written Put Options \$41.00 Aug 17, 2018	(775)	(65,853)	(85,620)	GGP Inc., Written Put Options \$20.00 Jul 20, 2018	(1,850)	(70,564)	(48,662)
Cisco Systems Inc., Written Put Options \$41.50 Jul 27, 2018	(850)	(49,229)	(54,778)			<u>(298,625)</u>	<u>(155,358)</u>
eBay Inc., Written Put Options \$36.00 Jul 27, 2018	(950)	(49,323)	(149,308)	Telecommunication Services – 0.0%			
Facebook Inc., Written Put Options \$175.00 Aug 17, 2018	(200)	(82,174)	(67,733)	T-Mobile US Inc., Written Put Options \$50.00 Aug 17, 2018	(700)	(97,159)	(12,889)
Hewlett Packard Enterprise Company, Written Put Options \$14.00 Aug 17, 2018	(2,250)	(75,206)	(79,898)	T-Mobile US Inc., Written Put Options \$55.00 Aug 03, 2018	(425)	(40,719)	(23,756)
Intel Corporation, Written Put Options \$47.00 Jul 27, 2018	(750)	(38,911)	(80,392)	T-Mobile US Inc., Written Put Options \$55.00 Jul 20, 2018	(950)	(84,913)	(19,366)
International Business Machines Corporation, Written Put Options \$138.00 Jul 27, 2018	(250)	(42,537)	(93,050)	Verizon Communications Inc., Written Put Options \$45.00 Jul 20, 2018	(775)	(37,179)	(7,135)
KLA-Tencor Corporation, Written Put Options \$105.00 Jul 20, 2018	(325)	(40,513)	(170,976)	Verizon Communications Inc., Written Put Options \$45.00 Jul 27, 2018	(750)	(50,497)	(14,303)
KLA-Tencor Corporation, Written Put Options \$95.00 Aug 17, 2018	(325)	(56,492)	(88,694)	Verizon Communications Inc., Written Put Options \$46.00 Jul 20, 2018	(800)	(48,823)	(10,522)
Lam Research Corporation, Written Put Options \$165.00 Jul 20, 2018	(195)	(37,727)	(63,475)			<u>(359,290)</u>	<u>(87,971)</u>
Marvell Technology Group Ltd., Written Put Options \$17.00 Aug 17, 2018	(2,000)	(64,175)	(22,358)	TOTAL SHORT POSITIONS		<u>(11,711,287)</u>	<u>(13,254,807)</u>
NXP Semiconductors NV, Written Put Options \$85.00 Jul 20, 2018	(425)	(122,388)	(19,564)	Transaction Costs		<u>(233,232)</u>	
Oracle Corporation, Written Put Options \$41.00 Aug 17, 2018	(725)	(52,594)	(35,280)	TOTAL INVESTMENT PORTFOLIO		<u>801,716,027</u>	<u>812,233,880</u>
Oracle Corporation, Written Put Options \$42.00 Aug 17, 2018	(725)	(57,902)	(52,444)	Unrealized Gain (Loss) on Derivatives – 1.1%			9,922,084
QUALCOMM Inc., Written Put Options \$52.50 Jul 20, 2018	(700)	(82,000)	(48,334)	OTHER ASSETS, LESS LIABILITIES – 9.1%			<u>80,696,553</u>
Red Hat Inc., Written Put Options \$130.00 Aug 17, 2018	(250)	(70,324)	(115,080)	NET ASSETS – 100.0%			<u>902,852,517</u>
Western Digital Corporation, Written Put Options \$75.00 Jul 20, 2018	(700)	(76,027)	(114,620)				
		<u>(2,097,358)</u>	<u>(2,378,113)</u>				
Materials – 0.0%							
Freeport-McMoRan Copper & Gold Inc., Written Put Options \$15.00 Jul 20, 2018	(2,250)	(82,265)	(32,551)				
LyondellBasell Industries NV, Written Put Options \$104.00 Jul 06, 2018	(325)	(35,793)	(3,206)				
		<u>(118,058)</u>	<u>(35,757)</u>				

SCHEDULE OF DERIVATIVE INSTRUMENTS

UNREALIZED GAIN ON CURRENCY FORWARD CONTRACTS

Counterparty	Credit Rating	Settlement Date	Currency To Be Received	Contractual Amount	Currency To Be Delivered	Contractual Amount	Contract Price	Market Price	Unrealized Gain (\$)
Citigroup Global Markets Limited	A-1	Jul. 18, 2018	Canadian Dollar	321,691,941	US Dollar	241,850,000	0.752	0.761	3,894,773
Bank of America, N.A.	A-1	Jul. 18, 2018	Canadian Dollar	240,675,622	US Dollar	180,970,000	0.752	0.761	2,876,353
Royal Bank of Canada	A-1+	Jul. 18, 2018	Canadian Dollar	116,411,830	US Dollar	87,540,000	0.752	0.761	1,382,002
									<u>8,153,128</u>

UNREALIZED LOSS ON CURRENCY FORWARD CONTRACTS

Counterparty	Credit Rating	Settlement Date	Currency To Be Received	Contractual Amount	Currency To Be Delivered	Contractual Amount	Contract Price	Market Price	Unrealized Loss (\$)
Royal Bank of Canada	A-1+	Jul. 18, 2018	US Dollar	12,000,000	Canadian Dollar	15,969,900	1.331	1.314	(201,841)
Royal Bank of Canada	A-1+	Jul. 18, 2018	US Dollar	20,000,000	Canadian Dollar	26,549,400	1.327	1.314	(269,242)
									<u>(471,083)</u>

The accompanying notes are an integral part of the financial statements.

Scotia Private Options Income Pool (Unaudited – Continued)

SCHEDULE OF DERIVATIVE INSTRUMENTS

UNREALIZED GAIN ON FUTURES CONTRACTS

Expiry Date	Number of Contracts	Futures Contracts	Counterparty	Credit Risk	Contractual Value Canadian (\$)	Fair Value Canadian (\$)	Unrealized Gain (\$)
INDEX FUTURES CONTRACTS							
Sep. 2018	(708)	S&P 500 Composite Stock Index – E-Mini Futures	Goldman Sachs & Co. LLC	A-2	(128,952,615)	(126,712,576)	2,240,039
							<u>2,240,039</u>

The accompanying notes are an integral part of the financial statements.

Scotia Private Options Income Pool (Unaudited – Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

The Fund (note 1)

The Fund's investment objective is to seek high income and long-term capital appreciation primarily by writing put options on equity securities to collect premiums, investing directly in equity securities and/or writing call options on these securities.

Risks associated with financial instruments (note 4)

Interest rate risk

The table below summarizes the Fund's exposure to interest rate risk by the remaining term to maturity of the Fund's portfolio, excluding underlying funds, preferred shares, cash and overdrafts, as applicable.

Interest rate exposure	June 30, 2018 (\$)	December 31, 2017 (\$)
Less than 1 year	372,417,084	365,603,165
1-3 years	-	-
3-5 years	-	-
5-10 years	-	-
> 10 years	-	-
	372,417,084	365,603,165

As at June 30, 2018, had the prevailing interest rates increased or decreased by 0.25%, assuming a parallel shift in the yield curve and all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by \$383,011 or approximately 0.0% (December 31, 2017 – \$436,871 or approximately 0.0%).

Currency risk

The Fund's exposure to currency risk is summarized in the tables below. Amounts shown are based on the carrying value of monetary and non-monetary assets and liabilities of the Fund net of currency contracts, as applicable.

Currency	June 30, 2018			
	Gross currency exposure (\$)	Currency contracts (\$)	Net exposure (\$)	Percentage of net assets (%)
US Dollar	652,864,202	(628,068,747)	24,795,455	2.7
European Euro	62,800	-	62,800	0.0
	652,927,002	(628,068,747)	24,858,255	2.7

Currency	December 31, 2017			
	Gross currency exposure (\$)	Currency contracts (\$)	Net exposure (\$)	Percentage of net assets (%)
US Dollar	637,827,483	(600,357,026)	37,470,457	4.3
European Euro	61,754	-	61,754	0.0
	637,889,237	(600,357,026)	37,532,211	4.3

If the Canadian dollar strengthened or weakened by 10% in relation to all other currencies, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by \$2,485,826 or 0.3% (December 31, 2017 – \$3,753,221 or 0.4%). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Price risk

Price risk is the risk that the carrying value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) caused by factors specific to a security, its issuer or all factors affecting a market or a market segment. Exposure to price risk is mainly in equities, underlying funds, derivatives and commodities, as applicable. As at June 30, 2018, approximately 49.0% (December 31, 2017 – 41.2%) of the Fund's net assets were exposed to price risk. If prices of these instruments had decreased or increased by 10%, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by approximately \$44,205,684 (December 31, 2017 – \$36,123,755). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Credit risk

The table below summarizes the credit ratings of bonds and debentures, money market instruments and preferred shares held by the Fund, as applicable.

	June 30, 2018		December 31, 2017	
	Percentage of total credit rated instruments (%)	Percentage of net assets (%)	Percentage of total credit rated instruments (%)	Percentage of net assets (%)
Credit ratings				
A-1+	100.0	41.2	100.0	41.6
	100.0	41.2	100.0	41.6

Concentration risk

Concentration risk arises as a result of the concentration of financial instruments within the same category, geographical location, asset type or industry sector, as applicable. The table below is a summary of the Fund's concentration risk by carrying value as a percentage of net assets:

	Percentage of net assets (%)	
	June 30, 2018	December 31, 2017
Consumer Discretionary	6.2	4.7
Consumer Staples	4.3	2.8
Currency Options	0.1	0.1
Energy	2.6	2.7
Financials	9.1	5.0
Health Care	5.8	5.2
Industrials	6.8	3.7
Information Technology	10.1	11.8
Materials	1.1	1.2
Options on Index Based Exchange-Traded Funds	0.1	0.1
Real Estate	0.8	1.4
Telecommunication Services	0.8	1.8
Treasury Bills	41.2	41.6
Utilities	0.8	0.8

Scotia Private Options Income Pool (Unaudited – Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

Fair Value Classification (note 2)

The tables below illustrate the classification of the Fund's financial instruments within the fair value hierarchy.

	Level 1	Level 2	Level 3	Total
June 30, 2018	(\$)	(\$)	(\$)	(\$)
Equities	444,738,955	–	–	444,738,955
Money market instruments	–	372,417,084	–	372,417,084
Warrants, rights and options	8,332,648	–	–	8,332,648
Unrealized gain on currency forward contracts	–	8,153,128	–	8,153,128
Unrealized gain on futures contracts	2,240,039	–	–	2,240,039
	455,311,642	380,570,212	–	835,881,854
Liability for written options	(13,254,807)	–	–	(13,254,807)
Unrealized loss on currency forward contracts	–	(471,083)	–	(471,083)
Unrealized loss on currency spot contracts	–	(45)	–	(45)
	442,056,835	380,099,084	–	822,155,919

	Level 1	Level 2	Level 3	Total
December 31, 2017	(\$)	(\$)	(\$)	(\$)
Equities	359,607,762	–	–	359,607,762
Money market instruments	–	365,603,165	–	365,603,165
Warrants, rights and options	5,755,732	448,203	–	6,203,935
Unrealized gain on currency forward contracts	–	14,137,021	–	14,137,021
	365,363,494	380,188,389	–	745,551,883
Liability for written options	(4,504,568)	(69,582)	–	(4,574,150)
	360,858,926	380,118,807	–	740,977,733

Transfers between levels

During the periods ended June 30, 2018 and December 31, 2017, there were no significant transfers between Level 1 and Level 2.

Offsetting of financial assets and liabilities (note 2)

The following table presents offsetting of financial assets and liabilities and collateral amounts that would occur if future events, such as bankruptcy or termination of contracts, were to arise. No amounts were offset in the financial statements.

	June 30, 2018			
Financial assets – by type	Gross amount of assets (\$)	Master netting offset (\$)	Collateral pledged/received (\$)	Net Amount (\$)
Currency forward contracts	8,153,128	(471,083)	–	7,682,045
Options contracts – OTC	3,158,693	(1,746,798)	–	1,411,895
Swap contracts – OTC	–	–	–	–
	11,311,821	(2,217,881)	–	9,093,940

Financial liabilities – by type	Gross amount of liabilities (\$)	Master netting offset (\$)	Collateral pledged/received (\$)	Net Amount (\$)
Currency forward contracts	471,083	(471,083)	–	–
Options contracts – OTC	1,746,798	(1,746,798)	(18,933,584)	–
Swap contracts – OTC	–	–	–	–
	2,217,881	(2,217,881)	(18,933,584)	–

	December 31, 2017			
Financial assets – by type	Gross amount of assets (\$)	Master netting offset (\$)	Collateral pledged/received (\$)	Net Amount (\$)
Currency forward contracts	14,137,021	–	–	14,137,021
Options contracts – OTC	448,203	(69,582)	–	378,621
Swap contracts – OTC	–	–	–	–
	14,585,224	(69,582)	–	14,515,642

Financial liabilities – by type	Gross amount of liabilities (\$)	Master netting offset (\$)	Collateral pledged/received (\$)	Net Amount (\$)
Currency forward contracts	–	–	–	–
Options contracts – OTC	69,582	(69,582)	–	–
Swap contracts – OTC	–	–	–	–
	69,582	(69,582)	–	–

Interest in Underlying Funds (note 2)

The Fund did not hold any interest in Underlying Funds as at June 30, 2018 or December 31, 2017.

Comparison of net asset value per unit and net assets per unit (note 2)

As at June 30, 2018 or December 31, 2017, there were no differences between the net asset value per unit and the net assets per unit for any series of the Fund.

Scotia Canadian Bond Index Fund (Unaudited)

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	June 30, 2018	December 31, 2017
ASSETS		
Current assets		
Financial assets at fair value through profit or loss (note 2)		
Non-derivative financial assets	241,918,818	261,087,300
Cash	3,272	9,942
Receivable for securities sold	800,281	316,556
Subscriptions receivable	275,951	131,273
Accrued investment income and other	1,376,933	1,430,605
	<u>244,375,255</u>	<u>262,975,676</u>
LIABILITIES		
Current liabilities		
Management fee payable	151,644	–
Payable for securities purchased	482,056	548,340
Redemptions payable	405,524	358,807
Accrued expenses	13,629	–
Distributions payable	10,049	19
	<u>1,062,902</u>	<u>907,166</u>
Net assets attributable to holders of redeemable units	<u>243,312,353</u>	<u>262,068,510</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series A	241,389,619	261,144,729
Series D	408,333	536,452
Series F	<u>1,514,401</u>	<u>387,329</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series A	11.33	11.45
Series D	9.38	9.47
Series F	<u>11.32</u>	<u>11.44</u>

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended June 30 (note 1),

(in dollars except average units)	2018	2017
INCOME		
Net gain (loss) on financial assets and liabilities at fair value through profit or loss		
Interest for distribution purposes	3,928,961	4,493,767
Net realized gain (loss) on non-derivative financial assets	(584,111)	443,076
Change in unrealized gain (loss) on non-derivative financial assets	<u>(1,940,042)</u>	<u>1,953,841</u>
Net gain (loss) on financial assets and liabilities at fair value through profit or loss	1,404,808	6,890,684
Securities lending (note 11)	2,061	18,030
Net realized and unrealized foreign currency translation gain (loss)	690	–
Other income	1,431	798
Total income (loss), net	<u>1,408,990</u>	<u>6,909,512</u>
EXPENSES		
Management fees (note 5)	867,512	1,003,629
Fixed administration fees (note 6)	74,515	86,135
Independent Review Committee fees	587	576
Interest expense and bank overdraft charges	546	375
Foreign withholding taxes/tax reclaims	–	152
Harmonized Sales Tax/Goods and Services Tax	112,766	130,675
Total expenses	<u>1,055,926</u>	<u>1,221,542</u>
Increase (decrease) in net assets attributable to holders of redeemable units from operations	<u>353,064</u>	<u>5,687,970</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A	337,447	5,668,977
Series D	639	(308)
Series F	<u>14,978</u>	<u>19,301</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT[†]		
Series A	0.02	0.23
Series D	0.01	(0.04)
Series F	<u>0.21</u>	<u>0.32</u>
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series A	21,934,943	24,882,651
Series D	49,126	8,274
Series F	<u>70,810</u>	<u>59,682</u>

[†] The increase (decrease) in net assets attributable to holders of redeemable units from operations per unit is calculated by dividing the increase (decrease) in net assets attributable to holders of redeemable units from operations per series by the weighted average number of units per series.

Scotia Canadian Bond Index Fund (Unaudited – Continued)

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the periods ended June 30 (note 1),

(in dollars)	2018	2017
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series A	261,144,729	296,559,652
Series D	536,452	45,008
Series F	387,329	809,974
	<u>262,068,510</u>	<u>297,414,634</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A	337,447	5,668,977
Series D	639	(308)
Series F	14,978	19,301
	<u>353,064</u>	<u>5,687,970</u>
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net investment income		
Series A	(3,086,486)	(3,584,412)
Series D	(6,290)	(1,377)
Series F	(12,849)	(9,865)
	<u>(3,105,625)</u>	<u>(3,595,654)</u>
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A	21,056,902	15,517,607
Series D	193,224	205,867
Series F	1,258,819	47,786
Reinvested distributions		
Series A	3,024,527	3,494,766
Series D	5,643	1,197
Series F	6,183	5,170
Payments on redemption		
Series A	(41,087,500)	(37,797,064)
Series D	(321,335)	(6,717)
Series F	(140,059)	(488,329)
	<u>(41,548,894)</u>	<u>(38,792,110)</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A	(19,755,110)	(16,700,126)
Series D	(128,119)	198,662
Series F	1,127,072	(425,937)
	<u>(18,756,157)</u>	<u>(16,927,401)</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series A	241,389,619	279,859,526
Series D	408,333	243,670
Series F	1,514,401	384,037
	<u>243,312,353</u>	<u>280,487,233</u>

STATEMENTS OF CASH FLOWS

For the periods ended June 30 (note 1),

(in dollars)	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	353,064	5,687,970
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	584,111	(443,076)
Unrealized foreign currency translation (gain) loss	30	–
Change in unrealized (gain) loss on non-derivative financial assets	1,940,042	(1,953,841)
Purchases of portfolio investments	(53,176,482)	(34,379,365)
Proceeds from sale of portfolio investments	69,270,800	53,126,347
Accrued investment income and other	53,672	128,496
Accrued expenses and other payables	165,273	192,771
Net cash provided by (used in) operating activities	<u>19,190,510</u>	<u>22,359,302</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	22,213,105	15,699,707
Amounts paid on redemption of redeemable units	(41,351,013)	(38,146,757)
Distributions to unitholders of redeemable units	(59,242)	(71,675)
Net cash provided by (used in) financing activities	<u>(19,197,150)</u>	<u>(22,518,725)</u>
Unrealized foreign currency translation gain (loss)	(30)	–
Net increase (decrease) in cash	(6,640)	(159,423)
Cash (bank overdraft), beginning of period	9,942	151,658
CASH (BANK OVERDRAFT), END OF PERIOD	<u>3,272</u>	<u>(7,765)</u>
Interest paid ⁽¹⁾	546	375
Interest received, net of withholding taxes ⁽¹⁾	3,971,769	4,627,078

⁽¹⁾ Classified as operating items.

Scotia Canadian Bond Index Fund (Unaudited – Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at June 30, 2018

Issuer	Face Value (\$)	Average Cost (\$)	Carrying Value (\$)	Issuer	Face Value (\$)	Average Cost (\$)	Carrying Value (\$)
BONDS AND DEBENTURES – 99.3%				BONDS AND DEBENTURES (cont'd)			
Corporate Bonds – 34.1%				Corporate Bonds (cont'd)			
407 East Development Group General Partnership 4.47% Jun 23, 2045	56,420	56,420	60,181	AltaLink LP 3.62% Sep 17, 2020	68,000	68,000	69,681
407 International Inc. (Callable) 2.43% Feb 04, 2027	32,000	31,988	30,581	AltaLink LP 3.67% Nov 06, 2023	77,000	77,000	80,449
407 International Inc. (Callable) 2.47% Aug 08, 2022	24,000	23,997	23,600	AltaLink LP 4.46% Nov 08, 2041	55,000	55,000	63,144
407 International Inc. (Callable) 3.30% Sep 27, 2044	39,000	38,934	37,449	AltaLink LP 4.87% Nov 15, 2040	65,000	65,000	78,444
407 International Inc. (Callable) 3.43% Dec 01, 2032	65,000	64,946	66,342	AltaLink LP 4.92% Sep 17, 2043	90,000	90,000	110,992
407 International Inc. (Callable) 3.60% Nov 21, 2046	54,000	53,940	54,650	AltaLink LP 5.25% Sep 22, 2036	20,000	23,856	24,728
407 International Inc. (Callable) 3.65% Mar 08, 2044	71,000	70,891	72,575	AltaLink LP 5.38% Mar 26, 2040	22,000	22,000	28,169
407 International Inc. (Callable) 3.72% Nov 11, 2047	115,000	115,000	119,122	Arrow Lakes Power 5.52% Apr 05, 2041	96,032	96,032	113,650
407 International Inc. (Callable) 3.83% Nov 11, 2045	45,000	44,927	47,213	Asian Development Bank 4.65% Feb 16, 2027	101,000	101,062	114,631
407 International Inc. (Callable) 3.98% Jun 11, 2052	80,000	79,611	85,527	Bank of Montreal (Floating Rate) 3.40% Apr 23, 2021	400,000	421,840	407,517
407 International Inc. (Callable) 4.19% Jan 25, 2042	53,000	52,928	58,562	Bank of Montreal 1.61% Oct 28, 2021	491,000	490,051	473,441
407 International Inc. (Callable) 4.30% Feb 26, 2021	121,000	124,634	126,410	Bank of Montreal 1.88% Mar 31, 2021	355,000	355,120	347,489
407 International Inc. (Callable) 4.45% Aug 15, 2041	54,000	56,271	61,842	Bank of Montreal 2.10% Oct 06, 2020	299,000	298,943	295,607
407 International Inc. (Callable) 4.68% Apr 07, 2053	33,000	32,994	39,828	Bank of Montreal 2.12% Mar 16, 2022	241,000	240,906	235,348
407 International Inc. 4.99% Jun 16, 2020	40,000	44,519	41,950	Bank of Montreal 2.27% Jul 11, 2022	237,000	236,988	231,969
407 International Inc. 5.75% Feb 14, 2036	79,000	78,899	101,779	Bank of Montreal 2.70% Dec 09, 2026	93,000	92,984	90,387
407 International Inc. 5.96% Dec 03, 2035	80,000	85,414	107,451	Bank of Montreal 2.70% Sep 11, 2024	486,000	485,937	477,627
407 International Inc. 6.47% Jul 27, 2029	125,000	159,194	163,308	Bank of Montreal 2.84% Jun 04, 2020	456,000	455,886	458,615
Access Prairies Partnership 4.23% Mar 01, 2048	34,000	34,000	34,901	Bank of Montreal 2.89% Jun 20, 2023	456,000	455,918	455,218
Aeroports de Montreal (Callable) 3.92% Dec 12, 2044	25,000	25,000	27,571	Bank of Montreal 3.19% Mar 01, 2028	240,000	239,837	241,239
Aeroports de Montreal 3.92% Sep 26, 2042	60,000	60,000	65,863	Bank of Montreal 4.61% Sep 10, 2025	249,000	266,947	274,231
Aeroports de Montreal 5.17% Sep 17, 2035	65,000	70,509	80,891	Bankers Hall LP 4.38% Nov 20, 2023	68,028	68,028	68,659
Aeroports de Montreal 5.67% Oct 16, 2037	75,000	87,660	100,134	bdcMC Realty Corporation (Callable) 2.15% Jul 11, 2022	75,000	74,978	73,040
Aeroports de Montreal 6.95% Apr 16, 2032	104,724	118,904	132,931	bdcMC Realty Corporation (Callable) 2.84% Mar 03, 2025	90,000	89,953	88,753
AGT Ltd. 8.80% Sep 22, 2025	99,000	143,272	129,971	bdcMC Realty Corporation (Callable) 3.00% Dec 31, 2026	57,000	57,000	56,323
AIMCo Realty Investors LP (Callable) 2.27% Apr 26, 2024	102,000	102,000	97,936	bdcMC Realty Corporation 2.10% Jun 03, 2021	66,000	65,974	64,897
AIMCo Realty Investors LP 3.04% Jun 01, 2028	42,000	42,000	41,365	bdcMC Realty Corporation 3.51% Jun 29, 2022	25,000	24,994	25,657
Aimia Inc. 5.60% May 17, 2019	103,000	102,924	102,356	Bell Canada (Callable) 2.70% Dec 27, 2023	180,000	179,795	175,006
Alberta Powerline LP 4.07% Dec 01, 2053	74,000	74,000	79,326	Bell Canada (Callable) 2.90% May 12, 2026	123,000	122,672	118,014
Alberta Powerline LP 4.07% Mar 01, 2054	73,000	73,000	78,263	Bell Canada (Callable) 3.00% Sep 03, 2022	238,000	238,714	237,773
Alectra Inc. (Callable) 2.49% Feb 17, 2027	103,000	103,000	99,021	Bell Canada (Callable) 3.15% Aug 29, 2021	100,000	99,602	100,836
Alectra Inc. (Callable) 3.24% Aug 21, 2024	75,000	75,000	76,619	Bell Canada (Callable) 3.35% Dec 22, 2022	215,000	214,637	217,429
Alectra Inc. 4.52% Apr 29, 2021	35,000	35,000	36,898	Bell Canada (Callable) 3.55% Dec 02, 2025	66,000	65,752	66,406
Alectra Inc. 5.30% Apr 29, 2041	60,000	60,000	76,519	Bell Canada (Callable) 4.35% Jun 18, 2045	96,000	95,538	96,257
Algonquin Power & Utilities Corporation 4.65% Feb 15, 2022	70,000	69,905	73,532	Bell Canada (Callable) 4.45% Aug 27, 2046	95,000	94,501	96,749
Algonquin Power & Utilities Corporation 4.82% Feb 15, 2021	50,000	49,970	52,305	Bell Canada (Callable) 4.70% Jun 11, 2023	145,000	144,851	155,162
Algonquin Power Company (Callable) 4.09% Nov 17, 2026	28,000	27,980	28,446	Bell Canada (Callable) 4.75% Mar 29, 2044	58,000	57,477	61,630
Alimentation Couche-Tard Inc. (Callable) 3.06% May 26, 2024	75,000	75,000	73,575	Bell Canada 2.00% Oct 01, 2021	149,000	148,708	144,940
Alimentation Couche-Tard Inc. (Callable) 3.60% Mar 02, 2025	188,000	188,000	188,996	Bell Canada 3.25% Jun 17, 2020	196,000	195,853	198,277
Alimentation Couche-Tard Inc. 3.32% Nov 01, 2019	165,000	165,000	166,855	Bell Canada 3.35% Jun 18, 2019	115,000	114,815	116,085
Alliance Pipeline LP 5.55% Dec 31, 2023	14,792	14,796	15,432	Bell Canada 3.54% Jun 12, 2020	60,000	60,000	61,015
Alliance Pipeline LP 6.77% Dec 31, 2025	47,188	47,188	53,318	Bell Canada 4.95% May 19, 2021	85,000	84,689	89,940
Alliance Pipeline LP 7.18% Jun 30, 2023	25,080	26,393	27,908	Bell Canada 6.10% Mar 16, 2035	37,000	34,302	45,765
Alliance Pipeline LP 7.22% Dec 31, 2025	35,393	37,428	40,749	Bell Canada 6.17% Feb 26, 2037	38,000	37,965	47,335
Allied Properties Real Estate Investment Trust (Callable) 3.64% Feb 21, 2025	67,000	67,000	65,362	Bell Canada 7.30% Feb 23, 2032	35,000	47,110	47,000
Allied Properties Real Estate Investment Trust 3.75% May 13, 2020	43,000	43,000	43,612	Bell Canada 7.65% Dec 30, 2031	19,000	24,230	25,265
Allied Properties Real Estate Investment Trust 3.93% Nov 14, 2022	73,000	73,000	74,059	Bell Canada 7.85% Apr 02, 2031	80,000	93,650	110,643
AltaGas Ltd. (Callable) 3.57% Mar 12, 2023	106,000	105,921	107,031	Bell Canada Inc. (Callable) 3.35% Jan 12, 2025	82,000	81,878	82,057
AltaGas Ltd. (Callable) 3.84% Oct 15, 2024	85,000	84,975	86,085	Bell Canada Inc. (Callable) 3.60% Jun 29, 2027	79,000	78,770	79,076
AltaGas Ltd. (Callable) 3.98% Jul 04, 2027	16,000	15,993	16,123	Blackbird Infrastructure 407 General Partnership (Callable) 1.71% Jan 08, 2020	57,000	56,556	56,251
AltaGas Ltd. (Callable) 4.12% Jan 07, 2026	27,000	26,985	27,700	Blackbird Infrastructure 407 General Partnership 3.76% Jun 30, 2047	39,000	39,000	38,983
AltaGas Ltd. (Callable) 4.40% Dec 15, 2023	12,000	11,993	12,538	BMW Canada Inc. 1.78% Oct 19, 2020	42,000	41,987	41,199
AltaGas Ltd. (Callable) 4.99% Apr 04, 2047	37,000	37,000	38,652	BMW Canada Inc. 1.83% Jun 15, 2021	37,000	36,984	36,056
AltaGas Ltd. (Callable) 5.16% Jul 13, 2043	6,000	5,993	6,438	BMW Canada Inc. 1.88% Dec 11, 2020	77,000	77,000	75,564
AltaGas Ltd. 3.72% Sep 28, 2021	55,000	54,984	56,104	BMW Canada Inc. 2.27% Nov 26, 2018	49,000	48,987	49,068
AltaGas Ltd. 4.07% Jun 01, 2020	28,000	28,510	28,642	BMW Canada Inc. 2.57% Aug 06, 2021	50,000	49,985	49,727
AltaLink Investments LP (Callable) 2.24% Dec 07, 2021	35,000	35,000	34,280	Borealis Infrastructure Trust 6.35% Dec 01, 2020	11,353	12,808	11,888
AltaLink Investments LP (Callable) 3.27% Mar 05, 2020	32,000	31,998	32,368	British Columbia Ferry Services Inc. (Callable) 4.29% Oct 28, 2043	18,000	18,000	20,727
AltaLink LP (Callable) 2.75% Feb 28, 2026	26,000	26,000	25,621	British Columbia Ferry Services Inc. (Callable) 4.70% Apr 23, 2043	24,000	24,000	29,242
AltaLink LP (Callable) 3.40% Mar 06, 2024	89,000	89,000	91,638	British Columbia Ferry Services Inc. 5.02% Mar 20, 2037	50,000	57,137	61,387
AltaLink LP (Callable) 3.72% Jun 03, 2046	37,000	37,000	38,308	British Columbia Ferry Services Inc. 5.58% Jan 11, 2038	35,000	35,000	46,000
AltaLink LP (Callable) 4.05% May 21, 2044	42,000	42,000	45,810	British Columbia Ferry Services Inc. 6.25% Oct 13, 2034	40,000	39,952	54,393
AltaLink LP (Callable) 4.09% Dec 30, 2044	91,000	91,000	99,961	Brookfield Asset Management Inc. (Callable) 3.80% Dec 16, 2026	130,000	129,956	129,488
AltaLink LP (Callable) 4.27% Dec 06, 2063	23,000	23,000	26,404	Brookfield Asset Management Inc. (Callable) 4.82% Oct 28, 2025	109,000	112,783	116,365
AltaLink LP 2.98% Nov 28, 2022	45,000	45,000	45,620				

The accompanying notes are an integral part of the financial statements.

Scotia Canadian Bond Index Fund (Unaudited – Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at June 30, 2018

Issuer	Face Value (\$)	Average Cost (\$)	Carrying Value (\$)	Issuer	Face Value (\$)	Average Cost (\$)	Carrying Value (\$)
BONDS AND DEBENTURES (cont'd)				BONDS AND DEBENTURES (cont'd)			
Corporate Bonds (cont'd)				Corporate Bonds (cont'd)			
Brookfield Asset Management Inc. (Callable) 5.04% Dec 08, 2023	45,000	44,982	48,443	CARDS II Trust 2.16% Oct 15, 2020	212,000	212,000	209,722
Brookfield Asset Management Inc. 3.95% Apr 09, 2019	52,000	51,997	52,630	Caterpillar Financial Services Ltd. 1.50% Jun 08, 2020	38,000	37,958	37,265
Brookfield Asset Management Inc. 4.54% Mar 31, 2023	120,000	120,924	126,542	Caterpillar Financial Services Ltd. 1.75% Jun 03, 2019	28,000	27,995	27,898
Brookfield Asset Management Inc. 5.30% Mar 01, 2021	74,000	75,832	78,519	Caterpillar Financial Services Ltd. 2.80% Jun 08, 2021	65,000	64,972	65,183
Brookfield Asset Management Inc. 5.95% Jun 14, 2035	72,000	67,954	85,324	CBC Monetization Trust 4.69% May 15, 2027	61,500	61,500	66,773
Brookfield Infrastructure Finance ULC (Callable) 3.32% Dec 22, 2023	95,000	95,545	94,213	CDP Financial Inc. 4.60% Jul 15, 2020	220,000	219,547	230,176
Brookfield Infrastructure Finance ULC (Callable) 3.45% Feb 11, 2022	64,000	64,000	64,667	Central 1 Credit Union (Callable) 2.89% Apr 25, 2019	110,000	109,985	110,144
Brookfield Infrastructure Finance ULC 3.54% Oct 30, 2020	102,000	102,000	103,715	Central 1 Credit Union (Callable) 3.06% Oct 14, 2021	43,000	42,982	42,414
Brookfield Property Finance ULC (Callable) 4.35% Jun 03, 2023	50,000	50,000	50,000	Central 1 Credit Union 1.87% Mar 16, 2020	144,000	143,963	142,063
Brookfield Renewable Energy Partners ULC (Callable) 3.63% Oct 15, 2026	25,000	24,988	24,705	Central 1 Credit Union 2.60% Nov 07, 2022	72,000	71,973	70,496
Brookfield Renewable Energy Partners ULC (Callable) 3.75% Mar 02, 2025	65,000	64,997	65,775	Centre Hospitalier de l'Université de Montreal 4.45% Oct 01, 2049	38,000	38,002	45,111
Brookfield Renewable Energy Partners ULC 4.79% Feb 07, 2022	88,000	87,993	93,084	Chartwell Retirement Residences (Callable) 3.79% Oct 11, 2023	52,000	52,000	52,243
Brookfield Renewable Energy Partners ULC 5.84% Nov 05, 2036	62,000	56,687	73,005	Chartwell Retirement Residences (Callable) 4.21% Feb 28, 2025	24,000	24,000	24,384
Bruce Power LP (Callable) 3.00% Apr 21, 2024	103,000	102,989	101,597	Chip Mortgage Trust 2.98% Nov 15, 2021	21,000	21,000	20,691
Bruce Power LP (Callable) 4.01% Mar 21, 2029	79,000	79,003	80,920	Choice Properties LP (Callable) 3.00% Jun 20, 2019	33,000	32,938	33,159
Bruce Power LP (Callable) 4.13% Mar 21, 2033	82,000	81,995	83,508	Choice Properties LP (Callable) 3.60% Jan 20, 2020	53,000	54,150	53,737
Bruce Power LP 2.84% Jun 23, 2021	82,000	82,000	81,924	Choice Properties LP (Callable) 3.60% Jun 20, 2021	25,000	25,049	25,410
Bruce Power LP 3.97% Jun 23, 2026	104,000	104,432	107,482	Choice Properties LP (Callable) 3.60% Jun 20, 2022	60,000	58,973	60,906
Cadillac Fairview Finance Trust 4.31% Jan 25, 2021	105,000	104,975	109,923	Choice Properties Real Estate Investment Trust (Callable) 3.01% Feb 21, 2022	48,000	47,992	47,846
Caisse Centrale Desjardins 2.44% Jul 17, 2019	67,000	67,000	67,120	Choice Properties Real Estate Investment Trust (Callable) 3.20% Feb 07, 2023	39,000	39,000	38,830
Cameco Corporation (Callable) 4.19% Mar 24, 2024	138,000	137,945	137,093	Choice Properties Real Estate Investment Trust (Callable) 3.55% Nov 10, 2024	59,000	59,000	58,735
Cameco Corporation 3.75% Nov 14, 2022	80,000	79,994	79,250	Choice Properties Real Estate Investment Trust (Callable) 3.56% Jul 09, 2024	68,000	68,000	67,770
Cameco Corporation 5.67% Sep 02, 2019	115,000	115,488	118,336	Choice Properties Real Estate Investment Trust (Callable) 4.06% Aug 24, 2025	18,000	18,000	18,350
Canadian Imperial Bank of Commerce (Callable) 3.45% Apr 04, 2023	143,000	142,954	142,069	Choice Properties Real Estate Investment Trust (Callable) 4.18% Dec 08, 2027	71,000	71,000	71,837
Canadian Imperial Bank of Commerce 1.64% Jul 12, 2021	279,000	278,880	270,321	Choice Properties Real Estate Investment Trust (Callable) 4.29% Nov 08, 2023	35,000	35,000	36,341
Canadian Imperial Bank of Commerce 1.66% Jan 20, 2020	312,000	311,938	308,346	Choice Properties Real Estate Investment Trust (Callable) 4.90% Apr 05, 2023	35,000	35,000	37,348
Canadian Imperial Bank of Commerce 1.85% Jul 14, 2020	170,000	169,686	167,633	Choice Properties Real Estate Investment Trust (Callable) 5.27% Sep 07, 2045	26,000	26,000	29,283
Canadian Imperial Bank of Commerce 1.90% Apr 26, 2021	281,000	280,854	275,200	Choice Properties Real Estate Investment Trust 2.30% Sep 14, 2020	23,000	23,000	22,750
Canadian Imperial Bank of Commerce 2.04% Mar 21, 2022	80,000	79,974	77,900	Choice Properties Real Estate Investment Trust 3.50% Feb 08, 2021	55,000	55,000	55,790
Canadian Imperial Bank of Commerce 2.30% Jul 11, 2022	451,000	450,977	442,050	CI Financial Corporation (Callable) 2.78% Oct 25, 2021	69,000	69,000	68,646
Canadian Imperial Bank of Commerce 2.47% Dec 05, 2022	225,000	224,980	221,444	CI Financial Corporation 2.65% Dec 07, 2020	62,000	62,000	61,811
Canadian Imperial Bank of Commerce 3.30% May 26, 2025	277,000	277,000	281,187	CI Financial Corporation 3.90% Sep 27, 2027	79,000	79,000	80,148
Canadian National Railway Company (Callable) 2.75% Jan 18, 2021	80,000	79,475	80,422	CIBC Capital Trust (Callable) 10.25% Jun 30, 2039	60,000	88,876	76,637
Canadian National Railway Company (Callable) 2.80% Jun 22, 2025	54,000	53,827	53,577	CIBC Capital Trust (Callable) 9.98% Jun 30, 2019	300,000	354,920	320,484
Canadian National Railway Company (Callable) 3.60% Feb 01, 2047	84,000	83,451	85,005	Coast Capital Savings Credit Union (Callable) 5.00% May 03, 2023	13,000	13,000	13,162
Canadian National Railway Company (Callable) 3.95% Mar 22, 2045	49,000	48,838	52,926	Cogeco Communications Inc. (Callable) 4.18% Feb 27, 2023	25,000	25,018	25,870
Canadian Natural Resources Ltd. (Callable) 3.42% Sep 01, 2026	128,000	128,000	125,427	Cogeco Communications Inc. 4.93% Feb 14, 2022	91,000	91,035	96,535
Canadian Natural Resources Ltd. (Callable) 3.55% Mar 03, 2024	81,000	80,703	81,736	Cogeco Communications Inc. 5.15% Nov 16, 2020	30,000	29,942	31,559
Canadian Natural Resources Ltd. (Callable) 4.85% Nov 30, 2046	53,000	53,348	55,433	Comber Wind Financial Corporation 5.13% Nov 15, 2030	181,096	177,862	193,836
Canadian Natural Resources Ltd. 2.05% Jun 01, 2020	20,000	19,995	19,758	Concordia University 6.55% Sep 02, 2042	30,000	29,996	45,220
Canadian Natural Resources Ltd. 2.60% Dec 03, 2019	46,000	45,918	46,049	CPPIB Capital Inc. 1.40% Jun 04, 2020	174,000	173,675	171,618
Canadian Natural Resources Ltd. 2.89% Aug 14, 2020	163,000	165,185	163,515	CPPIB Capital Inc. 3.00% Jun 15, 2028	278,000	278,000	281,176
Canadian Natural Resources Ltd. 3.05% Jun 19, 2019	55,000	54,965	55,350	Crombie Real Estate Investment Trust (Callable) 4.07% Oct 21, 2022	32,000	32,000	32,010
Canadian Natural Resources Ltd. 3.31% Feb 11, 2022	167,000	166,975	168,572	Crombie Real Estate Investment Trust 2.78% Feb 10, 2020	36,000	35,916	35,735
Canadian Pacific Railway Company 5.10% Jan 14, 2022	60,000	60,079	64,361	Crombie Real Estate Investment Trust 3.96% Jun 01, 2021	39,000	39,153	39,272
Canadian Pacific Railway Company 6.45% Nov 17, 2039	50,000	52,832	68,667	Crosslinx Transit Solutions GP 4.56% Jun 30, 2051	33,000	32,429	33,288
Canadian Real Estate Investment Trust (Callable) 2.95% Dec 19, 2022	22,000	21,999	21,683	Crosslinx Transit Solutions GP 4.65% Sep 30, 2046	100,000	99,748	104,426
Canadian Real Estate Investment Trust 4.32% Jan 15, 2021	29,000	29,000	29,920	CT Real Estate Investment Trust (Callable) 2.16% May 01, 2021	32,000	32,000	31,310
Canadian Tire Corporation Ltd. (Callable) 3.17% Jun 06, 2023	33,000	33,000	33,147	CT Real Estate Investment Trust (Callable) 2.85% May 09, 2022	33,000	33,000	32,644
Canadian Tire Corporation Ltd. 2.65% Jul 06, 2020	33,000	33,000	33,014	CT Real Estate Investment Trust (Callable) 3.29% Mar 01, 2026	45,000	45,000	43,637
Canadian Tire Corporation Ltd. 5.61% Sep 04, 2035	55,000	57,054	64,551	CT Real Estate Investment Trust (Callable) 3.47% Mar 16, 2027	20,000	20,000	19,431
Canadian Tire Corporation Ltd. 6.45% Feb 24, 2034	45,000	47,241	56,805	CT Real Estate Investment Trust (Callable) 3.53% Mar 09, 2025	56,000	56,000	55,666
Canadian Utilities Ltd. 3.12% Nov 09, 2022	100,000	100,000	101,764	CU Inc. (Callable) 3.55% May 22, 2047	62,000	62,000	62,112
Canadian Western Bank 2.38% Jan 23, 2020	50,000	50,000	49,796	CU Inc. (Callable) 3.76% May 19, 2046	16,000	16,000	16,621
Canadian Western Bank 2.74% Jun 16, 2022	12,000	12,000	11,836	CU Inc. (Callable) 3.96% Jan 27, 2045	33,000	33,000	35,392
Canadian Western Bank 2.75% Jun 29, 2020	44,000	44,000	43,964	CU Inc. (Callable) 4.21% Apr 29, 2055	24,000	24,000	26,753
Canadian Western Bank 2.79% Sep 13, 2021	92,000	91,324	91,335				
Canadian Western Bank 2.88% Mar 01, 2021	48,000	47,999	47,934				
Canadian Western Bank 2.92% Dec 15, 2022	75,000	75,000	74,252				
Canadian Western Bank 3.08% Jan 14, 2019	19,000	19,000	19,096				
Capital City Link General Partnership 4.39% Mar 31, 2046	144,842	144,848	157,256				
Capital Desjardins Inc. (Callable) 4.95% Dec 15, 2021	85,000	85,000	90,651				
Capital Desjardins Inc. 5.19% May 05, 2020	160,000	175,264	167,253				
Capital Power Corporation (Callable) 4.28% Jul 18, 2024	82,000	82,000	83,097				
Capital Power Corporation 5.28% Nov 16, 2020	130,000	130,000	136,224				

The accompanying notes are an integral part of the financial statements.

Scotia Canadian Bond Index Fund (Unaudited – Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at June 30, 2018

Issuer	Face Value (\$)	Average Cost (\$)	Carrying Value (\$)	Issuer	Face Value (\$)	Average Cost (\$)	Carrying Value (\$)
BONDS AND DEBENTURES (cont'd)				BONDS AND DEBENTURES (cont'd)			
Corporate Bonds (cont'd)				Corporate Bonds (cont'd)			
CU Inc. (Callable) 4.56% May 07, 2053	39,000	39,000	46,068	Enbridge Pipelines Inc. (Callable) 3.45% Jun 29, 2025	55,000	54,917	55,629
CU Inc. (Callable) 4.72% Mar 09, 2043	88,000	88,000	105,071	Enbridge Pipelines Inc. (Callable) 3.79% May 17, 2023	60,000	59,980	62,146
CU Inc. 3.81% Sep 10, 2042	131,000	128,780	136,644	Enbridge Pipelines Inc. (Callable) 4.13% Feb 09, 2046	33,000	32,989	33,069
CU Inc. 3.83% Sep 11, 2062	105,000	105,000	108,920	Enbridge Pipelines Inc. (Callable) 4.55% Feb 17, 2043	58,000	57,962	61,909
CU Inc. 4.54% Oct 24, 2041	79,000	82,573	91,486	Enbridge Pipelines Inc. (Callable) 4.55% Mar 29, 2045	18,000	17,889	19,268
CU Inc. 4.59% Oct 24, 2061	45,000	45,000	53,868	Enbridge Pipelines Inc. 5.08% Dec 19, 2036	26,000	25,980	29,442
CU Inc. 4.80% Nov 22, 2021	54,000	59,387	57,892	Enbridge Pipelines Inc. 5.33% Apr 06, 2040	75,000	87,525	87,741
CU Inc. 4.95% Nov 18, 2050	30,000	30,000	37,568	Enbridge Pipelines Inc. 6.35% Nov 17, 2023	72,000	82,178	82,796
CU Inc. 5.03% Nov 20, 2036	28,000	28,000	33,731	Enbridge Pipelines Inc. 8.20% Feb 15, 2024	100,000	144,593	124,375
CU Inc. 5.18% Nov 21, 2035	31,000	31,000	37,793	Enercare Solutions Inc. (Callable) 3.38% Jan 21, 2022	57,000	56,990	57,345
CU Inc. 5.43% Jan 23, 2019	20,000	20,000	20,376	Enercare Solutions Inc. (Callable) 3.99% Dec 21, 2023	91,000	90,984	92,726
CU Inc. 5.56% May 26, 2028	40,000	43,095	47,848	Enercare Solutions Inc. 4.60% Feb 03, 2020	20,000	19,988	20,577
CU Inc. 5.56% Oct 30, 2037	38,000	38,530	48,816	ENMAX Corporation (Callable) 3.81% Sep 05, 2024	87,000	87,000	89,246
CU Inc. 5.58% May 26, 2038	70,000	84,807	90,395	ENMAX Corporation (Callable) 3.84% Mar 05, 2028	24,000	24,000	24,300
CU Inc. 6.80% Aug 13, 2019	60,000	75,912	62,942	EPCOR Utilities Inc. 3.55% Nov 27, 2047	93,000	93,000	92,916
CU Inc. 9.92% Apr 01, 2022	35,000	54,540	43,631	EPCOR Utilities Inc. 4.55% Feb 28, 2042	95,000	94,953	109,775
Daimler Canada Finance Inc. 1.57% May 25, 2020	109,000	109,000	106,750	EPCOR Utilities Inc. 5.65% Nov 16, 2035	33,000	32,830	42,023
Daimler Canada Finance Inc. 1.78% Aug 19, 2019	85,000	84,970	84,344	EPCOR Utilities Inc. 5.75% Nov 24, 2039	35,000	36,943	46,319
Daimler Canada Finance Inc. 1.80% Dec 16, 2019	71,000	70,996	70,243	EPCOR Utilities Inc. 6.65% Apr 15, 2038	25,000	27,700	35,997
Daimler Canada Finance Inc. 1.91% Jul 08, 2021	115,000	114,968	111,747	Fair Hydro Trust (Callable) 3.36% Nov 15, 2032	91,000	91,003	93,307
Daimler Canada Finance Inc. 2.23% Dec 16, 2021	84,000	83,992	82,042	Fair Hydro Trust (Callable) 3.52% Nov 15, 2037	68,000	68,001	71,357
Daimler Canada Finance Inc. 2.30% Nov 23, 2020	72,000	72,000	71,135	Fairfax Financial Holdings Limited (Callable) 4.70% Sep 16, 2026	16,000	15,947	16,500
Daimler Canada Finance Inc. 2.57% Nov 22, 2022	107,000	106,990	104,967	Fairfax Financial Holdings Limited 4.50% Mar 22, 2023	158,000	157,101	164,967
Daimler Canada Finance Inc. 3.05% May 16, 2022	65,000	64,990	65,120	Fairfax Financial Holdings Limited 4.95% Mar 03, 2025	57,000	56,495	60,399
Dollarama Inc. (Callable) 2.20% Oct 10, 2022	17,000	17,000	16,425	Fairfax Financial Holdings Limited 5.84% Oct 14, 2022	166,000	168,044	182,087
Dollarama Inc. 2.34% Jul 22, 2021	42,000	42,000	41,381	Fairfax Financial Holdings Ltd. 4.25% Dec 06, 2027	97,000	96,992	95,866
Dream Office Real Estate Investment Trust 4.07% Jan 21, 2020	70,000	70,015	70,232	Fédération des caisses Desjardins du Québec 2.09% Jan 17, 2022	166,000	166,000	162,002
Durham District School Board Canada 6.75% Nov 19, 2019	44,000	51,401	46,661	Fédération des Caisses Desjardins du Québec 2.39% Aug 25, 2022	99,000	99,000	97,120
Eagle Credit Card Trust 2.15% Sep 17, 2020	26,000	26,000	25,710	Fifth Avenue LP 4.71% Aug 05, 2021	62,965	69,202	64,822
Eagle Credit Card Trust 2.63% Oct 17, 2022	46,000	46,000	45,497	Finning International Inc. 2.84% Sep 29, 2021	19,000	19,000	19,001
Emera Inc. 4.83% Dec 02, 2019	45,000	48,452	46,366	Finning International Inc. 5.08% Jun 13, 2042	75,000	75,000	87,360
Empire Life Insurance Co, The (Callable) 3.66% Mar 15, 2023	11,000	11,000	11,085	First Capital Realty Inc. (Callable) 3.60% Feb 06, 2026	98,000	100,186	96,214
Empire Life Insurance Company, The (Callable) 3.38% Dec 16, 2021	76,000	76,000	76,206	First Capital Realty Inc. (Callable) 3.75% Apr 12, 2027	30,000	30,000	29,427
Enbridge Gas Distribution Inc. (Callable) 2.50% May 05, 2026	14,000	13,990	13,482	First Capital Realty Inc. (Callable) 4.32% Jul 31, 2025	69,000	71,635	71,242
Enbridge Gas Distribution Inc. (Callable) 3.15% May 22, 2024	17,000	16,952	17,211	First Capital Realty Inc. 4.43% Jan 31, 2022	28,000	28,167	29,176
Enbridge Gas Distribution Inc. (Callable) 3.31% Jun 11, 2025	93,000	92,968	94,829	First Capital Realty Inc. 4.50% Mar 01, 2021	88,000	88,341	91,420
Enbridge Gas Distribution Inc. (Callable) 3.51% May 29, 2047	39,000	39,000	38,657	First Capital Realty Inc. 4.79% Aug 30, 2024	29,000	29,133	30,829
Enbridge Gas Distribution Inc. (Callable) 4.00% Feb 22, 2044	17,000	16,248	18,261	First Capital Realty Inc. 5.48% Jul 30, 2019	45,000	45,042	46,425
Enbridge Gas Distribution Inc. (Callable) 4.50% May 23, 2043	33,000	32,978	38,042	First National Financial Corporation 4.01% Apr 09, 2020	48,000	47,981	48,236
Enbridge Gas Distribution Inc. 4.04% Nov 23, 2020	53,000	55,840	54,859	First Nations ETF LP 4.14% Dec 31, 2041	79,225	79,225	80,311
Enbridge Gas Distribution Inc. 4.77% Dec 17, 2021	32,000	36,104	34,250	Ford Credit Canada Company 2.71% Feb 23, 2022	162,000	162,000	158,417
Enbridge Gas Distribution Inc. 4.95% Nov 22, 2050	46,000	47,558	57,358	Ford Credit Canada Company 2.77% Jun 22, 2022	62,000	62,000	60,474
Enbridge Gas Distribution Inc. 5.21% Feb 25, 2036	50,000	49,932	60,885	Ford Credit Canada Company 3.35% Sep 19, 2022	148,000	148,000	147,243
Enbridge Gas Distribution Inc. 6.90% Nov 15, 2032	50,000	62,313	69,353	Ford Credit Canada Company 3.74% May 08, 2023	66,000	66,000	66,328
Enbridge Gas Distribution Inc. 7.60% Oct 29, 2026	70,000	91,571	91,854	Ford Credit Canada Ltd. 2.45% May 07, 2020	93,000	93,000	92,212
Enbridge Inc. (Callable) 3.20% Mar 08, 2027	44,000	43,982	41,996	Ford Credit Canada Ltd. 2.58% May 10, 2021	147,000	147,000	144,600
Enbridge Inc. (Callable) 3.94% Mar 30, 2023	88,000	88,000	90,696	Ford Credit Canada Ltd. 2.92% Sep 16, 2020	42,000	42,000	41,899
Enbridge Inc. (Callable) 4.56% Sep 28, 2063	48,000	47,963	46,102	Ford Credit Canada Ltd. 3.14% Jun 14, 2019	64,000	64,000	64,345
Enbridge Inc. (Callable) 4.57% Sep 11, 2043	123,000	125,653	123,832	Ford Floorplan Auto Securitization Trust 2.20% Jul 15, 2020	69,000	69,000	68,353
Enbridge Inc. (Callable) 5.38% Sep 27, 2027	210,000	210,000	199,773	Fortified Trust 1.67% Jul 23, 2021	168,000	168,000	162,707
Enbridge Inc. (Floating Rate) 6.63% Apr 12, 2078	106,000	106,000	109,370	Fortified Trust 2.16% Oct 23, 2020	145,000	145,000	143,482
Enbridge Inc. 3.19% Dec 05, 2022	89,000	90,645	89,195	Fortis Inc. (Callable) 2.85% Oct 12, 2023	70,000	69,987	69,016
Enbridge Inc. 4.24% Aug 27, 2042	93,000	91,344	89,225	Fortis Inc. 6.51% Jul 04, 2039	70,000	69,954	94,279
Enbridge Inc. 4.26% Feb 01, 2021	15,000	14,993	15,508	FortisAlberta Inc. (Callable) 3.30% Jun 30, 2024	22,000	21,998	22,494
Enbridge Inc. 4.53% Mar 09, 2020	95,000	94,985	97,873	FortisAlberta Inc. (Callable) 3.34% Mar 21, 2046	41,000	40,930	39,557
Enbridge Inc. 4.77% Sep 02, 2019	50,000	49,977	51,298	FortisAlberta Inc. (Callable) 3.67% Mar 09, 2047	48,000	48,000	49,048
Enbridge Inc. 5.12% Sep 28, 2040	35,000	38,190	37,784	FortisAlberta Inc. (Callable) 4.11% Mar 29, 2044	14,000	13,998	15,332
Enbridge Inc. 5.57% Nov 14, 2035	39,000	41,991	44,034	FortisAlberta Inc. (Callable) 4.27% Mar 22, 2045	13,000	12,985	14,588
Enbridge Inc. 5.75% Sep 02, 2039	23,000	23,206	26,714	FortisAlberta Inc. (Callable) 4.85% Mar 11, 2043	25,000	24,973	30,237
Enbridge Inc. 6.10% Jul 14, 2028	96,000	82,368	110,191	FortisAlberta Inc. 3.98% Oct 23, 2052	30,000	29,982	31,829
Enbridge Inc. 7.20% Jun 18, 2032	24,000	32,534	30,913	FortisAlberta Inc. 4.80% Oct 27, 2020	17,000	16,988	20,743
Enbridge Income Fund (Callable) 3.95% Aug 19, 2024	145,000	145,000	148,265	FortisAlberta Inc. 5.37% Oct 30, 2039	25,000	24,989	31,735
Enbridge Income Fund (Callable) 4.87% May 21, 2044	73,000	72,931	75,476	FortisAlberta Inc. 5.40% Apr 21, 2036	18,000	17,987	22,486
Enbridge Income Fund 4.85% Feb 22, 2022	25,000	24,969	26,438	FortisAlberta Inc. 6.22% Oct 31, 2034	30,000	29,991	40,092
Enbridge Pipelines Inc. (Callable) 3.00% May 10, 2026	137,000	136,988	133,745	FortisAlberta Inc. 7.06% Feb 14, 2039	45,000	58,037	67,864

The accompanying notes are an integral part of the financial statements.

Scotia Canadian Bond Index Fund (Unaudited – Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at June 30, 2018

Issuer	Face Value (\$)	Average Cost (\$)	Carrying Value (\$)	Issuer	Face Value (\$)	Average Cost (\$)	Carrying Value (\$)
BONDS AND DEBENTURES (cont'd)				BONDS AND DEBENTURES (cont'd)			
Corporate Bonds (cont'd)				Corporate Bonds (cont'd)			
FortisBC Energy Inc. (Callable) 2.58% Jan 08, 2026	36,000	35,978	35,124	Honda Canada Finance Inc. 2.54% Mar 01, 2023	83,000	83,000	81,519
FortisBC Energy Inc. (Callable) 3.38% Oct 13, 2044	61,000	61,000	59,322	Honda Canada Finance Inc. 3.44% May 23, 2025	39,000	39,000	39,707
FortisBC Energy Inc. (Callable) 3.67% Oct 08, 2045	11,000	10,984	11,215	Hospital for Sick Children 5.22% Dec 16, 2049	150,000	150,000	201,692
FortisBC Energy Inc. (Callable) 3.78% Sep 06, 2046	32,000	31,961	33,651	Hospital for Sick Children, The (Callable) 3.42% Jun 07, 2057	41,000	41,000	40,942
FortisBC Energy Inc. 3.69% Oct 30, 2047	7,000	6,995	7,178	Hospital Infrastructure Partners NOH Partnership 5.44% Jan 31, 2045	187,572	193,882	218,256
FortisBC Energy Inc. 4.25% Dec 09, 2041	31,000	32,004	34,479	HSBC Bank Canada 2.17% Jun 29, 2022	155,000	155,000	150,327
FortisBC Energy Inc. 5.55% Sep 25, 2036	20,000	19,997	25,473	HSBC Bank Canada 2.54% Jan 31, 2023	298,000	298,000	291,512
FortisBC Energy Inc. 5.80% May 13, 2038	75,000	78,971	99,166	HSBC Bank Canada 3.25% Sep 15, 2023	197,000	197,000	197,955
FortisBC Energy Inc. 5.90% Feb 26, 2035	75,000	86,067	97,772	HSBC Bank of Canada 1.82% Jul 07, 2020	322,000	321,987	316,450
FortisBC Energy Inc. 6.05% Feb 15, 2038	35,000	34,976	47,288	HSBC Bank of Canada 2.45% Jan 29, 2021	226,000	226,002	224,014
FortisBC Inc. (Callable) 4.00% Apr 28, 2044	31,000	30,979	33,261	HSBC Bank of Canada 2.91% Sep 29, 2021	273,000	273,000	273,153
FortisBC Inc. 5.00% Nov 24, 2050	15,000	14,974	18,748	HSBC Bank of Canada 2.94% Jan 14, 2020	400,000	400,000	402,332
FortisBC Inc. 5.60% Nov 09, 2035	16,000	19,261	20,165	Husky Energy Inc. (Callable) 3.55% Dec 12, 2024	76,000	75,765	76,731
Gaz Metro Inc. (Callable) 3.28% Apr 09, 2046	12,000	11,982	11,556	Husky Energy Inc. (Callable) 3.60% Dec 10, 2026	95,000	94,795	94,358
Gaz Metro Inc. (Callable) 3.30% Sep 30, 2044	8,000	7,992	7,726	Husky Energy Inc. 5.00% Mar 12, 2020	105,000	105,798	109,095
Gaz Metro Inc. 1.52% May 25, 2020	40,000	39,986	39,365	Hydro One Inc. (Callable) 2.77% Nov 26, 2025	99,000	98,965	97,162
Gaz Metro Inc. 4.93% Jun 18, 2019	38,000	42,668	38,978	Hydro One Inc. (Callable) 2.97% Apr 26, 2025	39,000	38,988	38,973
Gaz Metro Inc. 5.45% Jul 12, 2021	66,000	76,816	71,583	Hydro One Inc. (Callable) 3.63% Dec 25, 2048	47,000	46,992	47,032
Gaz Metro Inc. 5.70% Jul 10, 2036	29,000	28,954	37,498	Hydro One Inc. (Callable) 3.72% May 18, 2047	84,000	84,000	85,784
Gaz Metro Inc. 6.30% Oct 31, 2033	30,000	29,824	40,132	Hydro One Inc. (Callable) 3.91% Aug 23, 2045	11,000	10,985	11,583
Gaz Metro Inc., Series U (Callable) 3.53% Nov 16, 2046	50,000	49,945	50,291	Hydro One Inc. (Callable) 4.17% Dec 06, 2043	71,000	70,928	77,585
GE Capital Canada Funding Company 4.60% Jan 26, 2022	147,000	146,965	155,165	Hydro One Inc. (Callable) 4.59% Apr 09, 2043	48,000	47,992	55,682
General Motors Financial of Canada Ltd. 2.60% Jun 01, 2021	117,000	116,879	113,898	Hydro One Inc. 1.48% Nov 18, 2019	26,000	25,999	25,717
General Motors Financial of Canada Ltd. 3.00% Feb 26, 2021	140,000	139,964	139,756	Hydro One Inc. 1.62% Apr 30, 2020	66,000	65,993	65,055
General Motors Financial of Canada Ltd. 3.08% May 22, 2020	117,000	116,952	117,406	Hydro One Inc. 1.84% Feb 24, 2021	80,000	79,985	78,475
Genesis Trust II 1.70% Apr 15, 2020	172,000	172,000	169,610	Hydro One Inc. 2.57% Jun 25, 2021	23,000	22,997	22,966
Genworth MI Canada Inc. 4.24% Apr 01, 2024	120,000	120,000	121,151	Hydro One Inc. 3.20% Jan 13, 2022	119,000	119,795	120,956
George Weston Limited (Callable) 4.12% Mar 17, 2024	58,000	58,000	59,825	Hydro One Inc. 3.79% Jul 31, 2062	73,000	72,788	74,075
George Weston Limited 7.10% Feb 05, 2032	25,000	28,165	32,125	Hydro One Inc. 4.00% Dec 22, 2051	38,000	38,006	40,323
Glacier Credit Card Trust 2.05% Sep 20, 2022	116,000	116,000	112,101	Hydro One Inc. 4.40% Jun 01, 2020	110,000	113,740	113,918
Glacier Credit Card Trust 2.24% Sep 20, 2020	133,000	133,000	131,747	Hydro One Inc. 4.89% Mar 13, 2037	50,000	55,732	58,849
Glacier Credit Card Trust 2.57% Sep 20, 2019	151,000	151,000	151,229	Hydro One Inc. 5.00% Oct 19, 2046	35,000	34,126	43,635
Grand Renewable Solar LP 3.93% Jan 31, 2035	29,513	29,513	29,302	Hydro One Inc. 5.36% May 20, 2036	99,000	113,144	122,266
Grandling GP 4.77% Mar 31, 2047	23,735	23,735	25,214	Hydro One Inc. 5.49% Jul 16, 2040	51,000	52,799	65,452
Granite REIT Holdings LP (Callable) 3.79% Jun 05, 2021	58,000	58,000	58,714	Hydro One Inc. 6.35% Jan 31, 2034	20,000	20,151	26,749
Granite REIT Holdings LP (Callable) 3.87% Sep 30, 2023	61,000	61,001	61,322	Hydro One Inc. 6.93% Jun 01, 2032	115,000	138,865	158,081
Greater Toronto Airports Authority (Callable) 3.04% Jun 21, 2022	55,000	54,995	56,009	Hydro One Inc. 7.35% Jun 03, 2030	135,000	156,842	185,908
Greater Toronto Airports Authority 1.51% Feb 16, 2021	43,000	42,996	41,989	Hydro Ottawa Holding Inc. (Callable) 2.61% Nov 03, 2024	55,000	55,000	53,829
Greater Toronto Airports Authority 3.26% Jun 01, 2037	47,000	46,968	47,171	Hydro Ottawa Holding Inc. (Callable) 3.64% Aug 02, 2044	44,000	44,000	44,192
Greater Toronto Airports Authority 4.53% Dec 02, 2041	99,000	100,093	119,554	Hydro Ottawa Holding Inc. (Callable) 3.99% Nov 14, 2042	65,000	65,000	69,110
Greater Toronto Airports Authority 5.30% Feb 25, 2041	75,000	85,505	99,355	Hydro-Quebec 10.50% Oct 15, 2021	259,000	410,689	325,188
Greater Toronto Airports Authority 5.63% Jun 07, 2040	65,000	64,934	88,776	Hydro-Quebec 11.00% Aug 15, 2020	350,000	557,550	413,776
Greater Toronto Airports Authority 6.45% Dec 03, 2027	49,000	51,685	63,073	Hydro-Quebec 4.00% Feb 15, 2055	217,000	247,993	267,494
Greater Toronto Airports Authority 6.47% Feb 02, 2034	75,000	74,487	105,564	Hydro-Quebec 5.00% Feb 15, 2045	210,000	224,588	287,527
Greater Toronto Airports Authority 6.98% Oct 15, 2032	80,000	113,240	114,730	Hydro-Quebec 5.00% Feb 15, 2050	245,000	292,480	346,682
Greater Toronto Airports Authority 7.05% Jun 12, 2030	108,000	132,143	150,222	Hydro-Quebec 6.00% Aug 15, 2031	40,000	37,938	53,088
Greater Toronto Airports Authority 7.10% Jun 04, 2031	99,000	116,897	140,132	Hydro-Quebec 6.00% Feb 15, 2040	181,000	210,920	267,075
Great-West Lifeco Inc. 3.34% Feb 28, 2028	104,000	104,000	105,007	Hydro-Quebec 6.50% Feb 15, 2035	353,000	472,496	516,499
Great-West Lifeco Inc. 4.65% Aug 13, 2020	93,000	97,400	96,950	Hydro-Quebec 9.63% Jul 15, 2022	153,000	227,024	195,192
Great-West Lifeco Inc. 6.00% Nov 16, 2039	50,000	53,393	66,654	IGM Financial Inc. (Callable) 3.44% Oct 26, 2026	81,000	80,946	80,716
Great-West Lifeco Inc. 6.67% Mar 21, 2033	65,000	72,804	87,061	IGM Financial Inc. (Callable) 4.12% Jun 09, 2047	38,000	38,000	38,163
H&R Real Estate Investment Trust (Callable) 3.37% Nov 30, 2023	64,000	64,044	62,943	IGM Financial Inc. (Callable) 4.56% Jul 25, 2046	16,000	16,000	17,178
H&R Real Estate Investment Trust (Callable) 3.42% Dec 23, 2022	61,000	61,000	60,786	IGM Financial Inc. 7.11% Mar 07, 2033	50,000	50,229	67,530
H&R Real Estate Investment Trust 2.92% May 06, 2022	21,000	21,020	20,650	IGM Financial Inc. 7.45% May 09, 2031	60,000	63,120	81,235
H&R Real Estate Investment Trust 4.45% Mar 02, 2020	90,000	90,063	92,350	Industrial Alliance Insurance & Financial Services Inc. (Callable) 2.64% Feb 23, 2022	138,000	137,966	136,080
Halifax International Airport Authority 4.89% Nov 15, 2050	48,000	47,999	61,507	Industrial Alliance Insurance & Financial Services Inc. (Callable) 3.30% Sep 15, 2023	23,000	22,994	23,154
Halifax International Airport Authority 5.50% Jul 19, 2041	23,000	26,838	30,233	InPower BC General Partnership 4.47% Mar 31, 2033	119,000	118,284	124,418
HCN Canadian Holdings-1 LP 3.35% Nov 25, 2020	38,000	37,901	38,482	Intact Financial Corporation (Callable) 2.85% Mar 07, 2027	68,000	67,988	64,963
Health Montreal Collective LP 6.72% Sep 30, 2049	300,000	359,400	402,604	Intact Financial Corporation (Callable) 3.77% Dec 02, 2025	88,000	87,985	90,750
Hollis Receivables Term Trust II 2.43% Jun 26, 2019	73,000	73,000	73,108	Intact Financial Corporation 4.70% Aug 18, 2021	40,000	41,116	42,271
Honda Canada Finance Inc. 1.63% Aug 12, 2019	58,000	58,000	57,562	Intact Financial Corporation 5.16% Jun 16, 2042	52,000	51,953	62,071
Honda Canada Finance Inc. 1.82% Dec 07, 2021	146,000	146,000	141,354	Intact Financial Corporation 5.41% Sep 03, 2019	75,000	80,292	77,605
Honda Canada Finance Inc. 2.16% Feb 18, 2021	72,000	72,000	70,997	Intact Financial Corporation 6.40% Nov 23, 2039	59,000	61,785	79,825
Honda Canada Finance Inc. 2.27% Jul 15, 2022	69,000	69,000	67,430				
Honda Canada Finance Inc. 2.49% Dec 19, 2022	112,000	112,000	110,054				

The accompanying notes are an integral part of the financial statements.

Scotia Canadian Bond Index Fund (Unaudited – Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at June 30, 2018

Issuer	Face Value (\$)	Average Cost (\$)	Carrying Value (\$)	Issuer	Face Value (\$)	Average Cost (\$)	Carrying Value (\$)
BONDS AND DEBENTURES (cont'd)				BONDS AND DEBENTURES (cont'd)			
Corporate Bonds (cont'd)				Corporate Bonds (cont'd)			
Integrated Team Solutions PCH Partnership 4.88% May 31, 2046	29,565	29,565	33,151	Melancthon Wolfe Wind LP 3.83% Dec 31, 2028	79,091	79,100	79,661
Integrated Team Solutions SJHC Partnership 5.95% Nov 30, 2042	47,314	47,314	59,229	Metro Inc. (Callable) 3.20% Nov 01, 2021	61,000	60,993	61,569
Inter Pipeline Ltd. (Callable) 2.61% Jul 13, 2023	29,000	29,000	28,041	Metro Inc. (Callable) 5.03% Jun 01, 2044	42,000	41,981	47,053
Inter Pipeline Ltd. (Callable) 2.73% Feb 18, 2024	89,000	89,000	85,855	Metro Inc. 5.97% Oct 15, 2035	40,000	41,274	48,946
Inter Pipeline Ltd. (Callable) 3.17% Dec 24, 2024	45,000	45,000	43,967	Metro Inc., Series F (Callable) 2.68% Nov 05, 2022	90,000	89,996	88,555
Inter Pipeline Ltd. (Callable) 3.48% Sep 16, 2026	27,000	27,000	26,513	Metro Inc., Series G (Callable) 3.39% Sep 06, 2027	104,000	103,939	101,946
Inter Pipeline Ltd. (Callable) 4.64% Nov 30, 2043	60,000	60,000	60,558	Metro Inc., Series H (Callable) 4.27% Jun 04, 2047	79,000	78,920	78,858
Inter Pipeline Ltd. 3.45% Jul 20, 2020	103,000	103,000	104,499	Milit-Air Inc. 5.75% Jun 30, 2019	9,242	8,757	9,471
Inter Pipeline Ltd. 3.78% May 30, 2022	88,000	88,000	90,131	Morguard Corporation (Callable) 4.33% Aug 15, 2022	37,000	37,000	37,413
Inter Pipeline Ltd. 4.97% Feb 02, 2021	125,000	125,000	131,298	Morguard Corporation 4.01% Nov 18, 2020	63,000	63,000	63,590
Inter-American Development Bank 1.88% Mar 20, 2020	65,000	64,795	64,805	Morguard Corporation 4.09% May 14, 2021	20,000	20,000	20,144
Inter-American Development Bank 4.40% Jan 26, 2026	464,000	509,623	513,622	Muskat Falls / Labrador Transmission Assets Funding Trust 3.63% Jun 01, 2029	43,000	43,731	46,458
International Bank for Reconstruction & Development 2.25% Jan 17, 2023	137,000	136,223	136,323	Muskat Falls / Labrador Transmission Assets Funding Trust 3.83% Jun 01, 2037	86,000	87,758	96,907
Nanoe Cambridge II Inc. (Callable) 2.91% May 27, 2023	90,000	90,000	89,794	Muskat Falls / Labrador Transmission Assets Funding Trust 3.86% Dec 01, 2048	229,000	233,933	273,130
John Deere Canada Funding Inc. 1.60% Jul 13, 2020	39,000	38,949	38,263	National Bank of Canada (Callable) 3.18% Feb 01, 2023	161,000	161,000	157,790
John Deere Canada Funding Inc. 1.85% Mar 24, 2021	24,000	23,998	23,471	National Bank of Canada 1.74% Mar 03, 2020	196,000	196,296	193,665
John Deere Canada Funding Inc. 2.05% May 13, 2022	106,000	105,915	103,090	National Bank of Canada 1.81% Jul 26, 2021	107,000	107,000	104,126
John Deere Canada Funding Inc. 2.05% Sep 17, 2020	36,000	35,976	35,578	National Bank of Canada 1.96% Jun 30, 2022	144,000	142,980	139,265
John Deere Canada Funding Inc. 2.35% Jun 24, 2019	41,000	40,956	41,054	National Bank of Canada 2.11% Mar 18, 2022	217,000	217,000	211,715
John Deere Canada Funding Inc. 2.63% Sep 21, 2022	29,000	28,988	28,737	National Bank of Canada 2.40% Oct 28, 2019	325,000	325,900	325,197
John Deere Canada Funding Inc. 2.70% Jan 17, 2023	68,000	67,987	67,484	NAV Canada (Callable) 3.29% Sep 30, 2047	20,000	20,000	20,258
John Deere Canada Funding Inc. 2.70% Oct 12, 2021	63,000	62,967	62,876	NAV Canada (Callable) 3.53% Aug 23, 2045	31,000	31,000	32,810
Keyera Corporation (Callable) 3.93% Mar 21, 2028	78,000	78,000	78,337	NAV Canada 4.40% Feb 18, 2021	20,000	20,000	20,941
Kingston Solar LP 3.57% Jul 31, 2035	119,130	119,130	115,068	NAV Canada 7.40% Jun 01, 2027	30,000	33,804	40,332
Kraft Canada Inc. (Callable) 2.70% Jun 06, 2020	55,000	55,039	54,959	NAV Canada 7.56% Mar 01, 2027	112,050	139,052	134,110
Labrador-Island Link Funding Trust 3.76% Jun 01, 2033	78,000	79,441	86,433	NBC Asset Trust (Callable) 7.45% Jun 30, 2020	300,000	317,910	322,639
Labrador-Island Link Funding Trust 3.85% Dec 01, 2053	193,000	196,217	233,469	New Brunswick F-M Project Company Inc. 6.47% Nov 30, 2027	27,007	34,167	31,472
Labrador-Island Link Funding Trust 3.86% Dec 01, 2045	86,000	87,932	101,181	Newfoundland and Labrador Hydro 3.60% Dec 01, 2045	88,000	85,806	93,590
Laurentian Bank of Canada 2.50% Jan 23, 2020	69,000	69,366	68,599	Newfoundland and Labrador Hydro 6.65% Aug 27, 2031	175,000	174,729	238,944
Laurentian Bank of Canada 2.75% Apr 22, 2021	80,000	79,830	79,168	Nissan Canada Financial Services Inc. 1.58% Oct 07, 2019	32,000	32,000	31,643
Laurentian Bank of Canada 3.00% Sep 12, 2022	66,000	65,884	65,004	Nissan Canada Financial Services Inc. 1.75% Apr 09, 2020	49,000	49,000	48,241
Laurentian Bank of Canada 3.45% Jun 27, 2023	66,000	65,976	65,788	Nissan Canada Financial Services Inc. 2.42% Oct 19, 2020	145,000	145,000	143,849
Leisureworld Senior Care LP, Restricted, 3.47% Feb 03, 2021	24,000	24,000	24,465	Nissan Canada Financial Services Inc. 2.61% Mar 05, 2021	62,000	62,000	61,655
Loblaws Companies Limited (Callable) 4.86% Jun 12, 2023	122,000	122,000	131,205	North Battleford Power LP 4.96% Dec 31, 2032	124,106	124,115	135,343
Loblaws Companies Limited 5.90% Jan 18, 2036	60,000	59,915	72,931	North West Redwater Partnership / NWR Financing Co., Ltd. (Callable) 2.10% Jan 23, 2022	52,000	51,895	50,711
Loblaws Companies Limited 6.15% Jan 29, 2035	40,000	41,844	49,477	North West Redwater Partnership / NWR Financing Co., Ltd. (Callable) 2.80% Mar 01, 2027	39,000	38,898	37,421
Loblaws Companies Limited 6.45% Mar 01, 2039	45,000	48,983	58,954	North West Redwater Partnership / NWR Financing Co., Ltd. (Callable) 3.20% Apr 23, 2024	172,000	171,737	173,012
Loblaws Companies Limited 6.50% Jan 22, 2029	45,000	55,341	54,727	North West Redwater Partnership / NWR Financing Co., Ltd. (Callable) 3.20% Jan 24, 2026	82,000	81,825	81,686
Loblaws Companies Limited 6.54% Feb 17, 2033	44,000	51,097	55,567	North West Redwater Partnership / NWR Financing Co., Ltd. (Callable) 3.65% Dec 01, 2034	145,000	147,220	144,181
Loblaws Companies Limited 6.65% Nov 08, 2027	15,000	14,720	18,313	North West Redwater Partnership / NWR Financing Co., Ltd. (Callable) 3.70% Aug 23, 2042	59,000	58,786	58,170
Loblaws Companies Limited 6.85% Mar 01, 2032	50,000	53,885	64,711	North West Redwater Partnership / NWR Financing Co., Ltd. (Callable) 4.05% Jan 24, 2044	93,000	92,351	97,011
Lower Mattagami Energy LP 2.31% Oct 21, 2026	14,000	14,000	13,319	North West Redwater Partnership / NWR Financing Co., Ltd. (Callable) 4.15% Dec 01, 2032	64,000	63,838	67,940
Lower Mattagami Energy LP 3.42% Jun 20, 2024	42,000	42,000	43,349	North West Redwater Partnership / NWR Financing Co., Ltd. (Callable) 4.25% Mar 01, 2029	93,000	92,741	99,179
Lower Mattagami Energy LP 4.18% Apr 23, 2052	64,000	64,000	70,925	North West Redwater Partnership / NWR Financing Co., Ltd. (Callable) 4.35% Jul 10, 2038	99,000	98,558	106,938
Lower Mattagami Energy LP 4.33% May 18, 2021	72,000	76,375	75,472	North West Redwater Partnership / NWR Financing Co., Ltd. (Callable) 4.75% Dec 01, 2036	75,000	76,970	85,145
Lower Mattagami Energy LP 5.14% May 18, 2041	41,000	41,000	51,379	Northland Power Solar Finance One LP 4.40% Jun 30, 2032	37,804	37,809	39,173
Magna International Inc. (Callable) 3.10% Nov 15, 2022	35,000	34,995	35,099	Nouvelle Autoroute 30 Financement Inc. 3.74% Dec 31, 2032	6,000	6,000	6,096
Manitoba Telecom Services Inc. 5.63% Dec 16, 2019	100,000	108,628	104,387	Nouvelle Autoroute 30 Financement Inc. 3.75% Mar 31, 2033	7,000	7,000	7,122
Manufacturers Life Insurance Company, The (Callable) 2.10% Jun 01, 2020	107,000	106,996	105,840	Nouvelle Autoroute 30 Financement Inc. 4.11% Mar 31, 2042	23,000	23,000	23,675
Manufacturers Life Insurance Company, The (Callable) 2.39% Jan 05, 2021	53,000	52,999	52,483	Nouvelle Autoroute 30 Financement Inc. 4.12% Jun 30, 2042	20,000	20,000	20,574
Manufacturers Life Insurance Company, The (Callable) 2.64% Jan 15, 2020	141,000	140,996	141,202	Nova Gas Transmission Ltd. 9.90% Dec 16, 2024	15,000	19,238	20,516
Manufacturers Life Insurance Company, The (Callable) 3.18% Nov 22, 2022	138,000	138,000	139,048				
Manulife Bank of Canada 1.92% Sep 01, 2021	33,000	33,000	32,125				
Manulife Bank of Canada 2.08% May 26, 2022	62,000	62,000	60,205				
Manulife Bank of Canada 2.84% Jan 12, 2023	30,000	30,000	29,849				
Manulife Finance Delaware LP (Callable) 5.06% Dec 15, 2036	115,000	104,999	129,562				
Manulife Financial Capital Trust II (Callable) 7.41% Dec 31, 2019	150,000	160,459	160,079				
Manulife Financial Corporation (Callable) 3.05% Aug 20, 2024	74,000	74,000	72,590				
Manulife Financial Corporation (Callable) 3.32% May 09, 2023	132,000	132,000	132,622				
Maritime Link Financing Trust 3.50% Dec 01, 2052	406,000	404,624	431,990				
MCAP Commercial LP 5.00% Dec 14, 2022	26,000	26,000	25,847				
McGill University (Callable) 3.98% Jul 29, 2055	11,000	11,000	12,438				
McGill University Health Centre 5.36% Dec 31, 2043	93,000	92,959	121,816				
McMaster University (Callable) 4.11% May 26, 2065	18,000	18,000	20,327				
McMaster University 6.15% Oct 07, 2052	20,000	19,981	31,079				

The accompanying notes are an integral part of the financial statements.

Scotia Canadian Bond Index Fund (Unaudited – Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at June 30, 2018

Issuer	Face Value (\$)	Average Cost (\$)	Carrying Value (\$)	Issuer	Face Value (\$)	Average Cost (\$)	Carrying Value (\$)
BONDS AND DEBENTURES (cont'd)				BONDS AND DEBENTURES (cont'd)			
Corporate Bonds (cont'd)				Corporate Bonds (cont'd)			
Nova Scotia Power Inc. (Callable) 3.61% Nov 01, 2044	71,000	71,000	70,299	RioCan Real Estate Investment Trust 3.75% May 30, 2022	39,000	39,136	39,857
Nova Scotia Power Inc. (Callable) 4.50% Jan 20, 2043	68,000	67,590	77,291	RioCan Real Estate Investment Trust 3.85% Jun 28, 2019	57,000	57,191	57,783
Nova Scotia Power Inc. 4.15% Mar 06, 2042	45,000	44,962	48,534	Rogers Communications Inc. (Callable) 4.00% Dec 13, 2023	92,000	91,730	95,985
Nova Scotia Power Inc. 5.61% Jun 15, 2040	35,000	42,274	45,197	Rogers Communications Inc. (Callable) 6.11% Feb 25, 2040	119,000	119,873	148,677
Nova Scotia Power Inc. 5.67% Nov 14, 2035	43,000	47,032	54,108	Rogers Communications Inc. (Callable) 6.56% Sep 22, 2040	70,000	77,605	92,197
Nova Scotia Power Inc. 5.95% Jul 27, 2039	26,000	30,970	34,652	Rogers Communications Inc. 4.00% Jun 06, 2022	99,000	98,604	102,911
Nova Scotia Power Inc. 6.95% Aug 25, 2033	40,000	42,157	55,293	Rogers Communications Inc. 4.70% Sep 29, 2020	145,000	147,909	151,349
OMERS Realty Corporation (Callable) 1.82% Apr 09, 2022	81,000	81,000	78,145	Rogers Communications Inc. 5.34% Mar 22, 2021	215,000	224,800	229,348
OMERS Realty Corporation (Callable) 2.86% Jan 23, 2024	88,000	88,000	87,454	Rogers Communications Inc. 6.68% Nov 04, 2039	105,000	109,068	139,296
OMERS Realty Corporation (Callable) 3.24% Jul 04, 2027	100,000	100,000	100,388	Royal Bank of Canada (Callable) 2.99% Dec 06, 2019	480,000	480,000	482,865
OMERS Realty Corporation (Callable) 3.33% Apr 05, 2025	81,000	81,000	82,282	Royal Bank of Canada 1.58% Sep 13, 2021	249,000	249,000	240,309
OMERS Realty Corporation (Callable) 3.63% Mar 05, 2030	138,000	138,000	141,885	Royal Bank of Canada 1.59% Mar 23, 2020	142,000	141,980	140,132
OMERS Realty Corporation 2.47% Nov 12, 2019	53,000	53,000	53,069	Royal Bank of Canada 1.65% Jul 15, 2021	230,000	229,933	222,854
OMERS Realty Corporation 3.33% Nov 12, 2024	59,000	59,000	59,963	Royal Bank of Canada 1.92% Jul 17, 2020	424,000	424,000	418,672
OMERS Realty Corporation 3.36% Jun 05, 2023	150,000	150,000	153,064	Royal Bank of Canada 1.97% Mar 02, 2022	495,000	495,000	481,073
Ontario Electricity Financial Corporation 10.00% Feb 06, 2020	100,000	137,618	112,276	Royal Bank of Canada 2.00% Mar 21, 2022	363,000	362,946	352,963
Ontario Electricity Financial Corporation 10.13% Oct 15, 2021	113,000	181,665	140,337	Royal Bank of Canada 2.03% Mar 15, 2021	483,000	482,816	474,816
Ontario Electricity Financial Corporation 10.75% Aug 06, 2021	11,000	18,216	13,719	Royal Bank of Canada 2.33% Dec 05, 2023	372,000	372,000	360,506
Ontario Electricity Financial Corporation 8.25% Jun 22, 2026	205,000	299,097	282,582	Royal Bank of Canada 2.35% Dec 09, 2019	347,000	346,743	346,839
Ontario Electricity Financial Corporation 8.50% May 26, 2025	155,000	194,424	209,734	Royal Bank of Canada 2.36% Dec 05, 2022	231,000	230,979	226,241
Ontario Electricity Financial Corporation 8.90% Aug 18, 2022	236,000	326,413	294,545	Royal Bank of Canada 2.95% May 01, 2023	275,000	275,000	275,533
Ontario Power Generation Inc. (Callable) 3.32% Jul 04, 2027	87,000	87,000	87,452	Royal Bank of Canada 4.93% Jul 16, 2025	150,000	162,873	167,898
Ontario Power Generation Inc. (Callable) 3.84% Dec 22, 2047	72,000	72,000	72,668	Royal Office Finance LP 5.21% Nov 12, 2032	284,001	287,515	337,300
Ontario School Boards Financing Corporation 5.90% Jun 02, 2033	135,000	134,906	176,979	Ryerson University (Callable) 3.77% Apr 11, 2057	20,000	20,000	21,559
OPB Finance Trust 2.95% Feb 02, 2026	30,000	29,984	30,078	Saputo Inc. (Callable) 1.94% May 13, 2022	78,000	78,000	75,120
Original Wempi Inc. 4.06% Feb 13, 2024	237,439	237,440	239,056	Saputo Inc. (Callable) 2.83% Sep 21, 2023	95,000	95,000	93,622
Original Wempi Inc. 4.31% Feb 13, 2024	172,000	172,000	175,092	Saputo Inc. 2.20% Jun 23, 2021	24,000	24,000	23,607
Omge Issuer Trust 5.73% Jun 11, 2034	116,246	124,131	139,342	Saputo Inc. 2.65% Nov 26, 2019	54,000	54,000	54,136
Ottawa MacDonald-Cartier International Airport Authority (Callable) 3.93% Dec 09, 2044	49,000	49,000	51,399	Sea To Sky Highway Investment LP 2.63% Aug 31, 2030	72,922	72,919	70,639
Pembina Pipeline Corporation (Callable) 2.99% Nov 22, 2023	194,000	193,242	190,649	SEC LP and Aro Ltd. 5.19% Aug 29, 2033	83,721	95,861	85,812
Pembina Pipeline Corporation (Callable) 3.54% Nov 03, 2024	46,000	45,981	46,123	SGTP Highway Bypass LP 4.11% Jan 31, 2045	45,000	45,000	47,189
Pembina Pipeline Corporation (Callable) 3.71% May 11, 2026	14,000	13,994	14,053	SGTP Highway Bypass LP 4.16% Jul 31, 2049	24,000	24,000	25,469
Pembina Pipeline Corporation (Callable) 4.02% Dec 27, 2027	135,000	134,989	136,716	Shaw Communications Inc. (Callable) 3.80% Dec 01, 2026	29,000	28,971	29,202
Pembina Pipeline Corporation (Callable) 4.24% Mar 15, 2027	93,000	92,992	96,342	Shaw Communications Inc. 3.15% Feb 19, 2021	32,000	31,965	32,239
Pembina Pipeline Corporation (Callable) 4.74% Jul 21, 2046	71,000	70,205	72,475	Shaw Communications Inc. 5.50% Dec 07, 2020	98,000	100,972	104,151
Pembina Pipeline Corporation (Callable) 4.75% Oct 30, 2042	66,000	65,141	67,630	Shaw Communications Inc. 5.65% Oct 01, 2019	180,000	183,175	186,950
Pembina Pipeline Corporation (Callable) 4.75% Sep 26, 2047	42,000	41,973	42,764	Shaw Communications Inc. 6.75% Nov 09, 2039	234,000	232,783	294,790
Pembina Pipeline Corporation (Callable) 4.81% Sep 25, 2043	70,000	69,935	72,319	Simon Fraser University 5.61% Jun 10, 2043	50,000	50,000	66,961
Pembina Pipeline Corporation 3.77% Oct 24, 2022	50,000	49,992	51,225	Sinai Health System (Callable) 3.53% Dec 09, 2055	37,000	37,000	36,145
Pembina Pipeline Corporation 4.89% Mar 29, 2021	24,000	25,660	25,245	Smart Real Estate Investment Trust (Callable) 2.99% Jul 28, 2024	23,000	23,031	22,091
Penske Truck Leasing Canada Inc. (Callable) 2.85% Nov 07, 2022	34,000	33,998	33,535	Smart Real Estate Investment Trust (Callable) 3.44% May 28, 2026	46,000	46,062	44,326
Penske Truck Leasing Canada Inc. 2.95% Jun 12, 2020	62,000	61,980	62,132	Smart Real Estate Investment Trust 2.88% Mar 21, 2022	24,000	24,002	23,693
Plenary Health Care Partnerships Humber LP 4.82% Nov 30, 2044	74,000	74,596	87,943	Smart Real Estate Investment Trust 3.56% Feb 06, 2025	55,000	55,226	54,148
Plenary Health Care Partnerships Humber LP 4.90% May 31, 2039	122,022	122,022	136,779	Smart Real Estate Investment Trust 3.73% Jul 22, 2022	34,000	34,098	34,518
Plenary Health Hamilton LP 5.80% May 31, 2043	79,791	79,791	98,476	Smart Real Estate Investment Trust 4.05% Jul 27, 2020	28,000	28,046	28,672
Plenary Properties LTAP LP 6.29% Jan 31, 2044	161,373	186,688	211,982	SmartCentres Real Estate Investment Trust (Callable) 3.83% Sep 21, 2027	51,000	51,000	49,836
Power Corporation of Canada 8.57% Apr 22, 2039	25,000	24,981	39,731	SNC-Lavalin Group Inc. (Callable) 3.24% Feb 02, 2023	41,000	41,000	40,987
Power Financial Corporation 6.90% Mar 11, 2033	40,000	47,371	53,570	SNC-Lavalin Group Inc. 2.69% Nov 24, 2020	71,000	71,000	70,718
PSP Capital Inc. 1.73% Jun 21, 2022	306,000	306,000	297,759	SNC-Lavalin Group Inc. 6.19% Jul 03, 2019	119,000	129,068	123,331
PSP Capital Inc. 2.09% Nov 22, 2023	152,000	151,980	148,203	Société en Commandite ce Sebastopol 4.14% Jul 31, 2047	34,000	34,000	33,977
PSP Capital Inc. 3.03% Oct 22, 2020	191,000	191,381	194,540	South Coast British Columbia Transportation Authority 3.05% Jun 04, 2025	37,000	36,839	37,469
PSP Capital Inc. 3.29% Apr 04, 2024	150,000	153,115	155,281	SSL Finance Inc. / SSL Financement Inc. 4.10% Oct 31, 2045	144,000	144,000	149,890
PSP Capital Inc., Series B 1.34% Aug 18, 2021	198,000	197,943	192,166	SSL Finance Inc. 4.18% Apr 30, 2049	47,000	47,000	47,234
PSS Generating Station LP 4.80% Oct 24, 2067	32,000	32,000	34,713	Sun Life Capital Trust II (Callable) 5.86% Dec 31, 2019	150,000	152,567	156,660
Reliance LP (Callable) 3.84% Jan 15, 2025	41,000	40,999	40,740	Sun Life Financial Inc. (Callable) 2.60% Sep 25, 2020	89,000	88,942	88,551
Reliance LP 3.81% Sep 15, 2020	128,000	128,004	130,164	Sun Life Financial Inc. (Callable) 2.75% Nov 23, 2022	18,000	17,992	17,750
Reliance LP 4.08% Aug 02, 2021	30,000	30,000	30,692	Sun Life Financial Inc. (Callable) 3.05% Sep 19, 2023	142,000	141,796	141,277
RioCan Real Estate Investment Trust (Callable) 3.21% Aug 29, 2023	67,000	66,997	66,524	Sun Life Financial Inc. (Callable) 3.10% Feb 19, 2021	74,000	73,915	74,442
RioCan Real Estate Investment Trust 2.19% Apr 09, 2021	64,000	64,000	62,766	Sun Life Financial Inc. (Callable) 5.40% May 29, 2037	102,000	95,457	122,523
RioCan Real Estate Investment Trust 2.19% Aug 26, 2020	50,000	50,000	49,363	Sun Life Financial Inc. 5.70% Jul 02, 2019	120,000	119,918	124,023
RioCan Real Estate Investment Trust 2.83% Oct 03, 2022	25,000	24,999	24,638	Suncor Energy Inc. (Callable) 3.00% Jun 14, 2026	137,000	136,659	134,129
RioCan Real Estate Investment Trust 3.29% Feb 12, 2024	57,000	57,009	56,534	Suncor Energy Inc. (Callable) 3.10% Oct 26, 2021	168,000	167,434	170,113
RioCan Real Estate Investment Trust 3.62% Jun 01, 2020	69,000	69,135	70,119	Suncor Energy Inc. (Callable) 4.34% Mar 13, 2046	24,000	23,976	25,346
RioCan Real Estate Investment Trust 3.73% Apr 18, 2023	10,000	10,018	10,184	Suncor Energy Inc. 5.39% Mar 26, 2037	95,000	100,320	112,788
				TCHC Issuer Trust 4.88% May 11, 2037	50,000	50,000	60,475

The accompanying notes are an integral part of the financial statements.

Scotia Canadian Bond Index Fund (Unaudited – Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at June 30, 2018

Issuer	Face Value (\$)	Average Cost (\$)	Carrying Value (\$)	Issuer	Face Value (\$)	Average Cost (\$)	Carrying Value (\$)
BONDS AND DEBENTURES (cont'd)				BONDS AND DEBENTURES (cont'd)			
Corporate Bonds (cont'd)				Corporate Bonds (cont'd)			
TD Capital Trust IV (Callable) 10.00% Jun 30, 2039	110,000	140,544	140,850	TransCanada PipeLines Ltd. (Callable) 4.18% Jan 03, 2048	121,000	120,959	120,520
TD Capital Trust IV (Callable) 6.63% Jun 30, 2021	191,000	210,263	210,058	TransCanada PipeLines Ltd. (Callable) 4.33% Mar 16, 2047	74,000	73,987	75,984
TD Capital Trust IV (Callable) 9.52% Jun 30, 2019	274,000	349,191	291,621	TransCanada PipeLines Ltd. (Callable) 4.35% Dec 06, 2045	73,000	72,830	75,241
TELUS Communications Inc. 10.65% Jun 19, 2021	32,000	41,509	38,836	TransCanada PipeLines Ltd. 11.80% Nov 20, 2020	90,000	144,104	108,236
TELUS Communications Inc. 9.65% Apr 08, 2022	290,000	400,406	356,343	TransCanada PipeLines Ltd. 3.65% Nov 15, 2021	80,000	79,894	82,317
TELUS Corporation (Callable) 2.35% Feb 28, 2022	133,000	132,642	130,262	TransCanada PipeLines Ltd. 4.55% Nov 15, 2041	185,000	184,025	195,934
TELUS Corporation (Callable) 3.20% Mar 05, 2021	40,000	39,896	40,435	TransCanada PipeLines Ltd. 6.28% May 26, 2028	40,000	35,490	48,334
TELUS Corporation (Callable) 3.35% Jan 02, 2024	115,000	114,350	115,654	TransCanada PipeLines Ltd. 6.50% Dec 09, 2030	50,000	57,417	61,975
TELUS Corporation (Callable) 3.63% Dec 01, 2027	58,000	57,390	57,953	TransCanada PipeLines Ltd. 7.34% Jul 18, 2028	65,000	67,506	84,185
TELUS Corporation (Callable) 3.75% Dec 10, 2025	64,000	63,497	65,129	TransCanada PipeLines Ltd. 7.90% Apr 15, 2027	75,000	102,697	98,848
TELUS Corporation (Callable) 3.75% Oct 17, 2024	90,000	89,798	92,064	TransCanada PipeLines Ltd. 8.05% Feb 17, 2039	50,000	68,023	76,334
TELUS Corporation (Callable) 4.40% Jul 29, 2045	19,000	18,995	18,783	TransCanada PipeLines Ltd. 8.23% Jan 16, 2031	120,000	140,932	166,545
TELUS Corporation (Callable) 4.40% Oct 01, 2042	105,000	104,756	103,803	TransEd Partners GP 3.95% Sep 30, 2050	84,000	77,692	82,399
TELUS Corporation (Callable) 4.70% Sep 06, 2047	69,000	69,176	71,527	Trillium Windpower LP 5.80% Feb 15, 2033	53,225	53,225	60,060
TELUS Corporation (Callable) 4.75% Jul 17, 2044	45,000	44,681	46,935	Union Gas Ltd. (Callable) 2.76% May 02, 2021	70,000	69,978	70,330
TELUS Corporation (Callable) 4.85% Oct 05, 2043	190,000	188,101	200,726	Union Gas Ltd. (Callable) 2.81% Mar 01, 2026	26,000	26,000	25,626
TELUS Corporation (Callable) 5.15% May 26, 2043	91,000	90,545	100,167	Union Gas Ltd. (Callable) 2.88% Aug 22, 2027	38,000	37,974	37,372
TELUS Corporation 5.05% Dec 04, 2019	69,000	68,599	71,673	Union Gas Ltd. (Callable) 3.19% Jun 17, 2025	47,000	46,980	47,615
TELUS Corporation 5.05% Jul 23, 2020	175,000	190,264	183,408	Union Gas Ltd. (Callable) 3.59% May 22, 2047	34,000	33,944	34,236
Teranet Holdings LP (Callable) 3.65% Oct 18, 2022	18,000	18,000	17,986	Union Gas Ltd. (Callable) 3.79% Apr 10, 2023	21,000	20,993	21,925
Teranet Holdings LP 4.81% Dec 16, 2020	170,000	170,818	176,414	Union Gas Ltd. (Callable) 3.80% Dec 01, 2045	47,000	46,975	48,982
Teranet Holdings LP 5.75% Dec 17, 2040	120,000	123,553	127,967	Union Gas Ltd. (Callable) 4.20% Dec 02, 2043	110,000	108,940	121,812
Teranet Holdings LP 6.10% Jun 17, 2041	40,000	39,982	44,466	Union Gas Ltd. (Callable) 4.88% Dec 21, 2040	50,000	49,938	60,285
Thomson Reuters Corporation (Callable) 3.31% Oct 12, 2021	117,000	117,000	118,591	Union Gas Ltd. 5.20% Jul 23, 2040	50,000	56,159	62,515
Thomson Reuters Corporation 4.35% Sep 30, 2020	197,000	202,318	204,153	Union Gas Ltd. 5.46% Sep 11, 2036	50,000	50,000	63,081
THP Partnership 4.39% Oct 31, 2046	40,412	40,412	43,357	Union Gas Ltd. 6.05% Sep 02, 2038	35,000	41,650	47,628
TMX Group Ltd. (Callable) 4.46% Aug 03, 2023	43,000	43,000	45,888	Union Gas Ltd. 8.65% Nov 10, 2025	25,000	29,500	33,804
TMX Group Ltd. 3.00% Dec 11, 2024	63,000	63,000	62,502	University Health Network 5.64% Dec 08, 2022	14,004	13,677	14,927
TMX Group Ltd. 3.78% Jun 05, 2028	30,000	30,000	30,713	University of British Columbia 4.82% Jul 26, 2035	20,000	20,000	23,792
Toromont Industries Ltd. (Callable) 3.84% Jul 27, 2027	86,000	86,000	87,209	University of Guelph 6.24% Oct 10, 2042	20,000	19,974	28,868
Toronto Hydro Corporation (Callable) 2.52% May 25, 2026	81,000	80,987	78,500	University of Ontario Institute of Technology 6.35% Oct 15, 2034	38,002	38,002	44,671
Toronto Hydro Corporation (Callable) 2.91% Jan 10, 2023	18,000	17,997	18,166	University of Ottawa (Callable) 3.26% Apr 12, 2056	22,000	22,000	21,427
Toronto Hydro Corporation (Callable) 3.49% Aug 28, 2047	7,000	6,995	7,022	University of Toronto 4.25% Dec 07, 2051	75,000	73,301	87,162
Toronto Hydro Corporation (Callable) 3.55% Jan 28, 2045	20,000	19,967	20,191	University of Western Ontario 4.80% May 24, 2047	71,000	71,955	88,280
Toronto Hydro Corporation (Callable) 3.96% Oct 09, 2062	32,000	31,965	35,102	University of Western Ontario, The (Callable) 3.39% Jun 04, 2056	12,000	12,000	11,975
Toronto Hydro Corporation 3.54% Nov 18, 2021	108,000	107,946	111,530	University of Windsor 5.37% Jun 29, 2046	41,000	42,507	55,357
Toronto Hydro Corporation 4.49% Nov 12, 2019	40,000	44,189	41,168	Vancouver Airport Authority (Callable) 3.86% May 10, 2045	39,000	39,000	43,309
Toronto Hydro Corporation 5.54% May 21, 2040	40,000	45,945	52,579	Ventas Canada Finance Ltd. (Callable) 2.55% Feb 15, 2023	18,000	17,992	17,537
Toronto-Dominion Bank, The (Callable) 3.22% Jul 25, 2044	191,000	191,000	186,864	Ventas Canada Finance Ltd. (Callable) 3.30% Jan 02, 2022	59,000	58,995	59,500
Toronto-Dominion Bank, The 1.68% Jun 08, 2021	433,000	433,830	422,340	Ventas Canada Finance Ltd. (Callable) 4.13% Jun 30, 2024	44,000	43,825	45,710
Toronto-Dominion Bank, The 1.68% Jun 08, 2021	36,000	35,212	35,171	Ventas Canada Finance Ltd. 3.00% Sep 30, 2019	73,000	72,790	73,471
Toronto-Dominion Bank, The 1.69% Apr 02, 2020	127,000	127,000	125,376	Veresen Inc. (Callable) 3.43% Oct 10, 2021	104,000	103,965	105,489
Toronto-Dominion Bank, The 1.91% Jul 18, 2023	407,000	407,000	388,429	VW Credit Canada Inc. 2.15% Jun 24, 2020	57,000	56,898	56,320
Toronto-Dominion Bank, The 1.99% Mar 23, 2022	760,000	753,700	739,403	VW Credit Canada Inc. 2.50% Oct 01, 2019	149,000	148,917	148,912
Toronto-Dominion Bank, The 2.05% Mar 08, 2021	181,000	181,000	178,225	VW Credit Canada Inc. 2.90% Mar 29, 2021	120,000	119,876	119,927
Toronto-Dominion Bank, The 2.56% Jun 24, 2020	433,000	434,320	433,389	VW Credit Canada Inc. 3.25% Mar 29, 2023	68,000	67,919	68,098
Toronto-Dominion Bank, The 2.62% Dec 22, 2021	364,000	367,560	362,833	Wells Fargo Canada Corporation 2.94% Jul 25, 2019	230,000	230,000	231,477
Toronto-Dominion Bank, The 3.01% May 30, 2023	316,000	316,000	317,775	Wells Fargo Canada Corporation 3.04% Jan 29, 2021	175,000	184,287	176,277
Toronto-Dominion Bank, The 3.23% Jul 24, 2024	346,000	351,952	351,048	Wells Fargo Canada Corporation 3.46% Jan 24, 2023	123,000	123,000	125,618
Toronto-Dominion Bank, The 9.15% May 26, 2025	50,000	62,200	68,282	Westcoast Energy Inc. (Callable) 3.43% Jun 12, 2024	81,000	80,966	82,021
Toyota Credit Canada Inc. 1.75% Jul 21, 2021	41,000	40,932	39,812	Westcoast Energy Inc. (Callable) 3.77% Sep 08, 2025	44,000	43,982	45,312
Toyota Credit Canada Inc. 1.80% Feb 19, 2020	150,000	149,970	148,353	Westcoast Energy Inc. 4.57% Jul 02, 2020	81,000	86,749	83,987
Toyota Credit Canada Inc. 2.02% Feb 28, 2022	125,000	124,959	121,612	Westcoast Energy Inc. 4.79% Oct 28, 2041	50,000	55,109	55,069
Toyota Credit Canada Inc. 2.05% May 20, 2020	124,000	123,976	122,876	Westcoast Energy Inc. 7.15% Mar 20, 2031	50,000	50,325	65,408
Toyota Credit Canada Inc. 2.20% Feb 25, 2021	89,000	88,824	87,860	WestJet Airlines Ltd. 3.29% Jul 23, 2019	43,000	43,000	43,319
Toyota Credit Canada Inc. 2.35% Jul 18, 2022	64,000	63,994	62,769	Wilfrid Laurier University 5.43% Feb 01, 2045	20,000	20,000	26,283
Toyota Credit Canada Inc. 2.48% Nov 19, 2019	40,000	39,994	40,046	Windsor Canada Utilities Ltd. 4.13% Nov 06, 2042	50,000	50,000	51,051
Toyota Credit Canada Inc. 2.62% Oct 11, 2022	36,000	36,000	35,633	Winnipeg Airport Authority Inc. (Callable) 3.66% Mar 30, 2047	34,000	34,000	35,960
Toyota Credit Canada Inc. 2.70% Jan 25, 2023	24,000	23,984	23,809	Winnipeg Airport Authority Inc. 4.57% Nov 20, 2019	75,000	83,318	77,092
TransAlta Corporation 5.00% Nov 25, 2020	51,000	50,753	52,901	Winnipeg Airport Authority Inc. 5.21% Sep 28, 2040	17,319	17,319	20,415
TransAlta Corporation 6.40% Nov 18, 2019	120,000	135,576	125,348	York Region District School Board 6.45% Jun 04, 2024	32,408	40,026	36,072
TransAlta Corporation 6.90% Nov 15, 2030	30,000	31,142	31,868	York University (Callable) 4.46% Aug 26, 2053	30,000	30,000	36,021
TransCanada PipeLines Ltd. (Callable) 3.30% Apr 17, 2025	115,000	114,854	115,662	York University 6.48% Mar 07, 2042	100,000	99,972	148,770
TransCanada PipeLines Ltd. (Callable) 3.39% Dec 15, 2027	64,000	63,939	63,758				
TransCanada PipeLines Ltd. (Callable) 3.69% Apr 19, 2023	136,000	137,676	140,135				
						80,912,475	82,960,242

The accompanying notes are an integral part of the financial statements.

Scotia Canadian Bond Index Fund (Unaudited – Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at June 30, 2018

Issuer	Face Value (\$)	Average Cost (\$)	Carrying Value (\$)	Issuer	Face Value (\$)	Average Cost (\$)	Carrying Value (\$)
BONDS AND DEBENTURES (cont'd)				BONDS AND DEBENTURES (cont'd)			
Federal Bonds – 31.4%				Federal Bonds (cont'd)			
Business Development Bank of Canada 4.35% Feb 28, 2022	53,000	55,707	56,679	Government of Canada Bonds 0.50% Mar 01, 2022	1,793,000	1,744,356	1,697,447
Business Development Bank of Canada 4.75% Jul 26, 2021	87,000	105,024	93,165	Government of Canada Bonds 1.00% Jun 01, 2027	2,087,000	1,900,551	1,892,275
Canada Government International Bond 2.75% Dec 01, 2064	820,000	828,350	959,311	Government of Canada Bonds 1.00% Sep 01, 2022	1,469,000	1,417,161	1,408,300
Canada Housing Trust No 1 1.75% Jun 15, 2022	1,658,000	1,664,286	1,623,995			<u>77,970,262</u>	<u>76,520,791</u>
Canada Housing Trust No 1 2.35% Jun 15, 2027	1,101,000	1,110,003	1,083,825	Mortgage-Backed Securities – 0.2%			
Canada Housing Trust No. 1 1.15% Dec 15, 2021	795,000	793,434	766,396	Caisse Centrale Desjardins 1.75% Mar 02, 2020	359,000	359,000	354,689
Canada Housing Trust No. 1 1.20% Jun 15, 2020	722,000	720,874	710,770	Canadian Credit Card Trust II 1.83% Mar 24, 2020	161,000	161,033	159,133
Canada Housing Trust No. 1 1.25% Dec 15, 2020	1,629,000	1,626,152	1,595,916	Chip Mortgage Trust 2.33% Apr 29, 2020	45,000	45,000	44,347
Canada Housing Trust No. 1 1.25% Jun 15, 2021	1,646,000	1,652,278	1,602,194	OPB Finance Trust 1.88% Feb 24, 2022	40,000	39,024	39,071
Canada Housing Trust No. 1 1.45% Jun 15, 2020	868,000	867,540	858,604			<u>604,057</u>	<u>597,240</u>
Canada Housing Trust No. 1 1.50% Dec 15, 2021	834,000	833,483	813,637	Municipal Bonds – 1.9%			
Canada Housing Trust No. 1 1.90% Sep 15, 2026	1,120,000	1,122,461	1,068,794	City of Edmonton 8.50% Sep 14, 2018	58,000	78,153	58,786
Canada Housing Trust No. 1 1.95% Dec 15, 2025	450,000	448,002	433,235	City of Montreal 3.00% Sep 01, 2025	68,000	68,585	68,523
Canada Housing Trust No. 1 2.00% Dec 15, 2019	1,452,000	1,460,862	1,453,323	City of Montreal 3.50% Sep 01, 2023	115,000	114,311	119,593
Canada Housing Trust No. 1 2.25% Dec 15, 2025	584,000	592,237	574,077	City of Montreal 3.50% Sep 01, 2024	99,000	103,526	103,054
Canada Housing Trust No. 1 2.35% Jun 15, 2023	648,000	647,598	646,998	City of Montreal 4.10% Dec 01, 2034	85,000	87,459	94,709
Canada Housing Trust No. 1 2.35% Jun 15, 2023	852,000	852,630	850,850	City of Montreal 4.25% Dec 01, 2032	20,000	20,232	22,442
Canada Housing Trust No. 1 2.35% Mar 15, 2028	415,000	414,062	407,493	City of Montreal 4.50% Dec 01, 2021	85,000	89,842	90,772
Canada Housing Trust No. 1 2.35% Sep 15, 2023	670,000	667,025	668,304	City of Montreal 5.45% Dec 01, 2019	143,000	164,472	149,730
Canada Housing Trust No. 1 2.40% Dec 15, 2022	2,676,000	2,686,508	2,682,591	City of Montreal 6.00% Jun 01, 2043	122,000	148,820	179,409
Canada Housing Trust No. 1 2.55% Mar 15, 2025	856,000	878,294	860,543	City of Montreal 2.75% Sep 01, 2026	72,000	71,654	70,976
Canada Housing Trust No. 1 2.65% Mar 15, 2022	1,066,000	1,076,405	1,080,367	City of Montreal 3.00% Sep 01, 2027	52,000	52,042	51,939
Canada Housing Trust No. 1 2.65% Mar 15, 2028	634,000	627,036	638,830	City of Montreal 3.15% Sep 01, 2028	45,000	45,018	45,386
Canada Housing Trust No. 1 2.90% Jun 15, 2024	1,072,000	1,083,473	1,099,152	City of Montreal Canada 3.15% Dec 01, 2036	71,000	69,500	70,290
Canada Housing Trust No. 1 3.15% Sep 15, 2023	268,000	269,956	277,713	City of Montreal Canada 3.50% Dec 01, 2038	35,000	35,030	36,400
Canada Housing Trust No. 1 3.35% Dec 15, 2020	755,000	751,705	777,286	City of Ottawa 3.05% Apr 23, 2046	24,000	23,767	23,281
Canada Housing Trust No. 1 3.75% Mar 15, 2020	812,000	806,831	835,878	City of Ottawa 3.10% Jul 27, 2048	73,000	69,860	71,524
Canada Housing Trust No. 1 3.80% Jun 15, 2021	1,135,000	1,214,252	1,186,956	City of Ottawa 3.25% Nov 10, 2047	18,000	17,969	18,166
Canada Post Corporation 4.08% Jul 16, 2025	125,000	132,500	136,703	City of Ottawa 4.20% Jul 30, 2053	76,000	75,810	91,374
Canada Post Corporation 4.36% Jul 16, 2040	356,000	414,123	441,029	City of Ottawa 4.40% Oct 22, 2033	41,000	40,941	47,008
Export Development Canada 1.80% Sep 01, 2022	93,000	92,872	91,271	City of Ottawa 4.60% Jul 14, 2042	15,000	16,021	18,456
Farm Credit Canada 4.55% Apr 12, 2021	231,000	266,130	245,037	City of Ottawa 5.05% Aug 13, 2030	31,000	35,946	36,915
Farm Credit Canada 4.60% Jun 01, 2021	303,000	361,094	322,741	City of Toronto 2.40% Jun 24, 2026	30,000	29,974	28,919
Government of Canada 0.75% Aug 01, 2019	650,000	643,066	642,966	City of Toronto 2.45% Feb 06, 2025	77,000	76,578	75,299
Government of Canada 0.75% Mar 01, 2021	2,740,000	2,740,711	2,653,317	City of Toronto 2.95% Apr 28, 2035	70,000	67,517	67,840
Government of Canada 0.75% Sep 01, 2020	3,168,000	3,134,397	3,088,213	City of Toronto 3.25% Jun 24, 2046	88,000	85,366	88,420
Government of Canada 0.75% Sep 01, 2021	1,842,000	1,827,844	1,771,871	City of Toronto 3.50% Dec 06, 2021	86,000	86,984	88,896
Government of Canada 1.25% Feb 01, 2020	1,650,000	1,637,417	1,633,703	City of Toronto 3.50% Jun 02, 2036	29,000	29,929	30,197
Government of Canada 1.25% Nov 01, 2019	1,250,000	1,245,700	1,240,423	City of Toronto 3.80% Dec 13, 2042	62,000	61,790	67,995
Government of Canada 1.50% Jun 01, 2023	380,000	376,474	369,977	City of Toronto 3.90% Sep 29, 2023	26,000	25,925	27,511
Government of Canada 1.50% Jun 01, 2026	1,809,000	1,805,661	1,724,915	City of Toronto 4.50% Dec 02, 2019	50,000	49,846	51,703
Government of Canada 1.50% Mar 01, 2020	3,135,000	3,201,218	3,114,920	City of Toronto 4.70% Jun 10, 2041	131,000	133,596	162,203
Government of Canada 1.75% Mar 01, 2023	1,316,000	1,294,600	1,297,762	City of Toronto 5.20% Jun 01, 2040	107,000	122,937	139,971
Government of Canada 1.75% May 01, 2020	200,000	199,592	199,425	City of Toronto 5.34% Jul 18, 2027	10,884	10,884	11,995
Government of Canada 1.75% Sep 01, 2019	1,997,000	2,041,153	1,995,786	City of Toronto 6.80% Jul 26, 2021	67,000	87,322	75,514
Government of Canada 10.50% Mar 15, 2021	1,000	1,680	1,223	City of Toronto Canada 2.40% Jun 07, 2027	68,000	67,820	64,942
Government of Canada 2.00% Dec 01, 2051	50,000	44,880	47,686	City of Vancouver 2.70% Dec 15, 2026	25,000	24,970	24,589
Government of Canada 2.00% Jun 01, 2028	2,047,000	2,002,472	2,016,779	City of Vancouver 2.85% Nov 03, 2027	16,000	15,965	15,849
Government of Canada 2.00% Sep 01, 2023	182,000	180,677	181,174	City of Vancouver 2.90% Nov 20, 2025	16,000	15,946	16,051
Government of Canada 2.25% Jun 01, 2025	1,462,000	1,577,718	1,472,940	City of Vancouver 3.05% Oct 16, 2024	24,000	23,973	24,358
Government of Canada 2.50% Jun 01, 2024	1,516,000	1,587,923	1,548,112	City of Vancouver 3.45% Dec 02, 2021	54,000	53,923	55,793
Government of Canada 2.75% Dec 01, 2048	1,623,000	1,786,277	1,819,302	City of Vancouver 3.70% Oct 18, 2052	40,000	39,727	43,438
Government of Canada 2.75% Jun 01, 2022	1,225,000	1,295,368	1,258,079	City of Vancouver 3.75% Oct 24, 2023	46,000	45,947	48,452
Government of Canada 3.25% Jun 01, 2021	1,460,000	1,639,522	1,511,639	City of Winnipeg 4.10% Jun 01, 2045	20,000	20,957	22,781
Government of Canada 3.50% Dec 01, 2045	1,823,000	2,411,645	2,302,133	City of Winnipeg 5.20% Jul 17, 2036	81,000	95,352	102,073
Government of Canada 3.50% Jun 01, 2020	1,940,000	2,186,260	1,996,978	City of Winnipeg 5.90% Feb 02, 2029	30,000	37,712	37,239
Government of Canada 4.00% Jun 01, 2041	1,815,000	2,324,798	2,391,599	Municipal Finance Authority of British Columbia 1.65% Apr 19, 2021	103,000	102,839	101,145
Government of Canada 5.00% Jun 01, 2037	1,500,000	2,172,934	2,144,968	Municipal Finance Authority of British Columbia 1.75% Oct 15, 2020	28,000	27,961	27,703
Government of Canada 5.75% Jun 01, 2029	1,302,000	1,864,174	1,750,994	Municipal Finance Authority of British Columbia 2.50% Apr 19, 2026	127,000	126,732	124,106
Government of Canada 5.75% Jun 01, 2033	1,207,000	1,770,149	1,748,254	Municipal Finance Authority of British Columbia 2.65% Oct 02, 2025	29,000	28,901	28,740
Government of Canada 8.00% Jun 01, 2023	390,000	544,818	497,191	Municipal Finance Authority of British Columbia 2.95% Oct 14, 2024	62,000	63,502	62,829
Government of Canada 8.00% Jun 01, 2027	685,800	984,802	1,009,795	Municipal Finance Authority of British Columbia 3.35% Jun 01, 2022	60,000	59,930	61,942
Government of Canada 9.00% Jun 01, 2025	527,000	769,680	758,696	Municipal Finance Authority of British Columbia 3.75% Sep 26, 2023	70,000	70,939	73,884
Government of Canada 9.25% Jun 01, 2022	111,000	185,696	141,113				
Government of Canada 9.75% Jun 01, 2021	203,000	305,701	247,353				

The accompanying notes are an integral part of the financial statements.

Scotia Canadian Bond Index Fund (Unaudited – Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at June 30, 2018

Issuer	Face Value (\$)	Average Cost (\$)	Carrying Value (\$)	Issuer	Face Value (\$)	Average Cost (\$)	Carrying Value (\$)
BONDS AND DEBENTURES (cont'd)				BONDS AND DEBENTURES (cont'd)			
Provincial Bonds (cont'd)				Provincial Bonds (cont'd)			
Province of New Brunswick Canada 3.10% Aug 14, 2028	27,000	26,910	27,325	Province of Quebec 3.00% Sep 01, 2023	886,000	881,107	906,341
Province of Newfoundland and Labrador 1.95% Jun 02, 2022	134,000	133,661	131,329	Province of Quebec 3.50% Dec 01, 2022	903,000	937,404	942,537
Province of Newfoundland and Labrador 10.95% Apr 15, 2021	65,000	96,801	79,764	Province of Quebec 3.50% Dec 01, 2045	1,467,000	1,466,261	1,610,953
Province of Newfoundland and Labrador 2.30% Jun 02, 2025	79,000	77,577	76,681	Province of Quebec 3.50% Dec 01, 2048	1,509,000	1,642,726	1,672,186
Province of Newfoundland and Labrador 2.85% Jun 02, 2028	50,000	50,570	49,504	Province of Quebec 3.75% Sep 01, 2024	897,000	938,162	955,298
Province of Newfoundland and Labrador 3.00% Jun 02, 2026	102,000	103,619	103,055	Province of Quebec 4.25% Dec 01, 2021	1,085,000	1,196,427	1,153,390
Province of Newfoundland and Labrador 3.30% Oct 17, 2046	246,000	232,872	250,691	Province of Quebec 4.25% Dec 01, 2043	1,037,000	1,142,860	1,271,201
Province of Newfoundland and Labrador 3.70% Oct 17, 2048	146,000	151,958	160,694	Province of Quebec 4.50% Dec 01, 2019	794,000	854,184	821,696
Province of Newfoundland and Labrador 4.50% Apr 17, 2037	55,000	57,308	65,211	Province of Quebec 4.50% Dec 01, 2020	975,000	1,067,625	1,028,186
Province of Newfoundland and Labrador 4.65% Oct 17, 2040	62,000	71,996	76,316	Province of Quebec 5.00% Dec 01, 2038	602,000	704,237	787,889
Province of Newfoundland and Labrador 5.70% Oct 17, 2035	51,000	69,651	68,127	Province of Quebec 5.00% Dec 01, 2041	1,220,000	1,471,948	1,632,974
Province of Newfoundland and Labrador 6.15% Apr 17, 2028	35,000	33,447	44,202	Province of Quebec 5.35% Jun 01, 2025	180,000	214,686	209,426
Province of Newfoundland and Labrador 6.55% Oct 17, 2030	85,000	104,336	114,693	Province of Quebec 5.75% Dec 01, 2036	542,000	686,741	755,603
Province of Nova Scotia 2.10% Jun 01, 2027	33,000	32,981	31,137	Province of Quebec 6.00% Oct 01, 2029	470,000	585,940	610,815
Province of Nova Scotia 2.15% Jun 01, 2025	70,000	69,936	67,620	Province of Quebec 6.25% Jun 01, 2032	592,000	723,158	815,316
Province of Nova Scotia 3.45% Jun 01, 2045	12,000	12,441	12,859	Province of Quebec 8.50% Apr 01, 2026	300,000	412,725	419,093
Province of Nova Scotia 3.50% Jun 02, 2062	225,000	223,715	249,127	Province of Quebec 9.38% Jan 16, 2023	300,000	427,350	387,457
Province of Nova Scotia 4.10% Jun 01, 2021	81,000	85,110	85,106	Province of Saskatchewan 2.55% Jun 02, 2026	116,000	117,829	114,478
Province of Nova Scotia 4.15% Nov 25, 2019	120,000	119,035	123,558	Province of Saskatchewan 2.65% Jun 02, 2027	185,000	183,773	182,844
Province of Nova Scotia 4.40% Jun 01, 2042	122,000	132,935	149,530	Province of Saskatchewan 2.75% Dec 02, 2046	355,000	329,788	338,738
Province of Nova Scotia 4.45% Oct 24, 2021	32,000	34,483	34,085	Province of Saskatchewan 3.20% Jun 03, 2024	80,000	86,238	82,582
Province of Nova Scotia 4.50% Jun 01, 2037	135,000	147,358	163,335	Province of Saskatchewan 3.30% Jun 02, 2048	312,000	317,631	331,942
Province of Nova Scotia 4.70% Jun 01, 2041	67,000	73,609	85,055	Province of Saskatchewan 3.40% Feb 03, 2042	155,000	156,100	165,414
Province of Nova Scotia 4.90% Jun 01, 2035	55,000	55,465	68,611	Province of Saskatchewan 3.90% Jun 02, 2045	246,000	253,591	286,952
Province of Nova Scotia 5.80% Jun 01, 2033	100,000	113,981	133,422	Province of Saskatchewan 4.75% Jun 01, 2040	160,000	167,487	204,927
Province of Nova Scotia 6.60% Jun 01, 2027	80,000	97,257	103,761	Province of Saskatchewan 5.60% Sep 05, 2035	108,000	121,147	145,999
Province of Nova Scotia 9.60% Jan 30, 2022	130,000	179,967	161,176	Province of Saskatchewan 5.75% Mar 05, 2029	81,000	105,684	102,183
Province of Ontario 1.35% Mar 08, 2022	682,000	669,525	657,538	Province of Saskatchewan 6.40% Sep 05, 2031	103,000	130,355	141,876
Province of Ontario 1.95% Jan 27, 2023	275,000	273,938	269,212	Province of Saskatchewan 9.60% Feb 04, 2022	286,000	452,197	355,861
Province of Ontario 2.10% Sep 08, 2019	534,000	540,261	535,065	Province of Saskatchewan Canada 3.05% Dec 02, 2028	40,000	39,939	40,719
Province of Ontario 2.40% Jun 02, 2026	993,000	1,011,917	968,232	South Coast British Columbia Transportation Authority 3.15% Nov 16, 2048	14,000	13,978	13,875
Province of Ontario 2.60% Jun 02, 2025	2,003,000	2,035,242	1,992,293	South Coast British Columbia Transportation Authority 3.80% Nov 02, 2020	25,000	24,982	25,843
Province of Ontario 2.60% Jun 02, 2027	1,430,000	1,423,448	1,405,884	South Coast British Columbia Transportation Authority 3.85% Feb 09, 2052	34,000	33,816	38,383
Province of Ontario 2.60% Sep 08, 2023	282,000	281,771	282,662	South Coast British Columbia Transportation Authority 4.45% Jun 09, 2044	54,000	53,875	65,621
Province of Ontario 2.65% Feb 05, 2025	143,000	142,655	143,106	South Coast British Columbia Transportation Authority 4.65% Jun 20, 2041	65,000	64,938	80,025
Province of Ontario 2.80% Jun 02, 2048	1,706,000	1,630,851	1,638,563	Yukon Development Corporation 5.00% Jun 29, 2040	31,000	30,790	39,189
Province of Ontario 2.85% Jun 02, 2023	1,791,000	1,782,075	1,817,759				
Province of Ontario 2.90% Dec 02, 2046	2,057,000	1,977,756	2,011,204				
Province of Ontario 2.90% Jun 02, 2028	460,000	457,898	461,920				
Province of Ontario 2.90% Jun 02, 2049	803,000	776,522	787,412				
Province of Ontario 3.15% Jun 02, 2022	1,788,000	1,832,307	1,836,402	TOTAL INVESTMENT PORTFOLIO		<u>238,835,799</u>	<u>241,918,818</u>
Province of Ontario 3.45% Jun 02, 2045	1,802,000	1,706,951	1,944,508	OTHER ASSETS, LESS LIABILITIES – 0.7%			1,393,535
Province of Ontario 3.50% Jun 02, 2024	1,696,000	1,753,667	1,777,381	NET ASSETS – 100.0%			<u>243,312,353</u>
Province of Ontario 3.50% Jun 02, 2043	1,452,000	1,475,094	1,574,605				
Province of Ontario 4.00% Jun 02, 2021	1,375,000	1,446,355	1,440,929				
Province of Ontario 4.20% Jun 02, 2020	1,658,000	1,733,675	1,722,163				
Province of Ontario 4.60% Jun 02, 2039	775,000	860,632	965,728				
Province of Ontario 4.65% Jun 02, 2041	1,207,000	1,453,597	1,531,606				
Province of Ontario 4.70% Jun 02, 2037	955,000	1,100,077	1,188,825				
Province of Ontario 5.60% Jun 02, 2035	887,000	1,094,094	1,193,684				
Province of Ontario 5.85% Mar 08, 2033	589,000	718,971	790,403				
Province of Ontario 6.20% Jun 02, 2031	325,000	431,903	438,811				
Province of Ontario 6.25% Aug 25, 2028	110,000	110,879	141,111				
Province of Ontario 6.50% Mar 08, 2029	695,000	893,525	923,724				
Province of Ontario 7.50% Feb 07, 2024	51,000	73,933	63,776				
Province of Ontario 7.60% Jun 02, 2027	419,000	583,692	576,960				
Province of Ontario 8.10% Sep 08, 2023	534,000	722,321	677,244				
Province of Ontario 9.50% Jul 13, 2022	269,000	401,378	340,817				
Province of Quebec 1.65% Mar 03, 2022	72,000	71,924	70,407				
Province of Quebec 2.45% Mar 01, 2023	64,000	63,907	64,089				
Province of Quebec 2.50% Sep 01, 2026	842,000	857,351	828,485				
Province of Quebec 2.60% Jul 06, 2025	33,000	32,929	32,929				
Province of Quebec 2.75% Sep 01, 2025	922,000	953,759	927,243				
Province of Quebec 2.75% Sep 01, 2027	939,000	949,627	937,315				
Province of Quebec 2.75% Sep 01, 2028	562,000	554,576	559,063				

The accompanying notes are an integral part of the financial statements.

Scotia Canadian Bond Index Fund (Unaudited – Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

The Fund (note 1)

The Fund's objective is to provide a high level of regular interest income and modest capital gains by tracking the performance of a generally recognized Canadian bond index, currently the FTSE TMX Canada Universe Bond Index. It invests primarily in:

- bonds and treasury bills issued by Canadian federal, provincial and municipal governments and Canadian corporations
- money market instruments issued by Canadian corporations, including commercial paper and bankers' acceptances

Risks associated with financial instruments (note 4)

Interest rate risk

The table below summarizes the Fund's exposure to interest rate risk by the remaining term to maturity of the Fund's portfolio, excluding underlying funds, preferred shares, cash and overdrafts, as applicable.

Interest rate exposure	June 30, 2018 (\$)	December 31, 2017 (\$)
Less than 1 year	1,014,048	1,105,841
1-3 years	58,475,517	60,250,252
3-5 years	46,454,621	55,243,278
5-10 years	54,935,873	57,271,164
> 10 years	81,038,759	87,216,765
	241,918,818	261,087,300

As at June 30, 2018, had the prevailing interest rates increased or decreased by 0.25%, assuming a parallel shift in the yield curve and all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by \$4,583,866 or approximately 1.9% (December 31, 2017 – \$4,917,329 or approximately 1.9%).

Currency risk

The Fund's exposure to currency risk is summarized in the table below. Amounts shown are based on the carrying value of monetary and non-monetary assets and liabilities of the Fund net of currency contracts, as applicable. The Fund did not have any exposure to currency risk as at December 31, 2017.

Currency	June 30, 2018			
	Gross currency exposure (\$)	Currency contracts (\$)	Net exposure (\$)	Percentage of net assets (%)
US Dollar	10,973	–	10,973	0.0
	10,973	–	10,973	0.0

If the Canadian dollar strengthened or weakened by 10% in relation to all other currencies, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by \$1,097 or 0.0% (December 31, 2017 – nil. or 0.0%). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Price risk

The Fund did not have significant price risk exposure to equities, underlying funds, derivatives or commodities, if applicable, as at June 30, 2018 and December 31, 2017.

Credit risk

The table below summarizes the credit ratings of bonds and debentures, money market instruments and preferred shares held by the Fund, as applicable.

Credit ratings	June 30, 2018		December 31, 2017	
	Percentage of total credit rated instruments (%)	Percentage of net assets (%)	Percentage of total credit rated instruments (%)	Percentage of net assets (%)
Short Term Rating				
A-1+	–	–	0.2	0.2
Bond Credit Rating				
AAA	37.3	37.1	38.3	38.2
AA	18.4	18.1	17.6	17.6
A	31.8	31.7	31.3	31.0
BBB	12.4	12.3	12.4	12.4
BB	0.1	0.1	0.2	0.2
	100.0	99.3	100.0	99.6

Concentration risk

Concentration risk arises as a result of the concentration of financial instruments within the same category, geographical location, asset type or industry sector, as applicable. The table below is a summary of the Fund's concentration risk by carrying value as a percentage of net assets:

	Percentage of net assets (%)	
	June 30, 2018	December 31, 2017
Corporate Bonds	34.1	32.2
Federal Bonds	31.4	33.4
Mortgage-Backed Securities	0.2	0.2
Municipal Bonds	1.9	1.9
Provincial Bonds	31.7	31.7
Money Market Instruments	–	0.2

Fair Value Classification (note 2)

The tables below illustrate the classification of the Fund's financial instruments within the fair value hierarchy.

June 30, 2018	Level 1	Level 2	Level 3	Total
	(\$)	(\$)	(\$)	(\$)
Bonds and debentures	–	241,918,818	–	241,918,818
	–	241,918,818	–	241,918,818

December 31, 2017	Level 1	Level 2	Level 3	Total
	(\$)	(\$)	(\$)	(\$)
Bonds and debentures	–	260,617,300	–	260,617,300
Money market instruments	–	470,000	–	470,000
	–	261,087,300	–	261,087,300

Transfers between levels

During the periods ended June 30, 2018 and December 31, 2017, there were no significant transfers between Level 1 and Level 2.

Scotia Canadian Bond Index Fund (Unaudited – Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

Offsetting of financial assets and liabilities (note 2)

As at June 30, 2018 and December 31, 2017, the Fund did not enter into any agreement whereby the financial instruments were eligible for offset.

Interest in Underlying Funds (note 2)

The Fund did not hold any interest in Underlying Funds as at June 30, 2018 or December 31, 2017.

Comparison of net asset value per unit and net assets per unit (note 2)

As at June 30, 2018 or December 31, 2017, there were no differences between the net asset value per unit and the net assets per unit for any series of the Fund.

Scotia Canadian Index Fund (Unaudited)

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	June 30, 2018	December 31, 2017
ASSETS		
Current assets		
Financial assets at fair value through profit or loss (note 2)		
Non-derivative financial assets	273,284,154	274,914,538
Cash	188,887	419,028
Subscriptions receivable	174,036	147,083
Accrued investment income and other	759,900	696,307
	<u>274,406,977</u>	<u>276,176,956</u>
LIABILITIES		
Current liabilities		
Management fee payable	192,351	–
Redemptions payable	151,817	256,323
Accrued expenses	24,723	–
Distributions payable	75	991
	<u>368,966</u>	<u>257,314</u>
Net assets attributable to holders of redeemable units	<u>274,038,011</u>	<u>275,919,642</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series A	271,366,406	273,700,002
Series D	1,107,028	773,259
Series F	<u>1,564,577</u>	<u>1,446,381</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series A	28.91	28.50
Series D	11.57	11.39
Series F	<u>28.70</u>	<u>28.22</u>

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended June 30 (note 1),

(in dollars except average units)	2018	2017
INCOME		
Net gain (loss) on financial assets and liabilities at fair value through profit or loss		
Dividends	3,795,127	3,595,365
Interest for distribution purposes	60,414	99,040
Net realized gain (loss) on non-derivative financial assets	2,318,856	3,065,202
Change in unrealized gain (loss) on non-derivative financial assets	<u>(1,096,412)</u>	<u>(4,885,791)</u>
Net gain (loss) on financial assets and liabilities at fair value through profit or loss	5,077,985	1,873,816
Securities lending (note 11)	20,756	28,534
Net realized and unrealized foreign currency translation gain (loss)	(701)	–
Other income	2,521	1,976
Total income (loss), net	<u>5,100,561</u>	<u>1,904,326</u>
EXPENSES		
Management fees (note 5)	1,063,080	1,047,299
Fixed administration fees (note 6)	133,372	131,296
Independent Review Committee fees	587	576
Interest expense and bank overdraft charges	242	36
Foreign withholding taxes/tax reclaims	82	364
Harmonized Sales Tax/Goods and Services Tax	130,945	129,880
Transaction costs	<u>3,247</u>	<u>5,366</u>
Total expenses	<u>1,331,555</u>	<u>1,314,817</u>
Increase (decrease) in net assets attributable to holders of redeemable units from operations	<u>3,769,006</u>	<u>589,509</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A	3,710,963	595,085
Series D	29,044	(9,118)
Series F	<u>28,999</u>	<u>3,542</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT[†]		
Series A	0.39	0.06
Series D	0.33	(0.21)
Series F	<u>0.55</u>	<u>0.07</u>
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series A	9,493,985	9,643,457
Series D	87,742	43,796
Series F	<u>52,997</u>	<u>48,444</u>

[†] The increase (decrease) in net assets attributable to holders of redeemable units from operations per unit is calculated by dividing the increase (decrease) in net assets attributable to holders of redeemable units from operations per series by the weighted average number of units per series.

Scotia Canadian Index Fund (Unaudited – Continued)

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the periods ended June 30 (note 1),

(in dollars)	2018	2017
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series A	273,700,002	256,898,966
Series D	773,259	220,697
Series F	1,446,381	1,167,762
	<u>275,919,642</u>	<u>258,287,425</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A	3,710,963	595,085
Series D	29,044	(9,118)
Series F	28,999	3,542
	<u>3,769,006</u>	<u>589,509</u>
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A	17,386,713	22,392,234
Series D	433,037	394,451
Series F	184,814	163,655
Payments on redemption		
Series A	(23,431,272)	(21,914,978)
Series D	(128,312)	(8,002)
Series F	(95,617)	(7,213)
	<u>(5,650,637)</u>	<u>1,020,147</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A	(2,333,596)	1,072,341
Series D	333,769	377,331
Series F	118,196	159,984
	<u>(1,881,631)</u>	<u>1,609,656</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series A	271,366,406	257,971,307
Series D	1,107,028	598,028
Series F	1,564,577	1,327,746
	<u>274,038,011</u>	<u>259,897,081</u>

STATEMENTS OF CASH FLOWS

For the periods ended June 30 (note 1),

(in dollars)	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	3,769,006	589,509
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(2,318,856)	(3,065,202)
Unrealized foreign currency translation (gain) loss	3	–
Change in unrealized (gain) loss on non-derivative financial assets	1,096,412	4,885,791
Non-cash transactions	–	(15,576)
Purchases of portfolio investments	(3,711,246)	(13,512,838)
Proceeds from sale of portfolio investments	6,564,074	9,398,475
Accrued investment income and other	(63,593)	(51,704)
Accrued expenses and other payables	217,074	208,795
Net cash provided by (used in) operating activities	<u>5,552,874</u>	<u>(1,562,750)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	17,738,808	22,916,762
Amounts paid on redemption of redeemable units	(23,520,904)	(21,963,631)
Distributions to unitholders of redeemable units	(916)	(1,252)
Net cash provided by (used in) financing activities	<u>(5,783,012)</u>	<u>951,879</u>
Unrealized foreign currency translation gain (loss)	(3)	–
Net increase (decrease) in cash	(230,138)	(610,871)
Cash (bank overdraft), beginning of period	419,028	904,734
CASH (BANK OVERDRAFT), END OF PERIOD	<u>188,887</u>	<u>293,863</u>
Interest paid ⁽¹⁾	242	36
Interest received, net of withholding taxes ⁽¹⁾	60,414	99,139
Dividends received, net of withholding taxes ⁽¹⁾	3,731,451	3,527,624

⁽¹⁾ Classified as operating items.

Scotia Canadian Index Fund (Unaudited – Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at June 30, 2018

Issuer	Number of Shares	Average Cost (\$)	Carrying Value (\$)	Issuer	Number of Shares	Average Cost (\$)	Carrying Value (\$)
EQUITIES – 99.8%				EQUITIES (cont'd)			
Consumer Discretionary – 5.5%				Energy (cont'd)			
BRP Inc.	4,100	140,235	259,858	NexGen Energy Ltd.	35,700	126,532	86,751
Canada Goose Holdings Inc.	4,300	147,565	332,476	NuVista Energy Ltd.	19,800	132,060	180,576
Canadian Tire Corporation, Limited, Class A	7,650	293,960	1,312,740	Paramount Resources Ltd.	8,800	178,786	131,032
Cineplex, Inc.	8,000	130,499	233,440	Parex Resources Inc.	18,900	235,838	469,098
Cogeco Communication Inc.	2,790	105,795	181,685	Parkland Fuel Corporation	16,010	299,382	517,123
Corus Entertainment Inc., Class B	14,300	252,513	70,928	Pason Systems Inc.	9,400	107,239	202,288
Dollarama Inc.	36,600	226,585	1,865,136	Pembina Pipeline Corporation	61,131	1,620,157	2,783,294
Dorel Industries Inc., Class B	3,100	85,721	69,130	Peyto Exploration & Development Corporation	20,500	439,767	207,460
EnerCare Inc.	12,700	184,702	228,346	PrairieSky Royalty Ltd.	25,398	763,971	659,078
Gildan Activewear Inc.	25,796	290,569	955,226	Precision Drilling Corporation	32,700	472,539	142,245
Great Canadian Gaming Corporation	6,900	144,989	321,195	Raging River Exploration Inc.	26,100	187,893	148,770
Hudson's Bay Company	15,110	258,606	177,089	Secure Energy Services Inc.	20,000	215,880	145,200
Linamar Corporation	5,700	105,059	329,517	Seven Generations Energy Ltd.	34,100	690,585	494,109
Magna International Inc.	40,324	872,210	3,083,174	ShawCor Ltd.	8,400	168,474	214,368
Martirea International Inc.	10,273	92,902	144,849	Suncor Energy, Inc.	198,433	5,646,394	10,616,166
Quebecor Inc., Class B	19,200	167,497	516,864	TORC Oil & Gas Ltd.	17,700	196,706	129,918
Restaurant Brands International Inc.	30,247	1,349,438	2,398,587	Tourmaline Oil Corporation	30,284	988,665	711,371
Shaw Communications, Inc., Class B	53,126	941,449	1,422,714	TransCanada Corporation	108,232	3,925,749	6,156,236
Sleep Country Canada Holdings Inc.	4,400	137,414	143,308	Trican Well Service Ltd.	41,800	163,334	124,982
Spin Master Corporation	2,900	129,681	169,041	Vermilion Energy, Inc.	17,781	741,830	842,997
Stars Group Inc., The	15,600	500,667	743,808	Whitecap Resources Inc.	51,332	566,365	457,368
Uni-Select Inc.	5,590	157,528	116,887				
		<u>6,715,584</u>	<u>15,075,998</u>			<u>44,694,705</u>	<u>55,069,938</u>
Consumer Staples – 3.5%				Financials – 32.4%			
Alimentation Couche-Tard Inc., Class B	52,430	395,428	2,994,277	Alaris Royalty Corporation	4,400	144,688	70,136
Cott Corporation	17,138	207,497	373,266	Bank of Montreal	77,637	3,582,111	7,889,472
Empire Company Limited, Class A	19,300	353,272	509,327	Bank of Nova Scotia, The ¹	146,679	5,791,778	10,918,785
George Weston Limited	5,800	375,314	622,108	Brookfield Asset Management Inc., Class A	106,129	1,497,237	5,659,860
Loblaws Companies Limited	23,372	1,070,700	1,579,947	Canadian Imperial Bank of Commerce	53,918	3,264,425	6,166,062
Maple Leaf Foods Inc.	9,961	131,224	331,104	Canadian Western Bank	11,000	174,181	381,150
Metro Inc., Class A	29,536	320,354	1,319,964	CI Financial Corporation	32,800	763,262	775,064
North West Company Inc.	6,000	104,096	175,920	ECN Capital Corporation	36,220	103,169	127,857
Premium Brands Holdings Corporation	3,500	199,866	396,480	Element Financial Corporation	46,120	507,582	285,022
Saputo Inc.	26,792	299,461	1,169,471	FirstService Corporation	3,763	34,131	376,262
		<u>3,457,212</u>	<u>9,471,864</u>	Genworth MI Canada Inc.	4,597	121,327	196,660
				Great-West Lifeco Inc.	33,772	683,931	1,091,511
Energy – 20.1%				Home Capital Group Inc.	7,300	124,252	109,573
Advantage Oil & Gas Ltd.	23,463	307,782	96,433	IGM Financial, Inc.	10,436	273,624	397,716
AltaGas Ltd.	21,700	635,280	589,155	Industrial Alliance Insurance and Financial Services Inc.	13,100	333,733	664,825
ARC Resources Ltd.	42,815	1,016,420	581,428	Intact Financial Corporation	16,842	760,379	1,570,517
Baytex Energy Corporation	28,622	793,607	125,078	Laurentian Bank of Canada	5,200	183,193	233,272
Birchcliff Energy Ltd.	27,900	276,764	134,478	Manulife Financial Corporation	241,114	5,102,068	5,695,113
Carreno Corporation	48,704	725,909	720,332	National Bank of Canada	41,434	813,166	2,615,314
Canadian Natural Resources Ltd.	132,575	2,393,637	6,290,684	Onex Corporation	9,961	237,110	961,137
Canorus Energy Inc.	124,028	2,116,366	1,692,982	Power Corporation of Canada	44,453	875,629	1,308,696
CES Energy Solutions Corporation	29,900	174,530	134,251	Power Financial Corporation	29,616	546,056	910,692
Crescent Point Energy Corporation	66,171	2,123,981	639,212	Royal Bank of Canada	174,799	6,841,259	17,303,353
Enbridge Inc.	206,614	7,356,689	9,710,858	Sun Life Financial Inc.	74,041	2,265,303	3,911,586
Enbridge Income Fund Holdings Inc.	17,004	475,836	548,209	Thomson Reuters Corporation	31,910	1,261,187	1,692,826
EnCana Corporation	116,877	1,985,470	2,006,778	TMX Group Inc.	4,300	192,318	370,574
Enerflex Ltd.	10,965	72,760	155,045	Toronto-Dominion Bank, The	223,807	6,254,205	17,029,475
Enerplus Corporation	29,930	1,238,504	496,239			<u>42,731,304</u>	<u>88,712,510</u>
Ensign Resource Service, Inc.	15,500	106,159	90,985	Health Care – 1.3%			
Freehold Royalties Ltd.	11,500	206,804	142,600	Aphria Inc.	21,900	299,878	259,953
Gibson Energy Inc.	17,600	372,185	308,528	Aurora Cannabis Inc.	62,500	684,844	581,250
Gran Tierra Energy, Inc.	47,900	282,049	217,945	Canopy Growth Corporation	21,800	258,966	837,556
Husky Energy Inc.	36,501	639,537	747,905	Chartwell Retirement Residences	25,500	203,817	390,915
Imperial Oil Ltd.	30,201	821,007	1,319,784	Extendicare Inc. Cda Com	10,700	109,110	77,575
Inter Pipeline Ltd.	46,008	579,806	1,133,637	Knight Therapeutics Inc.	14,449	145,519	116,314
Kelt Exploration Ltd.	18,000	198,907	160,740	Sienna Senior Living Inc.	7,800	138,041	129,324
Keyera Corporation	25,040	440,300	915,963	Valeant Pharmaceuticals International, Inc.	37,835	2,049,277	1,157,751
Kinder Morgan Canada Ltd.	12,300	206,732	195,570			<u>3,889,452</u>	<u>3,550,638</u>
MEG Energy Corporation	28,600	1,039,501	313,456				
Mullen Group Limited	11,700	240,037	181,233				

The accompanying notes are an integral part of the financial statements.

Scotia Canadian Index Fund (Unaudited – Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at June 30, 2018

Issuer	Number of Shares	Average Cost (\$)	Carrying Value (\$)	Issuer	Number of Shares	Average Cost (\$)	Carrying Value (\$)
EQUITIES (cont'd)				EQUITIES (cont'd)			
Industrials – 10.0%				Materials (cont'd)			
Aecon Group Inc.	7,300	139,443	112,858	IAMGOLD Corporation	55,232	458,646	423,077
Air Canada	33,200	109,328	705,500	Interfor Corporation	7,700	124,702	194,425
ATS Automation Tooling Systems Inc.	8,900	122,046	173,906	Intertape Polymer Group Inc.	6,800	107,449	122,876
Badger Daylighting Ltd.	4,900	140,419	155,183	Ivanhoe Mines Ltd., Class A	64,900	121,201	175,230
Bombardier Inc., Class B	256,414	1,997,422	1,333,353	Kinross Gold Corporation	151,406	1,531,048	749,460
Boyd Group Income Fund	2,300	144,343	269,583	Kirkland Lake Gold Ltd.	22,536	207,811	627,402
Brookfield Business Partners LP	4,776	158,404	240,663	Labrador Iron Ore Royalty Corporation	7,900	110,876	190,311
CAE, Inc.	32,590	235,148	890,033	Lucara Diamond Corporation	39,400	146,864	83,134
Canadian National Railway Company	89,330	1,992,711	9,605,655	Lundin Mining Corporation	76,706	525,796	560,721
Canadian Pacific Railway Limited	17,374	943,416	4,185,744	MAG Silver Corporation	8,900	148,875	126,380
Chorus Aviation Inc.	15,200	140,313	107,008	Methanex Corporation	9,900	168,025	920,304
Exchange Income Corporation	3,286	136,600	105,283	Newsun Resources Ltd.	37,522	180,867	171,476
Finning International Inc.	20,340	248,315	660,033	New Gold Inc.	68,098	389,024	186,589
Maxar Technologies Ltd.	6,973	319,067	460,218	Norbord Inc.	5,300	168,640	286,518
Morneau Shepell, Inc.	6,600	122,779	179,388	NovaGold Resources Inc.	27,400	203,930	161,386
New Flyer Industries Inc.	6,500	215,505	318,760	Nutrien Ltd.	76,966	2,692,508	5,504,608
Ritchie Bros. Auctioneers Incorporated	13,100	277,507	587,404	OceanGold Corporation	73,235	231,306	267,308
Russel Metals Inc.	7,600	100,165	204,212	Osisko Gold Royalties Ltd.	15,114	241,152	188,169
SNC-Lavalin Group Inc.	21,295	542,515	1,236,388	Pan American Silver Corporation	19,057	321,000	448,411
Stantec Inc.	13,600	232,431	459,816	Pretium Resources Inc.	19,500	220,502	188,565
TFI International Inc.	10,783	194,840	437,251	Sandstorm Gold Ltd.	23,100	160,176	136,521
Toromont Industries Ltd.	9,265	143,794	526,808	SEMAFO Inc.	37,461	173,911	142,726
Transcontinental Inc., Class A	9,000	127,416	274,770	SSR Mining Inc.	14,200	286,115	184,174
Waste Connections Inc.	32,074	1,597,121	3,176,288	Stella-Jones Inc.	5,010	227,251	239,929
WestJet Airlines Ltd.	13,600	178,246	246,568	Tahoe Resources Inc.	39,500	618,272	255,565
Westshore Terminals Investment Corporation	6,104	81,934	145,458	Teck Resources Ltd., Class B	61,264	1,224,038	2,051,731
WSP Global Inc.	7,700	220,563	532,994	Torex Gold Resources Inc.	10,290	202,902	120,496
		<u>10,861,791</u>	<u>27,331,125</u>	Turquoise Hill Resources Ltd.	119,574	593,285	444,815
				West Fraser Timber Co., Ltd.	7,226	163,314	653,881
Information Technology – 4.0%				Western Forest Products Inc.	47,600	114,683	127,568
Celestica Inc.	14,799	254,449	231,308	Wheaton Precious Metals Corporation	53,637	866,212	1,556,546
CGI Group Inc., Class A	30,993	541,093	2,582,027	Winpak Ltd.	3,700	176,555	162,800
Computer Modelling Group Ltd.	9,000	114,017	90,900	Yamana Gold Inc.	113,722	<u>1,119,019</u>	<u>435,555</u>
Constellation Software Inc.	2,400	433,430	2,446,920			<u>28,518,592</u>	<u>31,913,176</u>
Descartes Systems Group Inc., The	9,200	130,770	394,036	Real Estate – 2.7%			
Enghouse Systems Limited	2,400	124,217	184,248	Allied Properties Real Estate Investment Trust	11,439	245,621	478,722
Kinaxis Inc.	3,100	154,750	274,350	Altus Group Ltd.	4,200	118,336	123,102
Mitel Networks Corporation	11,700	132,950	168,363	Artis Real Estate Investment Trust	18,500	182,006	242,614
Open Text Corporation	32,380	380,007	1,498,223	Boardwalk Real Estate Investment Trust	4,600	55,442	210,082
Research In Motion Limited	58,868	1,991,001	746,446	Brookfield Property Partners LP	24,500	502,351	611,765
Shopify Inc., Class A	11,300	1,350,632	2,166,323	Canadian Apartment Properties Real Estate Investment Trust	17,400	233,946	741,762
Sierra Wireless Inc.	3,900	191,978	82,017	Choice Properties Real Estate Investment Trust	27,959	333,470	338,583
		<u>5,799,294</u>	<u>10,865,161</u>	Colliers International Group Inc.	4,063	87,616	406,381
Materials – 11.6%				Cominar Real Estate Investment Trust	21,400	303,433	274,348
Agnico-Eagle Mines Limited	28,278	1,010,360	1,704,315	Crombie Real Estate Investment Trust	10,600	126,205	134,832
Alacer Gold Corporation	39,682	289,446	96,427	Dream Global Real Estate Investment Trust	21,300	194,269	305,868
Alamos Gold Inc.	47,006	465,233	352,075	Dundee Real Estate Investment Trust	6,753	145,353	158,223
B2Gold Corporation	117,520	373,193	400,743	First Capital Realty, Inc.	20,100	344,349	415,266
Barrick Gold Corporation	141,941	4,439,881	2,451,321	Granite Real Estate Investment Trust	5,400	186,176	289,548
Canfor Corporation	8,383	82,311	265,238	H&R Real Estate Investment Trust	35,669	632,545	717,660
Cascades Inc.	7,900	131,041	92,983	Kilam Apartment Real Estate Investment Trust	9,400	131,158	140,812
CCL Industries Inc., Class B	17,450	118,616	1,124,653	Northview Apartment Real Estate Investment Trust	5,680	142,463	149,270
Centerra Gold Inc.	27,082	257,862	197,969	RioCan Real Estate Investment Trust	39,136	712,894	945,134
Chemtrade Logistics Income Fund	11,400	236,888	170,658	Smart Real Estate Investment Trust	14,549	267,185	444,181
Detour Gold Corporation	20,479	351,087	242,062	Tricon Capital Group Inc.	15,600	174,478	172,068
Eldorado Gold Corporation	91,128	828,515	121,200			<u>5,119,296</u>	<u>7,300,221</u>
Endeavour Mining Corporation	9,000	189,473	212,310	Telecommunication Services – 4.3%			
First Majestic Silver Corporation	19,210	248,808	192,676	BCE Inc.	108,837	3,938,659	5,794,482
First Quantum Minerals Ltd.	84,049	1,104,886	1,628,029	Rogers Communications, Inc., Class B	43,572	1,077,163	2,720,636
Fortuna Silver Mines Inc.	18,679	132,793	139,719	TELUS Corporation	72,602	1,405,589	3,390,513
Franco-Nevada Corporation	22,619	938,317	2,170,293			<u>6,421,411</u>	<u>11,905,631</u>
Goldcorp, Inc.	105,806	2,508,812	1,909,798				
Guyana Goldfields Inc.	22,600	208,884	110,966				
HudBay Minerals, Inc.	32,890	376,231	241,084				

The accompanying notes are an integral part of the financial statements.

Scotia Canadian Index Fund (Unaudited – Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at June 30, 2018

Issuer	Number of Shares	Average Cost (\$)	Carrying Value (\$)
EQUITIES (cont'd)			
Utilities – 4.4%			
Algonquin Power & Utilities Corporation	57,176	579,255	726,135
ATCO Ltd., Class I	9,000	119,006	365,220
Boralex Inc.	6,800	141,481	143,208
Brookfield Infrastructure Partners LP	33,800	1,791,105	1,704,872
Brookfield Renew Energy Partners LP	15,100	458,393	595,846
Canadian Utilities Limited, Class A	14,700	234,079	488,040
Capital Power Corporation	12,890	316,023	325,215
Emera Inc.	27,960	833,104	1,196,688
Fairfax Financial Holdings Limited	3,405	1,292,294	2,508,327
Fortis Inc.	51,180	1,567,616	2,150,584
Hydro One Limited	35,300	840,362	707,412
Innervex Renewable Energy Inc.	14,300	155,536	197,483
Northland Power Inc.	13,700	198,850	336,061
Superior Plus Corporation	18,080	307,437	229,797
TransAlta Corporation	35,623	727,927	235,112
TransAlta Renewables Inc.	14,300	178,187	177,892
		<u>9,740,655</u>	<u>12,087,892</u>
Transaction Costs		(2,021,079)	
TOTAL INVESTMENT PORTFOLIO		<u>165,928,217</u>	273,284,154
OTHER ASSETS, LESS LIABILITIES – 0.2%			753,857
NET ASSETS – 100.0%			<u>274,038,011</u>

† These securities are investments in related parties (note 10).

Scotia Canadian Index Fund (Unaudited – Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

The Fund (note 1)

The Fund's objective is long-term capital growth by tracking the performance of a generally recognized Canadian equity index, currently the S&P/TSX Composite Index. It invests primarily in stocks that are included in the index.

Risks associated with financial instruments (note 4)

Interest rate risk

The majority of the Fund's financial instruments were non-interest bearing as at June 30, 2018 and December 31, 2017. Accordingly, the Fund is not directly subject to significant risk due to fluctuations in the prevailing levels of market interest rates.

Currency risk

The Fund's exposure to currency risk is summarized in the tables below. Amounts shown are based on the carrying value of monetary and non-monetary assets and liabilities of the Fund net of currency contracts, as applicable.

Currency	June 30, 2018			
	Gross currency exposure (\$)	Currency contracts (\$)	Net exposure (\$)	Percentage of net assets (%)
US Dollar	959	–	959	0.0
	959	–	959	0.0

Currency	December 31, 2017			
	Gross currency exposure (\$)	Currency contracts (\$)	Net exposure (\$)	Percentage of net assets (%)
US Dollar	36,577	–	36,577	0.0
	36,577	–	36,577	0.0

If the Canadian dollar strengthened or weakened by 10% in relation to all other currencies, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by \$96 or 0.0% (December 31, 2017 – \$3,658 or 0.0%). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Price risk

Price risk is the risk that the carrying value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) caused by factors specific to a security, its issuer or all factors affecting a market or a market segment. Exposure to price risk is mainly in equities, underlying funds, derivatives and commodities, as applicable. As at June 30, 2018, approximately 99.8% (December 31, 2017 – 99.7%) of the Fund's net assets were exposed to price risk. If prices of these instruments had decreased or increased by 10%, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by approximately \$27,328,415 (December 31, 2017 – \$27,491,454). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Credit risk

The Fund had no significant exposure to bonds and debentures, money market instruments or preferred shares as at June 30, 2018 or December 31, 2017.

Concentration risk

Concentration risk arises as a result of the concentration of financial instruments within the same category, geographical location, asset type or industry sector, as applicable. The table below is a summary of the Fund's concentration risk by carrying value as a percentage of net assets:

	Percentage of net assets (%)	
	June 30, 2018	December 31, 2017
Consumer Discretionary	5.5	6.0
Consumer Staples	3.5	3.7
Energy	20.1	19.6
Financials	32.4	33.3
Health Care	1.3	0.8
Industrials	10.0	9.5
Information Technology	4.0	3.2
Materials	11.6	11.5
Real Estate	2.7	2.8
Telecommunication Services	4.3	4.7
Utilities	4.4	4.6

Fair Value Classification (note 2)

The tables below illustrate the classification of the Fund's financial instruments within the fair value hierarchy.

June 30, 2018	Level 1	Level 2	Level 3	Total
	(\$)	(\$)	(\$)	(\$)
Equities	273,284,154	–	–	273,284,154
	273,284,154	–	–	273,284,154

December 31, 2017	Level 1	Level 2	Level 3	Total
	(\$)	(\$)	(\$)	(\$)
Equities	274,914,538	–	–	274,914,538
	274,914,538	–	–	274,914,538

Transfers between levels

During the periods ended June 30, 2018 and December 31, 2017, there were no significant transfers between Level 1 and Level 2.

Offsetting of financial assets and liabilities (note 2)

As at June 30, 2018 and December 31, 2017, the Fund did not enter into any agreement whereby the financial instruments were eligible for offset.

Interest in Underlying Funds (note 2)

The Fund did not hold any interest in Underlying Funds as at June 30, 2018 or December 31, 2017.

Comparison of net asset value per unit and net assets per unit (note 2)

As at June 30, 2018 or December 31, 2017, there were no differences between the net asset value per unit and the net assets per unit for any series of the Fund.

Scotia U.S. Index Fund (Unaudited)

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	June 30, 2018	December 31, 2017
ASSETS		
Current assets		
Financial assets at fair value through profit or loss (note 2)		
Non-derivative financial assets	296,536,126	241,515,325
Cash	769,138	732,216
Receivable for securities sold	279,892	256,969
Subscriptions receivable	463,465	465,155
Accrued investment income and other	207,567	207,718
	<u>298,256,188</u>	<u>243,177,383</u>
LIABILITIES		
Current liabilities		
Management fee payable	209,938	–
Payable for securities purchased	148,782	84,783
Redemptions payable	217,443	286,227
Accrued expenses	45,322	–
Distributions payable	2	337
	<u>621,487</u>	<u>371,347</u>
Net assets attributable to holders of redeemable units	<u>297,634,701</u>	<u>242,806,036</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series A	294,957,965	241,262,736
Series D	2,139,438	1,104,068
Series F	537,298	439,232
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series A	32.28	30.24
Series D	13.62	12.75
Series F	32.26	30.15

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended June 30 (note 1),

(in dollars except average units)	2018	2017
INCOME		
Net gain (loss) on financial assets and liabilities at fair value through profit or loss		
Dividends	2,761,069	2,270,211
Interest for distribution purposes	3,024	2,976
Net realized gain (loss) on non-derivative financial assets	921,855	235,889
Change in unrealized gain (loss) on non-derivative financial assets	15,640,417	7,589,991
Net gain (loss) on financial assets and liabilities at fair value through profit or loss	19,326,365	10,099,067
Securities lending (note 11)	549	763
Net realized and unrealized foreign currency translation gain (loss)	14,933	(7,439)
Other income	3,180	2,191
Total income (loss), net	<u>19,345,027</u>	<u>10,094,582</u>
EXPENSES		
Management fees (note 5)	1,085,427	811,054
Fixed administration fees (note 6)	231,255	172,485
Independent Review Committee fees	587	576
Interest expense and bank overdraft charges	307	231
Foreign withholding taxes/tax reclaims	371,718	334,232
Harmonized Sales Tax/Goods and Services Tax	146,102	110,653
Transaction costs	3,661	2,754
Total expenses	<u>1,839,057</u>	<u>1,431,985</u>
Increase (decrease) in net assets attributable to holders of redeemable units from operations	<u>17,505,970</u>	<u>8,662,597</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A	17,350,536	8,651,250
Series D	122,977	5,872
Series F	32,457	5,475
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT[†]		
Series A	2.00	1.20
Series D	0.86	0.30
Series F	2.09	0.75
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series A	8,655,869	7,183,651
Series D	142,730	19,345
Series F	15,505	7,299

[†] The increase (decrease) in net assets attributable to holders of redeemable units from operations per unit is calculated by dividing the increase (decrease) in net assets attributable to holders of redeemable units from operations per series by the weighted average number of units per series.

Scotia U.S. Index Fund (Unaudited – Continued)

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the periods ended June 30 (note 1),

(in dollars)	2018	2017
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series A	241,262,736	182,159,266
Series D	1,104,068	242,241
Series F	439,232	178,328
	<u>242,806,036</u>	<u>182,579,835</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A	17,350,536	8,651,250
Series D	122,977	5,872
Series F	32,457	5,475
	<u>17,505,970</u>	<u>8,662,597</u>
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A	55,868,460	38,925,192
Series D	1,381,219	143,980
Series F	136,818	120,361
Payments on redemption		
Series A	(19,523,767)	(16,173,590)
Series D	(468,826)	(84,117)
Series F	(71,209)	(38,470)
	<u>37,322,695</u>	<u>22,893,356</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A	53,695,229	31,402,852
Series D	1,035,370	65,735
Series F	98,066	87,366
	<u>54,828,665</u>	<u>31,555,953</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series A	294,957,965	213,562,118
Series D	2,139,438	307,976
Series F	537,298	265,694
	<u>297,634,701</u>	<u>214,135,788</u>

STATEMENTS OF CASH FLOWS

For the periods ended June 30 (note 1),

(in dollars)	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	17,505,970	8,662,597
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(921,855)	(235,889)
Unrealized foreign currency translation (gain) loss	427	2,584
Change in unrealized (gain) loss on non-derivative financial assets	(15,640,417)	(7,589,991)
Non-cash transactions	(121,715)	(199,797)
Purchases of portfolio investments	(41,861,341)	(26,678,671)
Proceeds from sale of portfolio investments	3,565,602	2,647,843
Accrued investment income and other	151	15,866
Accrued expenses and other payables	255,260	190,130
Net cash provided by (used in) operating activities	<u>(37,217,918)</u>	<u>(23,185,328)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	57,226,543	38,906,083
Amounts paid on redemption of redeemable units	(19,970,941)	(15,809,814)
Distributions to unitholders of redeemable units	(335)	(244)
Net cash provided by (used in) financing activities	<u>37,255,267</u>	<u>23,096,025</u>
Unrealized foreign currency translation gain (loss)	(427)	(2,584)
Net increase (decrease) in cash	37,349	(89,303)
Cash (bank overdraft), beginning of period	732,216	611,971
CASH (BANK OVERDRAFT), END OF PERIOD	<u>769,138</u>	<u>520,084</u>
Interest paid ⁽¹⁾	307	231
Interest received, net of withholding taxes ⁽¹⁾	3,024	2,681
Dividends received, net of withholding taxes ⁽¹⁾	2,267,779	1,752,509

⁽¹⁾ Classified as operating items.

Scotia U.S. Index Fund (Unaudited – Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at June 30, 2018

Issuer	Number of Shares	Average Cost (\$)	Carrying Value (\$)	Issuer	Number of Shares	Average Cost (\$)	Carrying Value (\$)
EQUITIES – 99.6%				EQUITIES (cont'd)			
Consumer Discretionary – 12.9%				Consumer Discretionary (cont'd)			
Advance Auto Parts Inc.	704	136,868	125,645	Target Corporation	5,250	356,704	525,594
Amazon.com, Inc.	3,945	2,821,674	8,819,358	Tiffany & Company	970	77,971	167,888
Aptiv PLC	2,604	183,651	313,813	TIX Companies, Inc., The	6,139	338,023	768,485
AutoZone, Inc.	261	131,936	230,308	Tractor Supply Company	1,166	102,510	117,299
Best Buy Co., Inc.	2,468	121,790	242,080	TripAdvisor Inc.	1,017	61,643	74,515
Booking Holdings Inc.	471	576,644	1,255,701	Twenty-First Century Fox Inc.	10,297	306,589	672,933
BorgWarner, Inc.	1,938	95,251	110,009	Twenty-First Century Fox Inc., Class B	4,334	169,258	280,843
CarMax, Inc.	1,726	86,167	165,418	Ultra Salon Cosmetics & Fragrance Inc.	554	154,108	170,104
Carnival Corporation	3,922	225,364	295,618	Under Armour Inc., Class A	1,816	104,162	53,691
CBS Corporation, Class B	3,354	189,126	247,997	Under Armour Inc., Class C	1,770	11,882	49,072
Charter Communications Inc., Class A	1,802	680,069	694,905	VF Corporation	3,234	179,129	346,734
Chipotle Mexican Grill, Inc.	235	104,674	133,325	Viacom Inc., Class B	3,354	193,764	133,041
Comcast Corporation, Class A	45,037	1,274,386	1,943,425	Walt Disney Company, The	14,581	1,298,343	2,009,936
D.R. Horton, Inc.	3,351	135,625	180,697	Whirlpool Corporation	667	102,608	128,279
Darden Restaurants, Inc.	1,184	72,987	166,714	Wynn Resorts Limited	843	114,050	185,532
Discovery Communications, Inc.	1,554	56,096	56,205	Yum! Brands, Inc.	3,233	196,343	332,595
Discovery Communications, Inc.	3,309	74,920	110,976			<u>21,160,594</u>	<u>38,307,491</u>
DISH Network Corporation	2,179	171,587	96,320	Consumer Staples – 7.1%			
Dollar General Corporation	2,502	187,220	324,456	Altria Group, Inc.	18,573	907,533	1,387,222
Dollar Tree Inc.	2,294	184,017	256,451	Archer-Daniels-Midland Company	5,442	213,855	328,020
Expedia, Inc.	1,158	120,577	183,050	Brown-Forman Corporation, Class B	2,519	99,416	162,370
Foot Locker, Inc.	1,134	93,378	78,524	Campbell Soup Company	1,840	104,818	98,106
Ford Motor Company	38,362	652,200	558,523	Church & Dwight Co., Inc.	2,383	142,895	166,610
GAP Inc., The	2,141	86,264	91,205	Clorox Company, The	1,285	148,915	228,577
Garmin Ltd.	1,122	61,247	90,015	Coca-Cola Company, The	37,555	1,738,731	2,166,350
General Motors Company	12,382	523,704	641,622	Colgate-Palmolive Company	8,542	560,593	728,105
Genuine Parts Company	1,455	122,819	175,651	ConAgra Foods, Inc.	3,896	160,325	183,081
Goodyear Tire & Rubber Company, The	2,217	78,975	67,909	Constellation Brands, Inc., Class A	1,651	218,497	475,254
H&R Block, Inc.	2,081	58,743	62,347	Costco Wholesale Corporation	4,288	626,714	1,178,560
Hanesbrands Inc.	3,496	133,989	101,247	Coty Inc., Class A	4,424	131,475	82,040
Harley-Davidson, Inc.	1,665	92,462	92,147	CVS Health Corporation	9,915	711,518	839,138
Hasbro, Inc.	1,085	77,967	131,726	Estee Lauder Companies Inc., The	2,199	186,186	412,678
Hilton Worldwide Holdings Inc.	2,720	253,078	283,183	General Mills, Inc.	5,814	302,914	338,438
Home Depot Inc., The	11,308	1,333,295	2,901,580	Hershey Company, The	1,339	111,914	163,884
Interpublic Group of Companies, Inc., The	3,708	137,036	114,311	Hormel Foods Corporation	2,697	77,165	131,987
Kohl's Corporation	1,634	107,073	156,665	J.M. Smucker Company, The	1,092	121,409	154,363
L Brands Inc.	2,313	132,739	112,191	Kellogg Company	2,462	172,856	226,241
Leggett & Platt, Incorporated	1,311	59,133	76,970	Kimberly-Clark Corporation	3,429	389,249	475,065
Lennar Corporation, Class A	2,608	173,900	180,077	Kraft Heinz Company, The	5,797	396,894	478,954
LKQ Corporation	3,036	129,220	127,375	Kroger Company, The	8,412	232,001	314,756
Lowe's Companies, Inc.	8,024	483,629	1,008,567	McCormick & Company, Inc.	1,204	100,239	183,829
Macy's, Inc.	2,913	109,484	143,401	Molson Coors Brewing Company, Class B	1,777	150,781	159,017
Mariott International Inc., Class A	2,912	243,166	484,796	Mondelez International, Inc.	14,440	536,077	778,652
Mattel, Inc.	3,439	99,974	74,267	Monster Beverage Corporation	3,978	198,997	299,786
McDonald's Corporation	7,671	877,509	1,580,831	PepsiCo, Inc.	13,905	1,377,200	1,991,001
MGM Resorts International	4,941	211,109	188,649	Philip Morris International Inc.	15,250	1,326,960	1,619,387
Michael Kors Holdings Limited	1,459	115,767	127,977	Procter & Gamble Company, The	24,653	2,219,614	2,530,990
Mohawk Industries, Inc.	627	136,148	176,694	Sysco Corporation	4,727	215,756	424,556
Netflix Inc.	4,263	551,749	2,194,631	Tyson Foods, Inc.	2,902	151,419	262,781
Newell Brands Inc.	4,664	229,622	158,198	Walgreens Boots Alliance Inc.	8,325	611,481	657,107
News Corporation, Class A	3,763	52,909	76,711	Walmart Inc.	14,193	1,188,248	1,598,799
News Corporation, Class B	1,283	22,850	26,745			<u>15,832,645</u>	<u>21,225,704</u>
NIKE, Inc., Class B	12,543	561,869	1,314,446	Energy – 6.3%			
Nordstrom, Inc.	1,106	51,060	75,320	Anadarko Petroleum Corporation	5,154	352,228	496,529
Norwegian Cruise Line Holdings Ltd.	2,015	146,766	125,219	Andeavor	1,357	122,231	234,121
Omnicom Group Inc.	2,236	163,172	224,294	Apache Corporation	3,782	242,161	232,539
O'Reilly Automotive, Inc.	808	124,462	290,718	Baker Hughes, a GE company	4,005	219,813	173,982
Polo Ralph Lauren Corporation	546	72,882	90,280	Cabot Oil & Gas Corporation	4,445	116,384	139,136
PulteGroup Inc.	2,596	54,893	98,160	Chevron Corporation	18,731	2,110,472	3,114,607
PVH Corporation	749	100,792	147,487	Cimarex Energy Company	938	137,184	125,512
Ross Stores, Inc.	3,711	164,998	413,640	Concho Resources Inc.	1,443	214,461	262,566
Royal Caribbean Cruises Ltd.	1,658	181,550	225,911	ConocoPhillips	11,492	657,117	1,052,257
Starbucks Corporation	13,588	571,466	872,996	Devon Energy Corporation	5,161	261,320	298,390
Tapestry Inc.	2,856	127,830	175,453				

The accompanying notes are an integral part of the financial statements.

Scotia U.S. Index Fund (Unaudited – Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at June 30, 2018

Issuer	Number of Shares	Average Cost (\$)	Carrying Value (\$)	Issuer	Number of Shares	Average Cost (\$)	Carrying Value (\$)
EQUITIES (cont'd)				EQUITIES (cont'd)			
Energy (cont'd)				Financials (cont'd)			
EOG Resources, Inc.	5,646	481,409	923,971	M&T Bank Corporation	1,450	215,596	324,483
EQT Corporation	2,492	179,618	180,851	Marsh & McLennan Companies, Inc.	4,996	341,610	538,604
Exxon Mobil Corporation	41,488	3,752,912	4,514,168	MetLife, Inc.	9,950	499,946	570,561
FMC Technologies, Inc.	4,207	172,560	175,619	Moody's Corporation	1,636	136,921	366,989
Halliburton Company	8,591	396,652	509,128	Morgan Stanley	13,345	632,664	831,934
Helemerich & Payne, Inc.	1,051	71,615	88,134	MSCI Inc.	875	163,952	190,377
Hess Corporation	2,602	163,818	228,908	NASDAQ OMX Group, Inc., The	1,115	65,742	133,843
HollyFrontier Corporation	1,747	166,606	157,229	Northern Trust Corporation	2,065	187,782	279,438
Kinder Morgan Inc.	18,638	652,706	433,140	People's United Financial Inc.	3,515	78,324	83,629
Marathon Oil Corporation	8,185	164,487	224,556	PNC Financial Services Group, Inc., The	4,580	538,737	813,791
Marathon Petroleum Corporation	4,561	167,340	420,864	Principal Financial Group, Inc.	2,580	136,279	179,671
National-Oilwell Varco Inc.	3,768	189,558	215,076	Progressive Corporation, The	5,740	211,778	446,538
Newfield Exploration Company	1,944	92,105	77,342	Prudential Financial, Inc.	4,136	361,145	508,664
Noble Energy, Inc.	4,810	213,596	223,185	Raymond James Financial Inc.	1,289	138,643	151,475
Occidental Petroleum Corporation	7,470	558,569	822,119	Regions Financial Corporation	11,040	177,498	258,162
ONEOK, Inc.	4,058	232,663	372,689	S&P Global Inc.	2,459	257,022	659,396
Phillips 66 Company	4,099	270,428	605,464	State Street Corporation	3,602	305,305	441,000
Pioneer Natural Resources Company	1,653	257,842	411,413	SunTrust Banks Inc.	4,547	250,311	394,814
Schlumberger Limited	13,598	1,108,764	1,198,772	SVB Financial Group	513	178,243	194,826
Valero Energy Corporation	4,195	255,231	611,479	Synchrony Financial	6,984	258,134	306,607
Williams Companies Inc., The	8,062	307,990	287,451	T. Rowe Price Group Inc.	2,390	185,190	364,909
				Torchmark Corporation	1,003	47,280	107,392
				Travelers Companies, Inc., The	2,665	268,973	428,803
				U.S. Bancorp	15,324	718,345	1,008,110
Financials – 14.1%				Unum Group	2,216	103,598	107,807
Affiliated Managers Group, Inc.	517	114,740	101,090	Wells Fargo & Company	42,988	2,435,710	3,134,459
Aflac, Inc.	7,599	256,498	429,951	Welltower Inc.	3,578	257,243	295,006
Allstate Corporation, The	3,442	234,260	413,172	Willis Towers Watson PLC	1,288	228,323	256,807
American Express Company	7,016	553,199	904,290	XL Group Ltd.	2,484	137,388	182,786
American International Group, Inc.	8,795	729,164	613,293	Zions Bancorporation	1,921	81,678	133,121
Ameriprise Financial, Inc.	1,398	131,051	257,191				
Aon PLC	2,373	218,470	428,104				
Arthur J. Gallagher & Co.	1,758	119,771	150,935	Health Care – 13.7%			
Assurant, Inc.	510	38,249	69,416	Abbott Laboratories	17,205	837,697	1,380,084
Bank of America Corporation	92,419	2,489,861	3,426,482	AbbVie Inc.	14,865	1,014,090	1,811,351
Bank of New York Mellon Corporation, The	9,896	495,996	701,911	ABIOMED Inc.	417	209,910	224,339
BB&T Corporation	7,679	370,603	509,415	Aetna Inc.	3,192	323,054	770,355
Berkshire Hathaway Inc., Class B	18,860	2,973,962	4,629,796	Agilent Technologies, Inc.	3,101	211,836	252,211
BlackRock, Inc.	1,207	454,309	792,200	Alexion Pharmaceuticals, Inc.	2,197	328,410	358,731
Brightghouse Financial Inc.	1,225	74,651	64,558	Align Technology Inc.	713	154,615	320,838
Capital One Financial Corporation	4,787	398,336	578,590	Allergan PLC	3,309	876,618	725,566
CBOE Holdings Inc.	1,092	126,338	149,465	AmerisourceBergen Corporation	1,606	108,938	180,108
Charles Schwab Corporation, The	11,712	462,448	787,126	Amgen Inc.	6,534	933,917	1,586,279
Chubb Ltd.	4,545	596,096	759,273	Anthem, Inc.	2,498	346,876	782,017
Cincinnati Financial Corporation	1,490	100,429	131,022	Baxter International Inc.	4,803	241,106	466,441
Citigroup Inc.	25,005	2,074,266	2,200,772	Becton, Dickinson and Company	2,607	468,430	821,386
Citizens Financial Group Inc.	4,782	171,077	244,653	Biogen Inc.	2,058	488,256	785,588
CME Group Inc.	3,323	406,460	716,398	Boston Scientific Corporation	13,482	318,736	579,821
Comerica Incorporated	1,708	119,041	204,239	Bristol-Myers Squibb Company	16,047	1,124,551	1,167,952
Crown Castle International Corporation	4,084	402,770	579,132	Cardinal Health, Inc.	3,077	235,086	197,609
Discover Financial Services	3,382	156,084	313,184	Celgene Corporation	6,900	614,967	720,728
E*Trade Financial Corporation	2,530	94,006	203,507	Centene Corporation	2,013	204,412	326,198
Everest Re Group Ltd.	395	130,956	119,735	Cerner Corporation	3,022	171,258	237,638
Fifth Third Bancorp	6,620	208,983	249,880	CIGNA Corporation	2,378	274,390	531,527
First Horizon National Corporation	5	143	110	Cooper Companies Inc., The	464	118,885	143,684
Franklin Resources, Inc.	3,182	140,948	134,128	Danaher Corporation	5,998	420,239	778,445
Goldman Sachs Group, Inc., The	3,450	722,777	1,000,824	DaVita, Inc.	1,395	78,005	127,402
Hartford Financial Services Group Inc., The	3,460	175,518	232,672	DENTSPLY International Inc.	2,226	146,215	128,143
Huntington Bancshares Incorporated	10,679	144,214	207,305	Edwards Lifesciences Corporation	2,070	176,137	396,309
IntercontinentalExchange Inc.	5,644	335,895	545,961	Eli Lilly and Company	9,321	814,535	1,046,060
Invesco Limited	4,105	140,902	143,395	Envision Healthcare Corporation	1,181	95,947	68,359
Jefferies Financial Group Inc.	3,030	94,637	90,620	Express Scripts, Inc.	5,506	368,295	559,116
JPMorgan Chase & Co.	33,363	2,636,367	4,572,197	Gilead Sciences, Inc.	12,765	876,726	1,189,300
KeyCorp.	10,244	188,237	263,261	HCA Healthcare Inc.	2,758	275,001	372,164
Lincoln National Corporation	2,101	131,884	172,012	Henry Schein Inc.	1,500	139,185	143,304
Loews Corporation	2,589	115,840	164,396				

The accompanying notes are an integral part of the financial statements.

Scotia U.S. Index Fund (Unaudited – Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at June 30, 2018

Issuer	Number of Shares	Average Cost (\$)	Carrying Value (\$)	Issuer	Number of Shares	Average Cost (\$)	Carrying Value (\$)
EQUITIES (cont'd)				EQUITIES (cont'd)			
Health Care (cont'd)				Industrials (cont'd)			
Hologic Inc.	2,643	125,099	138,174	IHS Markit Ltd.	3,521	217,621	238,904
Humana Inc.	1,346	210,404	526,883	Illinois Tool Works Inc.	3,002	316,475	546,988
Ilex Laboratories Inc.	857	148,933	245,646	Ingersoll-Rand PLC	2,401	165,351	283,349
Illumina Inc.	1,448	356,216	531,883	Iron Mountain Incorporated	2,762	108,005	127,177
Incyte Corporation	1,704	279,159	150,154	Jacobs Engineering Group, Inc.	1,162	78,306	97,029
Intuitive Surgical, Inc.	1,106	276,702	696,003	JB Hunt Transport Services Inc.	814	90,474	130,128
IQVIA Holdings Inc.	1,607	196,100	210,972	Johnson Controls International PLC	9,068	480,620	398,933
Johnson & Johnson	26,283	2,955,189	4,194,412	Kansas City Southern	1,007	120,867	140,334
Laboratory Corporation of America Holdings	988	132,113	233,285	L-3 Communications Holdings, Inc.	763	113,699	192,993
Mckesson Corporation	1,977	286,705	346,860	Lockheed Martin Corporation	2,430	522,564	944,176
Medtronic PLC	13,287	1,122,340	1,496,041	Masco Corporation	2,984	100,764	146,857
Merck & Co., Inc.	26,382	1,730,377	2,106,146	Nielsen Holdings PLC	3,186	154,237	129,604
Mettler-Toledo International Inc.	252	146,613	191,776	Norfolk Southern Corporation	2,770	260,438	549,636
Mylan NV	4,985	231,187	236,944	Northrop Grumman Corporation	1,708	293,712	691,206
Nektar Therapeutics	1,611	210,947	103,460	PACCAR Inc.	3,428	193,135	279,347
PerkinElmer Inc.	1,036	52,573	99,779	Parker-Hannifin Corporation	1,286	153,049	263,597
Perrigo Company PLC	1,251	173,553	119,960	Pentair Ltd.	1,581	98,056	87,498
Pfizer Inc.	57,344	2,188,185	2,736,197	Quanta Services, Inc.	1,518	52,484	66,682
Quest Diagnostics Incorporated	1,318	107,398	190,574	Raytheon Company	2,813	352,870	714,700
Regeneron Pharmaceuticals, Inc.	764	305,236	346,651	Republic Services, Inc.	2,216	111,294	199,234
ResMed Inc.	1,373	138,187	187,042	Robert Half International, Inc.	1,199	62,642	102,658
Stryker Corporation	3,160	357,147	701,788	Rockwell Automation, Inc.	1,228	156,924	268,473
Thermo Fisher Scientific, Inc.	3,951	558,485	1,076,374	Rockwell Collins Inc.	1,625	163,967	287,838
UnitedHealth Group Incorporated	9,419	1,211,976	3,039,242	Roper Technologies Inc.	1,011	183,462	366,869
Universal Health Services Inc., Class B	870	120,232	127,512	Snap-on Incorporated	535	66,235	113,088
Varian Medical Systems Inc.	871	69,269	130,271	Southwest Airlines Company	5,151	190,588	344,692
Vertex Pharmaceuticals Incorporated	2,492	306,264	557,041	Stanley Black & Decker Inc.	1,494	168,658	260,960
Waters Corporation	756	97,763	192,485	Stericycle, Inc.	817	82,117	70,155
Zimmer Biomet Holdings Inc.	1,971	214,672	288,882	Textron Inc.	2,557	121,660	221,653
Zoetis Inc.	4,744	258,519	531,527	TransDigm Group Inc.	475	167,495	215,616
		<u>27,563,866</u>	<u>40,913,017</u>	Union Pacific Corporation	7,576	622,463	1,411,694
Industrials – 9.6%				United Continental Holdings Inc.	2,348	184,687	215,333
3M Company	5,825	952,957	1,507,081	United Parcel Service, Inc., Class B	6,722	760,663	939,156
Alaska Air Group Inc.	1,173	105,139	93,166	United Rentals, Inc.	817	117,371	158,621
Allegion Public Limited Company	946	67,147	96,250	United Technologies Corporation	7,304	782,266	1,201,067
American Airlines Group Inc.	4,043	272,316	201,847	Verisk Analytics, Inc.	1,536	169,511	217,449
Ametek Inc.	2,260	142,332	214,485	W.W. Grainger, Inc.	498	103,063	201,993
AO Smith Corporation	1,414	99,720	110,001	Waste Management, Inc.	3,874	251,575	414,435
Arconic Inc.	3,944	192,552	88,233	Xylem, Inc.	1,787	86,818	158,361
Boeing Company, The	5,369	903,341	2,369,142			<u>19,289,721</u>	<u>28,453,625</u>
C.H. Robinson Worldwide, Inc.	1,390	111,171	152,941	Information Technology – 25.9%			
Caterpillar Inc.	5,827	577,523	1,039,731	Accenture PLC, Class A	6,312	731,206	1,358,050
Cintas Corporation	832	77,496	202,512	Activision Blizzard Inc.	7,453	429,479	748,103
Copart Inc.	2,000	148,782	148,776	Adobe Systems Incorporated	4,832	516,284	1,549,425
CSX Corporation	8,512	267,981	714,017	Advanced Micro Devices Inc.	8,051	141,320	158,724
Cummins Inc.	1,503	190,380	262,907	Akamai Technologies, Inc.	1,641	97,694	158,048
Deere & Company	3,178	330,921	584,323	Alliance Data Systems Corporation	461	135,537	141,391
Delta Air Lines, Inc.	6,364	267,469	414,647	Alphabet Inc., Class A	2,927	2,612,714	4,346,923
Dover Corporation	1,518	112,638	146,142	Alphabet Inc., Class C	2,975	1,798,963	4,365,230
Eaton Corporation	4,272	283,978	419,930	Amphenol Corporation	2,922	160,040	334,919
Emerson Electric Company	6,203	377,258	564,057	Analog Devices Inc.	3,628	293,407	457,687
Equifax Inc.	1,162	110,166	191,201	ANSYS Inc.	819	137,450	187,618
Expeditors International of Washington, Inc.	1,690	94,668	162,479	Apple Inc.	48,144	4,965,983	11,720,988
Fastenal Company	2,797	128,687	177,052	Applied Materials, Inc.	9,799	344,762	595,281
FedEx Corporation	2,398	402,488	716,114	Autodesk, Inc.	2,163	165,126	372,922
Flowserve Corporation	1,332	65,162	70,775	Automatic Data Processing, Inc.	4,312	399,598	760,728
Fluor Corporation	1,340	71,227	85,968	Broadcom Ltd.	4,031	889,729	1,286,374
Fortive Corporation	3,010	148,193	305,260	Broadridge Financial Solutions Inc.	1,166	175,915	176,509
Fortune Brands Home & Security Inc.	1,494	111,671	105,496	CA, Inc.	3,057	139,060	143,333
General Dynamics Corporation	2,705	380,775	663,176	Cadence Design Systems Inc.	2,761	132,619	157,270
General Electric Company	85,228	2,812,797	1,525,572	Cisco Systems, Inc.	46,106	1,823,408	2,609,282
Harris Corporation	1,140	108,619	216,713	Citrix Systems, Inc.	1,288	97,398	177,597
Honeywell International Inc.	7,299	824,140	1,382,830	Cognizant Technology Solutions Corporation	5,698	312,536	591,952
Huntington Ingalls Industries Inc.	429	123,841	122,318	Corning Incorporated	8,426	295,049	304,863

The accompanying notes are an integral part of the financial statements.

Scotia U.S. Index Fund (Unaudited – Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at June 30, 2018

Issuer	Number of Shares	Average Cost (\$)	Carrying Value (\$)	Issuer	Number of Shares	Average Cost (\$)	Carrying Value (\$)
EQUITIES (cont'd)				EQUITIES (cont'd)			
Information Technology (cont'd)				Materials (cont'd)			
DXC Technology Company	2,755	234,305	292,081	Martin Marietta Materials Inc.	624	120,120	183,284
eBay Inc.	9,071	209,990	432,589	Mosaic Company, The	3,457	162,748	127,534
Electronic Arts Inc.	3,021	232,166	560,304	Newmont Mining Corporation	5,244	209,374	260,083
F5 Networks, Inc.	598	87,192	135,630	Nucor Corporation	3,136	189,659	257,779
Facebook Inc.	23,500	3,000,323	6,005,892	Packaging Corporation of America	897	123,589	131,883
Fidelity National Information Service, Inc.	3,214	235,397	448,195	PPG Industries, Inc.	2,433	207,079	331,924
Fiserv, Inc.	3,999	148,478	389,676	Praxair, Inc.	2,807	324,635	583,853
FleetCor Technologies Inc.	872	254,903	241,585	Sealed Air Corporation	1,588	70,349	88,658
FLIR Systems, Inc.	1,342	55,438	91,727	Sherwin-Williams Company, The	808	202,842	433,118
Gartner Inc., Class A	887	132,535	155,039	Vulcan Materials Company	1,290	131,127	218,964
Global Payments Inc.	1,575	165,038	230,945	WestRock Company	2,455	152,679	184,107
Hewlett Packard Enterprise Company	15,191	189,216	291,896			5,313,214	7,717,546
HP Inc.	16,050	614,262	478,963				
Intel Corporation	45,678	1,950,577	2,986,366	Real Estate – 2.4%			
International Business Machines Corporation	8,376	1,456,888	1,538,953	Alexandria Real Estate Equities, Inc.	1,022	152,840	169,590
Intuit Inc.	2,380	257,873	639,511	American Tower Corporation	4,309	457,078	817,040
IPG Photonics Corporation	367	113,287	106,493	Apartment Investment & Management Company	1,540	62,496	85,675
Juniper Networks, Inc.	3,314	92,295	119,512	AvalonBay Communities Inc.	1,361	248,354	307,681
KLA-Tencor Corporation	1,519	128,600	204,833	Boston Properties Inc.	1,530	200,702	252,377
Lam Research Corporation	1,620	173,136	368,279	CB Richard Ellis Group, Inc.	2,889	105,757	181,394
MasterCard, Inc., Class A	8,990	843,454	2,323,585	Digital Realty Trust Inc.	2,030	266,867	297,903
Microchip Technology Incorporated	2,314	162,311	276,795	Duke Realty Corporation	3,498	120,977	133,555
Micron Technology, Inc.	11,312	386,564	780,179	Equinix Inc.	781	319,422	441,571
Microsoft Corporation	75,261	4,740,095	9,760,748	Equity Residential Real Estate Investment Trust	3,641	250,666	304,989
Motorola Solutions, Inc.	1,582	162,300	242,125	Essex Property Trust, Inc.	654	163,032	205,634
NetApp, Inc.	2,642	133,980	272,873	Extra Space Storage Inc	1,230	145,213	161,462
NVIDIA Corporation	5,953	618,770	1,854,783	Federal Realty Investment Trust	720	141,181	119,836
Oracle Corporation	29,234	1,220,029	1,694,045	Four Corners Property Trust Inc.	1	26	32
Paychex, Inc.	3,115	175,062	280,020	GGP Inc.	6,200	170,646	166,591
PayPal Holdings Inc.	10,903	463,204	1,194,062	HCP, Inc. Real Estate Investment Trust	4,463	166,774	151,557
Qorvo Inc	1,238	121,335	130,534	Host Hotels & Resorts Inc.	7,337	169,193	203,318
QUALCOMM, Inc.	14,558	968,528	1,074,513	Kimco Realty Corporation	4,126	103,135	92,197
Red Hat, Inc.	1,720	134,047	303,965	Macerich Company, The	1,046	82,444	78,181
Salesforce.com, Inc.	6,924	573,839	1,242,120	Mid-America Apartment Communities Inc.	1,086	131,005	143,788
Seagate Technology PLC	2,829	126,073	210,108	Prologis	5,257	294,312	454,181
Skyworks Solutions, Inc.	1,753	208,876	222,831	Public Storage Real Estate Investment Trust	1,472	281,861	439,196
Symantec Corporation	5,933	188,618	161,134	Realty Income Corporation	2,763	183,349	195,468
Synopsis Inc.	1,474	144,194	165,887	Regency Centers Corporation	1,383	123,051	112,919
Take-Two Interactive Software Inc.	1,123	158,080	174,814	Simon Property Group Inc.	3,014	497,855	674,636
Texas Instruments Incorporated	9,607	718,683	1,393,024	SL Green Realty Corporation	871	137,150	115,161
Total System Services, Inc.	1,598	76,686	177,635	UDR Inc.	2,672	123,975	131,924
Twitter Inc.	6,414	334,915	368,387	Ventas Inc.	3,529	238,482	264,325
Tyco Electronics Ltd.	3,426	223,792	405,799	Vornado Realty Trust Real Estate Investment Trust	1,719	175,285	167,121
VeriSign, Inc.	935	67,122	168,987	Weyerhaeuser Company	7,444	277,112	356,956
Visa Inc.	17,508	1,253,481	3,049,865			5,790,240	7,226,258
Western Digital Corporation	2,936	223,027	298,913	Telecommunication Services – 2.1%			
Western Union Company	4,406	100,539	117,808	AT&T Inc.	71,181	3,462,707	3,006,052
Xerox Corporation	1,986	104,857	62,688	CenturyLink Inc.	9,437	436,819	231,351
Xilinx Inc.	2,479	165,422	212,773	SBA Communications Corporation, Class A	1,138	220,991	247,135
		41,325,059	77,042,686	Verizon Communications Inc.	40,507	2,321,341	2,680,258
Materials – 2.6%						6,441,858	6,164,796
Air Products and Chemicals, Inc.	2,151	305,773	440,560	Utilities – 2.9%			
Albemarle Corporation	1,068	122,123	132,499	AES Corporation, The	6,364	151,577	112,241
Avery Dennison Corporation	845	70,541	113,468	Alliant Energy Corporation	2,216	114,077	123,341
Ball Corporation	3,410	122,199	159,436	Ameren Corporation	2,347	129,227	187,830
CF Industries Holdings, Inc.	2,282	97,434	133,257	American Electric Power Company, Inc.	4,779	302,022	435,260
DowDuPont Inc.	22,761	1,359,289	1,973,334	American Water Works Co., Inc.	1,765	168,726	198,195
Eastman Chemical Company	1,413	106,618	185,764	CentrePoint Energy, Inc.	4,308	120,599	157,002
Ecolab Inc.	2,548	275,738	470,264	CMS Energy Corporation	2,753	134,910	171,189
FMC Corporation	1,287	81,394	151,003	Consolidated Edison, Inc.	3,072	231,121	315,062
Freeport-McMoRan Copper & Gold Inc.	13,108	292,685	297,556	Dominion Resources, Inc.	6,423	469,197	575,953
International Flavors & Fragrances Inc.	773	84,290	126,024	DTE Energy Company	1,793	161,847	244,376
International Paper Company	4,020	227,086	275,353	Duke Energy Corporation	6,845	569,516	711,922
LyondellBasell Industries NV, Class A – ADR	3,169	273,843	457,841				

The accompanying notes are an integral part of the financial statements.

Scotia U.S. Index Fund (Unaudited – Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at June 30, 2018

Issuer	Number of Shares	Average Cost (\$)	Carrying Value (\$)
EQUITIES (cont'd)			
Utilities (cont'd)			
Edison International	3,215	209,511	267,529
Energy Corporation	1,793	143,415	190,515
Eversource Energy	2,596	180,795	191,711
Exelon Corporation	3,042	159,016	234,489
Exelon Corporation	9,469	415,533	530,525
FirstEnergy Corporation	4,424	207,092	208,941
NextEra Energy, Inc.	4,597	542,910	1,009,860
NISource Inc.	3,157	104,124	109,117
NRG Energy, Inc.	2,910	78,972	117,496
PG&E Corporation	4,981	287,545	278,811
Pinnacle West Capital Corporation	1,067	78,324	113,051
PPL Corporation	6,902	247,776	259,163
Public Service Enterprise Group Incorporated	4,891	215,301	348,264
SCANA Corporation	1,321	76,626	66,924
Sempra Energy	2,588	267,177	395,208
Southern Company	9,917	511,969	604,014
WEC Energy Group Inc.	3,115	174,809	264,861
Xcel Energy, Inc.	5,015	209,436	301,293
		6,663,150	8,724,143
Transaction Costs		(17,868)	
TOTAL INVESTMENT PORTFOLIO		192,781,115	296,536,126
OTHER ASSETS, LESS LIABILITIES – 0.4%			1,098,575
NET ASSETS – 100.0%			297,634,701

The accompanying notes are an integral part of the financial statements.

Scotia U.S. Index Fund (Unaudited – Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

The Fund (note 1)

The Fund's objective is long-term capital growth by tracking the performance of a generally recognized U.S. equity index, currently the Standard & Poor's 500 (S&P 500) Index. It invests primarily in the stocks that are included in the index.

Risks associated with financial instruments (note 4)

Interest rate risk

The majority of the Fund's financial instruments were non-interest bearing as at June 30, 2018 and December 31, 2017. Accordingly, the Fund is not directly subject to significant risk due to fluctuations in the prevailing levels of market interest rates.

Currency risk

The Fund's exposure to currency risk is summarized in the tables below. Amounts shown are based on the carrying value of monetary and non-monetary assets and liabilities of the Fund net of currency contracts, as applicable.

Currency	June 30, 2018			
	Gross currency exposure (\$)	Currency contracts (\$)	Net exposure (\$)	Percentage of net assets (%)
US Dollar	297,031,082	–	297,031,082	99.8
	297,031,082	–	297,031,082	99.8

Currency	December 31, 2017			
	Gross currency exposure (\$)	Currency contracts (\$)	Net exposure (\$)	Percentage of net assets (%)
US Dollar	242,012,413	–	242,012,413	99.7
	242,012,413	–	242,012,413	99.7

If the Canadian dollar strengthened or weakened by 10% in relation to all other currencies, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by \$29,703,108 or 10.0% (December 31, 2017 – \$24,201,241 or 10.0%). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Price risk

Price risk is the risk that the carrying value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) caused by factors specific to a security, its issuer or all factors affecting a market or a market segment. Exposure to price risk is mainly in equities, underlying funds, derivatives and commodities, as applicable. As at June 30, 2018, approximately 99.6% (December 31, 2017 – 99.5%) of the Fund's net assets were exposed to price risk. If prices of these instruments had decreased or increased by 10%, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by approximately \$29,653,613 (December 31, 2017 – \$24,151,532). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Credit risk

The Fund had no significant exposure to bonds and debentures, money market instruments or preferred shares as at June 30, 2018 or December 31, 2017.

Concentration risk

Concentration risk arises as a result of the concentration of financial instruments within the same category, geographical location, asset type or industry sector, as applicable. The table below is a summary of the Fund's concentration risk by carrying value as a percentage of net assets:

	Percentage of net assets (%)	
	June 30, 2018	December 31, 2017
Consumer Discretionary	12.9	12.2
Consumer Staples	7.1	8.2
Energy	6.3	6.0
Financials	14.1	15.1
Health Care	13.7	13.8
Industrials	9.6	10.2
Information Technology	25.9	23.7
Materials	2.6	2.9
Real Estate	2.4	2.4
Telecommunication Services	2.1	2.1
Utilities	2.9	2.9

Fair Value Classification (note 2)

The tables below illustrate the classification of the Fund's financial instruments within the fair value hierarchy.

June 30, 2018	Level 1	Level 2	Level 3	Total
	(\$)	(\$)	(\$)	(\$)
Equities	296,536,126	–	–	296,536,126
	296,536,126	–	–	296,536,126

December 31, 2017	Level 1	Level 2	Level 3	Total
	(\$)	(\$)	(\$)	(\$)
Equities	241,515,325	–	–	241,515,325
	241,515,325	–	–	241,515,325

Transfers between levels

During the periods ended June 30, 2018 and December 31, 2017, there were no significant transfers between Level 1 and Level 2.

Offsetting of financial assets and liabilities (note 2)

As at June 30, 2018 and December 31, 2017, the Fund did not enter into any agreement whereby the financial instruments were eligible for offset.

Interest in Underlying Funds (note 2)

The Fund did not hold any interest in Underlying Funds as at June 30, 2018 or December 31, 2017.

Comparison of net asset value per unit and net assets per unit (note 2)

As at June 30, 2018 or December 31, 2017, there were no differences between the net asset value per unit and the net assets per unit for any series of the Fund.

Scotia CanAm Index Fund (Unaudited)

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	June 30, 2018	December 31, 2017
ASSETS		
Current assets		
Financial assets at fair value through profit or loss (note 2)		
Non-derivative financial assets	85,881,603	81,564,626
Derivatives	973,019	757,449
Cash	308,054	35,193
Margin deposited on derivatives	5,256,355	10,565,161
	<u>92,419,031</u>	<u>92,922,429</u>
LIABILITIES		
Current liabilities		
Financial liabilities at fair value through profit or loss (note 2)		
Derivatives	1,951,127	2,018,487
Management fee payable	64,810	—
Redemptions payable	202,044	23,090
Accrued expenses	14,360	—
Distributions payable	—	10,892
	<u>2,232,341</u>	<u>2,052,469</u>
Net assets attributable to holders of redeemable units	<u>90,186,690</u>	<u>90,869,960</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series A	90,186,048	90,828,843
Series F	642	41,117
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series A	16.42	15.38
Series F	16.65	15.57

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended June 30 (note 1),

(in dollars except average units)	2018	2017
INCOME		
Net gain (loss) on financial assets and liabilities at fair value through profit or loss		
Interest for distribution purposes	483,449	208,970
Net realized gain (loss) on derivatives	5,275,711	7,428,945
Change in unrealized gain (loss) on derivatives	282,930	(2,681,203)
Net gain (loss) on financial assets and liabilities at fair value through profit or loss	6,042,090	4,956,712
Securities lending (note 11)	6,478	4,801
Net realized and unrealized foreign currency translation gain (loss)	361,066	(387,823)
Total income (loss), net	<u>6,409,634</u>	<u>4,573,690</u>
EXPENSES		
Management fees (note 5)	362,714	365,746
Fixed administration fees (note 6)	77,086	77,737
Independent Review Committee fees	587	576
Interest expense and bank overdraft charges	8,506	9,652
Harmonized Sales Tax/Goods and Services Tax	47,236	47,721
Transaction costs	19,059	21,754
Total expenses	<u>515,188</u>	<u>523,186</u>
Increase (decrease) in net assets attributable to holders of redeemable units from operations	<u>5,894,446</u>	<u>4,050,504</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A	5,894,641	4,048,782
Series F	(195)	1,722
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT[†]		
Series A	1.03	0.75
Series F	(0.13)	0.78
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series A	5,704,198	5,395,507
Series F	1,455	2,218

[†] The increase (decrease) in net assets attributable to holders of redeemable units from operations per unit is calculated by dividing the increase (decrease) in net assets attributable to holders of redeemable units from operations per series by the weighted average number of units per series.

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the periods ended June 30 (note 1),

(in dollars)	2018	2017
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series A	90,828,843	90,991,908
Series F	41,117	36,699
	<u>90,869,960</u>	<u>91,028,607</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A	5,894,641	4,048,782
Series F	(195)	1,722
	<u>5,894,446</u>	<u>4,050,504</u>
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A	72	(66)
Payments on redemption		
Series A	(6,537,508)	(5,632,690)
Series F	(40,280)	—
	<u>(6,577,716)</u>	<u>(5,632,756)</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A	(642,795)	(1,583,974)
Series F	(40,475)	1,722
	<u>(683,270)</u>	<u>(1,582,252)</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series A	90,186,048	89,407,934
Series F	642	38,421
	<u>90,186,690</u>	<u>89,446,355</u>

STATEMENTS OF CASH FLOWS

For the periods ended June 30 (note 1),

(in dollars)	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	5,894,446	4,050,504
Adjustments for:		
Unrealized foreign currency translation (gain) loss	6,944	102,321
Change in unrealized (gain) loss on derivatives	(282,930)	2,681,203
Purchases of portfolio investments	(228,214,208)	(421,746,339)
Proceeds from sale of portfolio investments	223,897,231	417,999,953
Margin deposited on derivatives	5,308,806	3,083,595
Accrued investment income and other	—	208
Accrued expenses and other payables	79,170	79,906
Net cash provided by (used in) operating activities	<u>6,689,459</u>	<u>6,251,351</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	72	(66)
Amounts paid on redemption of redeemable units	(6,398,834)	(5,620,666)
Distributions to unitholders of redeemable units	(10,892)	(4,876)
Net cash provided by (used in) financing activities	<u>(6,409,654)</u>	<u>(5,625,608)</u>
Unrealized foreign currency translation gain (loss)	(6,944)	(102,321)
Net increase (decrease) in cash	279,805	625,743
Cash (bank overdraft), beginning of period	35,193	640,650
CASH (BANK OVERDRAFT), END OF PERIOD	<u>308,054</u>	<u>1,164,072</u>
Interest paid ⁽¹⁾	8,506	9,652
Interest received, net of withholding taxes ⁽¹⁾	483,449	209,177

⁽¹⁾ Classified as operating items.

The accompanying notes are an integral part of the financial statements.

Scotia CanAm Index Fund (Unaudited – Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at June 30, 2018

Issuer	Face Value (\$)	Average Cost (\$)	Carrying Value (\$)
MONEY MARKET INSTRUMENTS – 95.2%			
Treasury Bills – 95.2%			
Government of Canada 0.00% Aug 09, 2018	16,000,000	15,956,790	15,979,238
Government of Canada 0.00% Jul 12, 2018	30,000,000	29,934,900	29,988,796
Government of Canada 0.00% Jul 26, 2018	15,000,000	14,951,850	14,987,226
Government of Canada 0.00% Oct 04, 2018	15,000,000	14,949,600	14,950,629
Government of Canada 0.00% Sep 06, 2018	10,000,000	9,965,000	9,975,714
		<u>85,758,140</u>	<u>85,881,603</u>
TOTAL INVESTMENT PORTFOLIO		<u>85,758,140</u>	<u>85,881,603</u>
Unrealized Gain (Loss) on Derivatives - (1.1%)			(978,108)
OTHER ASSETS, LESS LIABILITIES – 5.9%			5,283,195
NET ASSETS – 100.0%			<u>90,186,690</u>

Instruments with a 0.00% stated interest rate are purchased at a discount to face value. The discount represents the implied effective interest.

SCHEDULE OF DERIVATIVE INSTRUMENTS

UNREALIZED GAIN ON FUTURES CONTRACTS

Expiry Date	Number of Contracts	Futures Contracts	Counterparty	Credit Risk	Contractual Value Canadian (\$)	Fair Value Canadian (\$)	Unrealized Gain (\$)
CURRENCY FUTURES CONTRACTS							
Sep. 2018	(879)	CME Canadian Dollar Currency Future	J.P. Morgan	A-2	(89,018,683)	(88,045,664)	973,019
							<u>973,019</u>

UNREALIZED LOSS ON FUTURES CONTRACTS

Expiry Date	Number of Contracts	Futures Contracts	Counterparty	Credit Risk	Contractual Value Canadian (\$)	Fair Value Canadian (\$)	Unrealized Loss (\$)
INDEX FUTURES CONTRACTS							
Sep. 2018	505	S&P 500 Composite Stock Index – E-Mini Futures	Goldman Sachs & Co. LLC	A-2	92,332,272	90,381,145	(1,951,127)
							<u>(1,951,127)</u>

The accompanying notes are an integral part of the financial statements.

Scotia CanAm Index Fund (Unaudited – Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

The Fund (note 1)

The Fund's objective is long-term capital growth by tracking the performance of a generally recognized U.S. equity index. The Fund currently tracks the Standard & Poor's 500 (S&P 500) Index. It invests primarily in futures contracts that are linked to the performance of the index and in cash, Government of Canada treasury bills and other short-term debt instruments guaranteed by the Government of Canada.

Risks associated with financial instruments (note 4)

Interest rate risk

The table below summarizes the Fund's exposure to interest rate risk by the remaining term to maturity of the Fund's portfolio, excluding underlying funds, preferred shares, cash and overdrafts, as applicable.

Interest rate exposure	June 30, 2018 (\$)	December 31, 2017 (\$)
Less than 1 year	85,881,603	81,564,626
1-3 years	–	–
3-5 years	–	–
5-10 years	–	–
> 10 years	–	–
	85,881,603	81,564,626

As at June 30, 2018, had the prevailing interest rates increased or decreased by 0.25%, assuming a parallel shift in the yield curve and all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by \$24,503 or approximately 0.0% (December 31, 2017 – \$23,621 or approximately 0.0%).

Currency risk

The Fund's exposure to currency risk is summarized in the tables below. Amounts shown are based on the carrying value of monetary and non-monetary assets and liabilities of the Fund net of currency contracts, as applicable.

Currency	June 30, 2018			
	Gross currency exposure (\$)	Currency contracts (\$)	Net exposure (\$)	Percentage of net assets (%)
US Dollar	1,572,268	973,019	2,545,287	2.8
	1,572,268	973,019	2,545,287	2.8

Currency	December 31, 2017			
	Gross currency exposure (\$)	Currency contracts (\$)	Net exposure (\$)	Percentage of net assets (%)
US Dollar	11,038,639	(2,018,487)	9,020,152	9.9
	11,038,639	(2,018,487)	9,020,152	9.9

If the Canadian dollar strengthened or weakened by 10% in relation to all other currencies, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by \$254,529 or 0.3% (December 31, 2017 – \$902,015 or 1.0%). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Price risk

Price risk is the risk that the carrying value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) caused by factors specific to a security, its issuer or all factors affecting a market or a market segment. Exposure to price risk is mainly in equities, underlying funds, derivatives and commodities, as applicable. As at June 30, 2018, approximately 102.4% (December 31, 2017 – 100.0%) of the Fund's net assets were exposed to price risk. If prices of these instruments had decreased or increased by 10%, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by approximately \$9,232,718 (December 31, 2017 – \$9,107,757). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Credit risk

The table below summarizes the credit ratings of bonds and debentures, money market instruments and preferred shares held by the Fund, as applicable.

	June 30, 2018		December 31, 2017	
	Percentage of total credit rated instruments (%)	Percentage of net assets (%)	Percentage of total credit rated instruments (%)	Percentage of net assets (%)
Credit ratings				
A-1+	100.0	95.2	100.0	89.8
	100.0	95.2	100.0	89.8

Concentration risk

Concentration risk arises as a result of the concentration of financial instruments within the same category, geographical location, asset type or industry sector, as applicable. The table below is a summary of the Fund's concentration risk by carrying value as a percentage of net assets:

	Percentage of net assets (%)	
	June 30, 2018	December 31, 2017
Treasury Bills	95.2	89.8

Fair Value Classification (note 2)

The tables below illustrate the classification of the Fund's financial instruments within the fair value hierarchy.

	June 30, 2018			
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Money market instruments	–	85,881,603	–	85,881,603
Unrealized gain on futures contracts	973,019	–	–	973,019
	973,019	85,881,603	–	86,854,622
Unrealized loss on futures contracts	(1,951,127)	–	–	(1,951,127)
	(978,108)	85,881,603	–	84,903,495

Scotia CanAm Index Fund (Unaudited – Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

December 31, 2017	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Money market instruments	–	81,564,626	–	81,564,626
Unrealized gain on futures contracts	757,449	–	–	757,449
	757,449	81,564,626	–	82,322,075
Unrealized loss on futures contracts	(2,018,487)	–	–	(2,018,487)
	(1,261,038)	81,564,626	–	80,303,588

Transfers between levels

During the periods ended June 30, 2018 and December 31, 2017, there were no significant transfers between Level 1 and Level 2.

Offsetting of financial assets and liabilities (note 2)

As at June 30, 2018 and December 31, 2017, the Fund did not enter into any agreement whereby the financial instruments were eligible for offset.

Interest in Underlying Funds (note 2)

The Fund did not hold any interest in Underlying Funds as at June 30, 2018 or December 31, 2017.

Comparison of net asset value per unit and net assets per unit (note 2)

As at June 30, 2018 or December 31, 2017, there were no differences between the net asset value per unit and the net assets per unit for any series of the Fund.

Scotia Nasdaq Index Fund (Unaudited)

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	June 30, 2018	December 31, 2017
ASSETS		
Current assets		
Financial assets at fair value through profit or loss (note 2)		
Non-derivative financial assets	163,593,964	118,395,133
Derivatives	—	916,495
Cash	655,625	413,803
Margin deposited on derivatives	10,755,333	1,545,993
Subscriptions receivable	475,058	542,322
	<u>175,479,980</u>	<u>121,813,746</u>
LIABILITIES		
Current liabilities		
Financial liabilities at fair value through profit or loss (note 2)		
Derivatives	3,106,123	—
Management fee payable	120,563	—
Redemptions payable	229,877	113,298
Accrued expenses	35,420	—
Distributions payable	—	11,927
	<u>3,491,983</u>	<u>125,225</u>
Net assets attributable to holders of redeemable units	<u>171,987,997</u>	<u>121,688,521</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series A	169,319,134	120,371,820
Series D	2,097,088	1,125,609
Series F	571,775	191,092
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series A	8.67	7.55
Series D	11.47	9.98
Series F	10.32	8.98

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended June 30 (note 1),

(in dollars except average units)	2018	2017
INCOME		
Net gain (loss) on financial assets and liabilities at fair value through profit or loss		
Interest for distribution purposes	1,153,542	295,826
Change in unrealized gain (loss) on non-derivative financial assets	3,198,546	(3,457,147)
Net realized gain (loss) on derivatives	16,618,566	15,404,693
Change in unrealized gain (loss) on derivatives	(4,022,619)	(1,937,306)
Net gain (loss) on financial assets and liabilities at fair value through profit or loss	<u>16,948,035</u>	<u>10,306,066</u>
Securities lending (note 11)	—	890
Net realized and unrealized foreign currency translation gain (loss)	3,875,309	(215,270)
Other income	7,864	3,566
Total income (loss), net	<u>20,831,208</u>	<u>10,095,252</u>
EXPENSES		
Management fees (note 5)	594,041	380,681
Fixed administration fees (note 6)	171,547	109,592
Independent Review Committee fees	587	576
Interest expense and bank overdraft charges	18,340	4,928
Harmonized Sales Tax/Goods and Services Tax	82,107	52,311
Transaction costs	9,089	8,324
Total expenses	<u>875,711</u>	<u>556,412</u>
Increase (decrease) in net assets attributable to holders of redeemable units from operations	<u>19,955,497</u>	<u>9,538,840</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A	19,666,456	9,512,734
Series D	238,121	11,909
Series F	50,920	14,197
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT[†]		
Series A	1.09	0.86
Series D	1.44	0.54
Series F	1.14	1.10
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series A	18,053,183	11,093,767
Series D	165,542	22,223
Series F	44,802	12,954

[†] The increase (decrease) in net assets attributable to holders of redeemable units from operations per unit is calculated by dividing the increase (decrease) in net assets attributable to holders of redeemable units from operations per series by the weighted average number of units per series.

The accompanying notes are an integral part of the financial statements.

Scotia Nasdaq Index Fund (Unaudited – Continued)

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the periods ended June 30 (note 1),

(in dollars)	2018	2017
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series A	120,371,820	83,582,625
Series D	1,125,609	176,854
Series F	191,092	115,433
	<u>121,688,521</u>	<u>83,874,912</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A	19,666,456	9,512,734
Series D	238,121	11,909
Series F	50,920	14,197
	<u>19,955,497</u>	<u>9,538,840</u>
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A	44,602,965	21,377,593
Series D	1,302,551	255,286
Series F	354,897	6,650
Payments on redemption		
Series A	(15,322,107)	(12,895,891)
Series D	(569,193)	(6,905)
Series F	(25,134)	(929)
	<u>30,343,979</u>	<u>8,735,804</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A	48,947,314	17,994,436
Series D	971,479	260,290
Series F	380,683	19,918
	<u>50,299,476</u>	<u>18,274,644</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series A	169,319,134	101,577,061
Series D	2,097,088	437,144
Series F	571,775	135,351
	<u>171,987,997</u>	<u>102,149,556</u>

STATEMENTS OF CASH FLOWS

For the periods ended June 30 (note 1),

(in dollars)	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	19,955,497	9,538,840
Adjustments for:		
Unrealized foreign currency translation (gain) loss	22,657	78,961
Change in unrealized (gain) loss on non-derivative financial assets	(3,198,546)	3,457,147
Change in unrealized (gain) loss on derivatives	4,022,619	1,937,306
Purchases of portfolio investments	(533,340,487)	(488,814,469)
Proceeds from sale of portfolio investments	491,340,200	468,161,803
Margin deposited on derivatives	(9,209,340)	(1,931,200)
Accrued investment income and other	–	(379)
Accrued expenses and other payables	155,983	97,451
Net cash provided by (used in) operating activities	<u>(30,251,417)</u>	<u>(7,474,540)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	45,950,273	21,389,570
Amounts paid on redemption of redeemable units	(15,422,450)	(13,405,674)
Distributions to unitholders of redeemable units	(11,927)	(2,029)
Net cash provided by (used in) financing activities	<u>30,515,896</u>	<u>7,981,867</u>
Unrealized foreign currency translation gain (loss)	(22,657)	(78,961)
Net increase (decrease) in cash	264,479	507,327
Cash (bank overdraft), beginning of period	413,803	399,326
CASH (BANK OVERDRAFT), END OF PERIOD	<u>655,625</u>	<u>827,692</u>
Interest paid ⁽¹⁾	18,340	4,928
Interest received, net of withholding taxes ⁽¹⁾	1,153,542	295,448

⁽¹⁾ Classified as operating items.

Scotia Nasdaq Index Fund (Unaudited – Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at June 30, 2018

Issuer	Face Value (\$)	Average Cost (\$)	Carrying Value (\$)
MONEY MARKET INSTRUMENTS – 95.1%			
Treasury Bills – 95.1%			
United States Treasury Bills 0.00% Aug 02, 2018	USD 7,250,000	9,370,949	9,519,212
United States Treasury Bills 0.00% Aug 09, 2018	USD 3,000,000	3,838,550	3,937,537
United States Treasury Bills 0.00% Aug 16, 2018	USD 5,000,000	6,362,978	6,559,773
United States Treasury Bills 0.00% Aug 23, 2018	USD 5,000,000	6,383,806	6,557,314
United States Treasury Bills 0.00% Dec 06, 2018	USD 2,000,000	2,566,947	2,606,339
United States Treasury Bills 0.00% Jul 05, 2018	USD 10,000,000	12,713,782	13,148,834
United States Treasury Bills 0.00% Jul 12, 2018	USD 5,000,000	6,481,414	6,572,157
United States Treasury Bills 0.00% Jul 19, 2018	USD 20,000,000	26,583,745	26,278,860
United States Treasury Bills 0.00% Jul 26, 2018	USD 5,750,000	7,383,683	7,552,446
United States Treasury Bills 0.00% Sep 06, 2018	USD 8,000,000	10,313,082	10,483,562
United States Treasury Bills 0.00% Sep 13, 2018	USD 11,250,000	14,640,404	14,737,907
United States Treasury Bills 0.00% Sep 20, 2018	USD 13,500,000	17,881,057	17,678,336
United States Treasury Bills 0.00% Sep 27, 2018	USD 29,000,000	38,081,699	37,961,687
		<u>162,602,096</u>	<u>163,593,964</u>
TOTAL INVESTMENT PORTFOLIO		<u>162,602,096</u>	<u>163,593,964</u>
Unrealized Gain (Loss) on Derivatives – (1.8%)			(3,106,123)
OTHER ASSETS, LESS LIABILITIES – 6.7%			11,500,156
NET ASSETS – 100.0%			<u>171,987,997</u>

Instruments with a 0.00% stated interest rate are purchased at a discount to face value. The discount represents the implied effective interest.

SCHEDULE OF DERIVATIVE INSTRUMENTS

UNREALIZED LOSS ON FUTURES CONTRACTS

Expiry Date	Number of Contracts	Futures Contracts	Counterparty	Credit Risk	Contractual Value Canadian (\$)	Fair Value Canadian (\$)	Unrealized Loss (\$)
INDEX FUTURES CONTRACTS							
Dec. 2018	1	Nasdaq 100 Index E-Mini Futures	Goldman Sachs & Co. LLC	A-2	190,342	186,528	(3,814)
Sep. 2018	922	Nasdaq 100 Index E-Mini Futures	Goldman Sachs & Co. LLC	A-2	174,487,308	171,384,999	(3,102,309)
							<u>(3,106,123)</u>

With respect to the above bond future contracts, \$1,094,000 of the July 19, 2018 U.S. Treasury Bills are held on margin.

Scotia Nasdaq Index Fund (Unaudited – Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

The Fund (note 1)

The Fund's objective is aggressive long-term capital growth by tracking the performance of the Nasdaq 100 Index. It invests primarily in derivatives that are linked to the performance of the Nasdaq 100 Index, and in cash and money market instruments.

Risks associated with financial instruments (note 4)

Interest rate risk

The table below summarizes the Fund's exposure to interest rate risk by the remaining term to maturity of the Fund's portfolio, excluding underlying funds, preferred shares, cash and overdrafts, as applicable.

Interest rate exposure	June 30, 2018 (\$)	December 31, 2017 (\$)
Less than 1 year	163,593,964	118,395,133
1-3 years	-	-
3-5 years	-	-
5-10 years	-	-
> 10 years	-	-
	163,593,964	118,395,133

As at June 30, 2018, had the prevailing interest rates increased or decreased by 0.25%, assuming a parallel shift in the yield curve and all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by \$62,699 or approximately 0.0% (December 31, 2017 – \$31,606 or approximately 0.0%).

Currency risk

The Fund's exposure to currency risk is summarized in the tables below. Amounts shown are based on the carrying value of monetary and non-monetary assets and liabilities of the Fund net of currency contracts, as applicable.

Currency	June 30, 2018			
	Gross currency exposure (\$)	Currency contracts (\$)	Net exposure (\$)	Percentage of net assets (%)
US Dollar	172,104,336	-	172,104,336	100.1
	172,104,336	-	172,104,336	100.1

Currency	December 31, 2017			
	Gross currency exposure (\$)	Currency contracts (\$)	Net exposure (\$)	Percentage of net assets (%)
US Dollar	121,367,573	-	121,367,573	99.7
	121,367,573	-	121,367,573	99.7

If the Canadian dollar strengthened or weakened by 10% in relation to all other currencies, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by \$17,210,434 or 9.8% (December 31, 2017 – \$12,136,757 or 10.0%). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Price risk

Price risk is the risk that the carrying value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) caused by factors specific to a security, its issuer or all factors affecting a market or a market segment. Exposure to price risk is mainly in equities, underlying funds, derivatives and commodities, as applicable. As at June 30, 2018, approximately 99.8% (December 31, 2017 – 99.6%) of the Fund's net assets were exposed to price risk. If prices of these instruments had decreased or increased by 10%, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by approximately \$17,157,153 (December 31, 2017 – \$12,121,443). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Credit risk

The table below summarizes the credit ratings of bonds and debentures, money market instruments and preferred shares held by the Fund, as applicable.

	June 30, 2018		December 31, 2017	
	Percentage of total credit rated instruments (%)	Percentage of net assets (%)	Percentage of total credit rated instruments (%)	Percentage of net assets (%)
Credit ratings				
A-1+	100.0	95.1	100.0	97.3
	100.0	95.1	100.0	97.3

Concentration risk

Concentration risk arises as a result of the concentration of financial instruments within the same category, geographical location, asset type or industry sector, as applicable. The table below is a summary of the Fund's concentration risk by carrying value as a percentage of net assets:

	Percentage of net assets (%)	
	June 30, 2018	December 31, 2017
Treasury Bills	95.1	97.3

Fair Value Classification (note 2)

The tables below illustrate the classification of the Fund's financial instruments within the fair value hierarchy.

June 30, 2018	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Money market instruments	-	163,593,964	-	163,593,964
	-	163,593,964	-	163,593,964
Unrealized loss on futures contracts	(3,106,123)	-	-	(3,106,123)
	(3,106,123)	163,593,964	-	160,487,841

Scotia Nasdaq Index Fund (Unaudited – Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

December 31, 2017	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Money market instruments	–	118,395,133	–	118,395,133
Unrealized gain on futures contracts	916,495	–	–	916,495
	916,495	118,395,133	–	119,311,628

Transfers between levels

During the periods ended June 30, 2018 and December 31, 2017, there were no significant transfers between Level 1 and Level 2.

Offsetting of financial assets and liabilities (note 2)

As at June 30, 2018 and December 31, 2017, the Fund did not enter into any agreement whereby the financial instruments were eligible for offset.

Interest in Underlying Funds (note 2)

The Fund did not hold any interest in Underlying Funds as at June 30, 2018 or December 31, 2017.

Comparison of net asset value per unit and net assets per unit (note 2)

As at June 30, 2018 or December 31, 2017, there were no differences between the net asset value per unit and the net assets per unit for any series of the Fund.

Scotia International Index Fund (Unaudited)

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	June 30, 2018	December 31, 2017
ASSETS		
Current assets		
Financial assets at fair value through profit or loss (note 2)		
Non-derivative financial assets	34,466,360	32,464,099
Derivatives	427,286	846,309
Cash	437,590	–
Margin deposited on derivatives	3,308,697	3,597,732
Subscriptions receivable	69,790	23,354
	<u>38,709,723</u>	<u>36,931,494</u>
LIABILITIES		
Current liabilities		
Financial liabilities at fair value through profit or loss (note 2)		
Derivatives	1,121,899	807,514
Bank overdraft	–	535,442
Management fee payable	26,680	–
Redemptions payable	11,517	10,425
Accrued expenses	11,280	–
Distributions payable	–	640
	<u>1,171,376</u>	<u>1,354,021</u>
Net assets attributable to holders of redeemable units	<u>37,538,347</u>	<u>35,577,473</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series A	37,266,263	35,404,639
Series D	245,601	149,913
Series F	<u>26,483</u>	<u>22,921</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series A	10.85	10.71
Series D	10.42	10.27
Series F	<u>10.84</u>	<u>10.68</u>

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended June 30 (note 1),

(in dollars except average units)	2018	2017
INCOME		
Net gain (loss) on financial assets and liabilities at fair value through profit or loss		
Interest for distribution purposes	230,893	91,317
Net realized gain (loss) on derivatives	1,084,268	3,915,383
Change in unrealized gain (loss) on derivatives	(733,733)	(1,024,266)
Net gain (loss) on financial assets and liabilities at fair value through profit or loss	<u>581,428</u>	<u>2,982,434</u>
Securities lending (note 11)	1,574	248
Net realized and unrealized foreign currency translation gain (loss)	107,331	(61,201)
Other income	315	154
Total income (loss), net	<u>690,648</u>	<u>2,921,635</u>
EXPENSES		
Management fees (note 5)	148,385	119,883
Fixed administration fees (note 6)	59,455	47,963
Independent Review Committee fees	587	576
Interest expense and bank overdraft charges	5,258	351
Harmonized Sales Tax/Goods and Services Tax	22,095	17,890
Transaction costs	10,165	8,134
Total expenses	<u>245,945</u>	<u>194,797</u>
Increase (decrease) in net assets attributable to holders of redeemable units from operations	<u>444,703</u>	<u>2,726,838</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A	442,561	2,725,469
Series D	1,806	1,316
Series F	<u>336</u>	<u>53</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT[†]		
Series A	0.13	0.98
Series D	0.09	0.59
Series F	<u>0.14</u>	<u>1.00</u>
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series A	3,381,300	2,782,207
Series D	19,221	2,215
Series F	<u>2,343</u>	<u>53</u>

[†] The increase (decrease) in net assets attributable to holders of redeemable units from operations per unit is calculated by dividing the increase (decrease) in net assets attributable to holders of redeemable units from operations per series by the weighted average number of units per series.

Scotia International Index Fund (Unaudited – Continued)

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the periods ended June 30 (note 1),

(in dollars)	2018	2017
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series A	35,404,639	28,200,543
Series D	149,913	16,482
Series F	22,921	539
	<u>35,577,473</u>	<u>28,217,564</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A	442,561	2,725,469
Series D	1,806	1,316
Series F	336	53
	<u>444,703</u>	<u>2,726,838</u>
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A	4,786,068	2,931,653
Series D	167,532	28,510
Series F	3,226	–
Payments on redemption		
Series A	(3,367,005)	(2,789,623)
Series D	(73,650)	(2,747)
	<u>1,516,171</u>	<u>167,793</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A	1,861,624	2,867,499
Series D	95,688	27,079
Series F	3,562	53
	<u>1,960,874</u>	<u>2,894,631</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series A	37,266,263	31,068,042
Series D	245,601	43,561
Series F	26,483	592
	<u>37,538,347</u>	<u>31,112,195</u>

STATEMENTS OF CASH FLOWS

For the periods ended June 30 (note 1),

(in dollars)	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	444,703	2,726,838
Adjustments for:		
Unrealized foreign currency translation (gain) loss	(1,306)	12,046
Change in unrealized (gain) loss on derivatives	733,733	1,024,266
Purchases of portfolio investments	(134,750,907)	(84,799,985)
Proceeds from sale of portfolio investments	132,748,320	79,524,929
Margin deposited on derivatives	289,035	1,307,912
Accrued investment income and other	–	71
Accrued expenses and other payables	37,960	32,142
Net cash provided by (used in) operating activities	<u>(498,462)</u>	<u>(171,781)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	4,898,600	2,965,474
Amounts paid on redemption of redeemable units	(3,427,772)	(2,784,178)
Distributions to unitholders of redeemable units	(640)	–
Net cash provided by (used in) financing activities	<u>1,470,188</u>	<u>181,296</u>
Unrealized foreign currency translation gain (loss)	1,306	(12,046)
Net increase (decrease) in cash	971,726	9,515
Cash (bank overdraft), beginning of period	(535,442)	354,208
CASH (BANK OVERDRAFT), END OF PERIOD	<u>437,590</u>	<u>351,677</u>
Interest paid ⁽¹⁾	5,258	351
Interest received, net of withholding taxes ⁽¹⁾	230,893	91,391

⁽¹⁾ Classified as operating items.

Scotia International Index Fund (Unaudited – Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at June 30, 2018

Issuer	Face Value (\$)	Average Cost (\$)	Carrying Value (\$)
Bankers' Acceptances – 44.5%			
Bank of Montreal 0.00% Jul 16, 2018	1,000,000	998,670	999,335
Bank of Montreal 1.52% Jul 31, 2018	2,000,000	1,997,340	1,997,423
Canadian Imperial Bank of Commerce 1.50% Jul 23, 2018	950,000	948,794	949,105
Canadian Imperial Bank of Commerce 1.52% Jul 09, 2018	2,250,000	2,247,007	2,249,159
HSBC Bank of Canada 1.52% Jul 12, 2018	1,000,000	998,590	999,502
HSBC Bank of Canada 1.61% Jul 05, 2018	250,000	249,120	249,945
National Bank of Canada 1.52% Jul 03, 2018	2,250,000	2,247,278	2,249,717
National Bank of Canada 1.52% Jul 06, 2018	750,000	749,063	749,813
Royal Bank of Canada 1.51% Jul 26, 2018	1,500,000	1,498,140	1,498,388
Royal Bank of Canada 1.55% Jul 03, 2018	1,500,000	1,497,900	1,499,809
Toronto-Dominion Bank, The 1.50% Jul 23, 2018	2,250,000	2,247,413	2,247,875
Toronto-Dominion Bank, The 1.54% Jul 03, 2018	1,000,000	998,780	999,874
		<u>16,678,095</u>	<u>16,689,945</u>
Bearers' Deposit Notes – 2.7%			
Fédération des caisses Desjardins du Québec 1.51% Jul 27, 2018	1,000,000	998,760	998,884
Commercial Paper – 20.7%			
CDP Financial Inc. 1.30% Jul 16, 2018	250,000	249,840	249,858
Financière CDP Inc. 1.31% Jul 03, 2018	1,250,000	1,248,563	1,249,866
Honda Canada Finance Inc. 1.60% Aug 03, 2018	1,000,000	997,380	998,515
Nestlé Capital Canada Ltd. 1.58% Aug 14, 2018	1,300,000	1,296,374	1,297,475

Issuer	Face Value (\$)	Average Cost (\$)	Carrying Value (\$)
Commercial Paper (cont'd)			
Ontario Teachers Financial Trust 1.59% Oct 17, 2018	1,500,000	1,492,845	1,492,910
PSP Capital Inc. 1.29% Jul 13, 2018	1,250,000	1,248,725	1,249,428
Toyota Credit Canada Inc. 1.55% Aug 24, 2018	1,250,000	1,246,988	1,247,094
		<u>7,780,715</u>	<u>7,785,146</u>
Treasury Bills – 24.0%			
Government of Canada 0.00% Aug 09, 2018	1,000,000	996,740	998,669
Government of Canada 0.00% Jul 12, 2018	3,250,000	3,242,310	3,248,789
Government of Canada 0.00% Jul 26, 2018	4,000,000	3,987,157	3,996,593
Government of Canada 0.00% Sep 06, 2018	750,000	748,065	748,334
		<u>8,974,272</u>	<u>8,992,385</u>
TOTAL INVESTMENT PORTFOLIO		<u>34,431,842</u>	<u>34,466,360</u>
Unrealized Gain (Loss) on Derivatives – (1.9%)			(694,613)
OTHER ASSETS, LESS LIABILITIES – 10.0%			<u>3,766,600</u>
NET ASSETS – 100.0%			<u>37,538,347</u>

Instruments with a 0.00% stated interest rate are purchased at a discount to face value. The discount represents the implied effective interest.

SCHEDULE OF DERIVATIVE INSTRUMENTS

UNREALIZED GAIN ON FUTURES CONTRACTS

Expiry Date	Number of Contracts	Futures Contracts	Counterparty	Credit Risk	Contractual Value Canadian (\$)	Fair Value Canadian (\$)	Unrealized Gain (\$)
CURRENCY FUTURES CONTRACTS							
Sep. 2018	(382)	CME Canadian Dollar Currency Future	J.P. Morgan	A-2	(38,690,590)	(38,263,303)	<u>427,286</u>
							<u>427,286</u>

UNREALIZED LOSS ON FUTURES CONTRACTS

Expiry Date	Number of Contracts	Futures Contracts	Counterparty	Credit Risk	Contractual Value Canadian (\$)	Fair Value Canadian (\$)	Unrealized Loss (\$)
INDEX FUTURES CONTRACTS							
Sep. 2018	291	mini MSCI EAFE Index Futures	Goldman Sachs & Co. LLC	A-2	38,540,777	37,418,878	<u>(1,121,899)</u>
							<u>(1,121,899)</u>

The accompanying notes are an integral part of the financial statements.

Scotia International Index Fund (Unaudited – Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

The Fund (note 1)

The Fund's objective is long-term capital growth by tracking the performance of generally recognized indexes of established international stock markets. It invests primarily in futures contracts that are linked to the performance of the indexes, and in cash and money market instruments.

Risks associated with financial instruments (note 4)

Interest rate risk

The table below summarizes the Fund's exposure to interest rate risk by the remaining term to maturity of the Fund's portfolio, excluding underlying funds, preferred shares, cash and overdrafts, as applicable.

Interest rate exposure	June 30, 2018 (\$)	December 31, 2017 (\$)
Less than 1 year	34,466,360	32,464,099
1-3 years	-	-
3-5 years	-	-
5-10 years	-	-
> 10 years	-	-
	34,466,360	32,464,099

As at June 30, 2018, had the prevailing interest rates increased or decreased by 0.25%, assuming a parallel shift in the yield curve and all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by \$1,658 or approximately 0.0% (December 31, 2017 – \$4,699 or approximately 0.0%).

Currency risk

The Fund's exposure to currency risk is summarized in the tables below. Amounts shown are based on the carrying value of monetary and non-monetary assets and liabilities of the Fund net of currency contracts, as applicable.

Currency	June 30, 2018			
	Gross currency exposure (\$)	Currency contracts (\$)	Net exposure (\$)	Percentage of net assets (%)
US Dollar	(906,142)	427,286	(478,856)	(1.3)
	(906,142)	427,286	(478,856)	(1.3)

Currency	December 31, 2017			
	Gross currency exposure (\$)	Currency contracts (\$)	Net exposure (\$)	Percentage of net assets (%)
US Dollar	3,471,541	(807,514)	2,664,027	7.5
	3,471,541	(807,514)	2,664,027	7.5

If the Canadian dollar strengthened or weakened by 10% in relation to all other currencies, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by \$47,886 or 0.1% (December 31, 2017 – \$266,403 or 0.8%). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Price risk

Price risk is the risk that the carrying value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) caused by factors specific to a security, its issuer or all factors affecting a market or a market segment. Exposure to price risk is mainly in equities, underlying funds, derivatives and commodities, as applicable. As at June 30, 2018, approximately 102.0% (December 31, 2017 – 100.0%) of the Fund's net assets were exposed to price risk. If prices of these instruments had decreased or increased by 10%, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by approximately \$3,827,345 (December 31, 2017 – \$3,557,995). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Credit risk

The table below summarizes the credit ratings of bonds and debentures, money market instruments and preferred shares held by the Fund, as applicable.

	June 30, 2018		December 31, 2017	
	Percentage of total credit rated instruments (%)	Percentage of net assets (%)	Percentage of total credit rated instruments (%)	Percentage of net assets (%)
Credit ratings				
A-1+	63.2	58.1	62.8	57.3
A-1	36.8	33.8	37.2	34.0
	100.0	91.9	100.0	91.3

Concentration risk

Concentration risk arises as a result of the concentration of financial instruments within the same category, geographical location, asset type or industry sector, as applicable. The table below is a summary of the Fund's concentration risk by carrying value as a percentage of net assets:

	Percentage of net assets (%)	
	June 30, 2018	December 31, 2017
Bankers' Acceptances	44.5	42.4
Bearers' Deposit Notes	2.7	3.8
Commercial Paper	20.7	14.2
Treasury Bills	24.0	30.9

Fair Value Classification (note 2)

The tables below illustrate the classification of the Fund's financial instruments within the fair value hierarchy.

June 30, 2018	Level 1	Level 2	Level 3	Total
	(\$)	(\$)	(\$)	(\$)
Money market instruments	-	34,466,360	-	34,466,360
Unrealized gain on futures contracts	427,286	-	-	427,286
	427,286	34,466,360	-	34,893,646
Unrealized loss on futures contracts	(1,121,899)	-	-	(1,121,899)
	(694,613)	34,466,360	-	33,771,747

The accompanying notes are an integral part of the financial statements.

Scotia International Index Fund (Unaudited – Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

December 31, 2017	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Money market instruments	–	32,464,099	–	32,464,099
Unrealized gain on futures contracts	846,309	–	–	846,309
	846,309	32,464,099	–	33,310,408
Unrealized loss on futures contracts	(807,514)	–	–	(807,514)
	38,795	32,464,099	–	32,502,894

Transfers between levels

During the periods ended June 30, 2018 and December 31, 2017, there were no significant transfers between Level 1 and Level 2.

Offsetting of financial assets and liabilities (note 2)

As at June 30, 2018 and December 31, 2017, the Fund did not enter into any agreement whereby the financial instruments were eligible for offset.

Interest in Underlying Funds (note 2)

The Fund did not hold any interest in Underlying Funds as at June 30, 2018 or December 31, 2017.

Comparison of net asset value per unit and net assets per unit (note 2)

As at June 30, 2018 or December 31, 2017, there were no differences between the net asset value per unit and the net assets per unit for any series of the Fund.

Scotia Selected Income Portfolio (Unaudited)

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	June 30, 2018	December 31, 2017
ASSETS		
Current assets		
Financial assets at fair value through profit or loss (note 2)		
Non-derivative financial assets	178,946,765	159,151,842
Cash	1,145,035	1,098,044
Subscriptions receivable	522,502	154,934
Accrued investment income and other	947	746
	<u>180,615,249</u>	<u>160,405,566</u>
LIABILITIES		
Current liabilities		
Management fee payable	237,590	–
Payable for securities purchased	–	319,000
Redemptions payable	595,963	137,149
Accrued expenses	8,506	–
Distributions payable	510	4,114
	<u>842,569</u>	<u>460,263</u>
Net assets attributable to holders of redeemable units	<u>179,772,680</u>	<u>159,945,303</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series A	<u>179,772,680</u>	<u>159,945,303</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series A	<u>10.80</u>	<u>10.84</u>

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended June 30 (note 1),

(in dollars except average units)	2018	2017
INCOME		
Net gain (loss) on financial assets and liabilities at fair value through profit or loss		
Dividends	196,443	162,646
Interest for distribution purposes	2,665,519	2,328,625
Net realized gain (loss) on non-derivative financial assets	–	166,081
Change in unrealized gain (loss) on non-derivative financial assets	(1,090,291)	1,883,828
Net gain (loss) on financial assets and liabilities at fair value through profit or loss	<u>1,771,671</u>	<u>4,541,180</u>
Other income	5,314	1,176
Total income (loss), net	<u>1,776,985</u>	<u>4,542,356</u>
EXPENSES		
Management fees (note 5)	1,277,394	1,018,569
Fixed administration fees (note 6)	42,580	37,079
Independent Review Committee fees	587	576
Harmonized Sales Tax/Goods and Services Tax	147,573	119,077
Total expenses	<u>1,468,134</u>	<u>1,175,301</u>
Increase (decrease) in net assets attributable to holders of redeemable units from operations	<u>308,851</u>	<u>3,367,055</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A	<u>308,851</u>	<u>3,367,055</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT[†]		
Series A	<u>0.02</u>	<u>0.27</u>
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series A	<u>15,882,545</u>	<u>12,576,243</u>

[†] The increase (decrease) in net assets attributable to holders of redeemable units from operations per unit is calculated by dividing the increase (decrease) in net assets attributable to holders of redeemable units from operations per series by the weighted average number of units per series.

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the periods ended June 30 (note 1),

(in dollars)	2018	2017
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series A	159,945,303	128,663,826
	<u>159,945,303</u>	<u>128,663,826</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A	308,851	3,367,055
	<u>308,851</u>	<u>3,367,055</u>
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net investment income		
Series A	(448,900)	(521,298)
From net realized gains on investments		
Series A	(294,850)	–
	<u>(743,750)</u>	<u>(521,298)</u>
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A	42,419,820	24,683,888
Reinvested distributions		
Series A	740,266	516,154
Payments on redemption		
Series A	(22,897,810)	(13,769,834)
	<u>20,262,276</u>	<u>11,430,208</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A	<u>19,827,377</u>	<u>14,275,965</u>
	<u>19,827,377</u>	<u>14,275,965</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series A	<u>179,772,680</u>	<u>142,939,791</u>
	<u>179,772,680</u>	<u>142,939,791</u>

STATEMENTS OF CASH FLOWS

For the periods ended June 30 (note 1),

(in dollars)	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	308,851	3,367,055
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	–	(166,081)
Change in unrealized (gain) loss on non-derivative financial assets	1,090,291	(1,883,828)
Non-cash transactions	(2,855,213)	(2,489,488)
Purchases of portfolio investments	(18,349,001)	(10,401,563)
Proceeds from sale of portfolio investments	–	961,900
Accrued investment income and other	(201)	(270,416)
Accrued expenses and other payables	246,096	197,519
Net cash provided by (used in) operating activities	<u>(19,559,177)</u>	<u>(10,684,902)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	42,052,252	24,730,747
Amounts paid on redemption of redeemable units	(22,438,996)	(13,747,302)
Distributions to unitholders of redeemable units	(7,088)	(10,759)
Net cash provided by (used in) financing activities	<u>19,606,168</u>	<u>10,972,686</u>
Net increase (decrease) in cash	46,991	287,784
Cash (bank overdraft), beginning of period	1,098,044	644,067
CASH (BANK OVERDRAFT), END OF PERIOD	<u>1,145,035</u>	<u>931,851</u>
Interest received, net of withholding taxes ⁽¹⁾	6,548	1,705

(1) Classified as operating items.

The accompanying notes are an integral part of the financial statements.

Scotia Selected Income Portfolio (Unaudited – Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at June 30, 2018

Issuer	Number of Units	Average Cost (\$)	Carrying Value (\$)
CANADIAN EQUITY FUNDS – 12.4%			
Dynamic Dividend Advantage Fund Series O†	609,775	4,721,859	4,597,707
Dynamic Small Business Fund Series O†	177,230	2,933,092	3,250,407
Scotia Canadian Dividend Fund Series I†	231,226	12,382,826	14,354,733
		<u>20,037,777</u>	<u>22,202,847</u>
FIXED INCOME FUNDS – 73.9%			
Dynamic Canadian Bond Fund Series O†	7,800,501	41,610,998	39,860,560
Dynamic Total Return Bond Fund Series O†	3,462,515	34,228,850	33,274,772
Scotia Canadian Income Fund Series I†	2,503,261	33,827,189	33,203,251
Scotia Private Canadian Corporate Bond Pool Series I†	2,507,182	26,988,470	26,503,167
		<u>136,655,507</u>	<u>132,841,750</u>
FOREIGN EQUITY FUNDS – 13.3%			
Scotia Global Dividend Fund Series I†	1,006,182	16,620,538	16,554,009
Scotia Global Growth Fund Series I†	84,726	4,682,037	7,348,159
		<u>21,302,575</u>	<u>23,902,168</u>
TOTAL INVESTMENT PORTFOLIO		<u>177,995,859</u>	<u>178,946,765</u>
OTHER ASSETS, LESS LIABILITIES – 0.4%			<u>825,915</u>
NET ASSETS – 100.0%			<u>179,772,680</u>

† These securities are investments in related parties (note 10).

Scotia Selected Income Portfolio (Unaudited – Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

The Fund (note 1)

The Fund's objective is to achieve a combination of a steady flow of income with the potential for capital gains. It invests primarily in a diversified mix of equity and income mutual funds managed by us or by other mutual fund managers.

The Fund invests primarily in funds managed by the Manager and/or by the third party investment managers (the "Underlying Funds"). To ensure the Fund's composition meets the investment objectives of the Fund, the portfolio advisor monitors the Underlying Funds on an ongoing basis and rebalances the Fund's assets among the Underlying Funds.

Risk associated with financial instruments (note 4)

Interest rate risk

The Fund could be exposed to indirect interest rate risk to the extent that the Underlying Funds held financial instruments that were subject to interest rate risk.

Currency risk

The Fund could be exposed to indirect currency risk to the extent that the Underlying Funds held financial instruments that were denominated in a currency other than its functional currency.

Price risk

Price risk is the risk that the carrying value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) caused by factors specific to a security, its issuer or all factors affecting a market or a market segment. Exposure to price risk is mainly in equities, underlying funds, derivatives and commodities, as applicable. As at June 30, 2018, approximately 99.6% (December 31, 2017 – 99.5%) of the Fund's net assets were exposed to price risk. If prices of these instruments had decreased or increased by 10%, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by approximately \$17,894,677 (December 31, 2017 – \$15,915,184). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Credit risk

The Fund could be exposed to indirect credit risk to the extent that the Underlying Funds invested in bonds and debentures, derivatives, money market instruments or preferred shares.

Concentration risk

Concentration risk arises as a result of the concentration of financial instruments within the same category, geographical location, asset type or industry sector, as applicable. The table below is a summary of

the Fund's concentration risk by carrying value as a percentage of net assets:

	Percentage of net assets (%)	
	June 30, 2018	December 31, 2017
Canadian Equity Funds	12.4	12.4
Fixed Income Funds	73.9	73.8
Foreign Equity Funds	13.3	13.3

Fair Value Classification (note 2)

The tables below illustrate the classification of the Fund's financial instruments within the fair value hierarchy.

June 30, 2018	Level 1	Level 2	Level 3	Total
	(\$)	(\$)	(\$)	(\$)
Underlying funds	178,946,765	–	–	178,946,765
	178,946,765	–	–	178,946,765

December 31, 2017	Level 1	Level 2	Level 3	Total
	(\$)	(\$)	(\$)	(\$)
Underlying funds	159,151,842	–	–	159,151,842
	159,151,842	–	–	159,151,842

Transfers between levels

During the periods ended June 30, 2018 and December 31, 2017, there were no significant transfers between Level 1 and Level 2.

Offsetting of financial assets and liabilities (note 2)

As at June 30, 2018 and December 31, 2017, the Fund did not enter into any agreement whereby the financial instruments were eligible for offset.

Interest in Underlying Funds (note 2)

The following tables present the percentage of the Underlying Funds owned by the Fund.

Underlying Fund	June 30, 2018	
	Carrying value of the Underlying Fund (\$)	Ownership percentage in Underlying Fund (%)
Dynamic Canadian Bond Fund Series O	39,860,560	2.9
Scotia Global Dividend Fund Series I	16,554,009	2.0
Dynamic Total Return Bond Fund Series O	33,274,772	1.0
Dynamic Dividend Advantage Fund Series O	4,597,707	0.7
Scotia Canadian Income Fund Series I	33,203,251	0.6
Scotia Global Growth Fund Series I	7,348,159	0.6
Scotia Private Canadian Corporate Bond Pool Series I	26,503,167	0.5
Dynamic Small Business Fund Series O	3,250,407	0.3
Scotia Canadian Dividend Fund Series I	14,354,733	0.2
	178,946,765	

The accompanying notes are an integral part of the financial statements.

Scotia Selected Income Portfolio (Unaudited – Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

Underlying Fund	December 31, 2017	
	Carrying value of the Underlying Fund (\$)	Ownership percentage in Underlying Fund (%)
Dynamic Canadian Bond Fund Series O	35,547,037	2.5
Scotia Global Dividend Fund Series I	14,721,265	1.9
Dynamic Total Return Bond Fund Series O	29,404,974	1.1
Scotia Global Growth Fund Series I	6,536,650	0.6
Dynamic Dividend Advantage Fund Series O	4,107,165	0.5
Scotia Canadian Income Fund Series I	29,542,269	0.5
Scotia Private Canadian Corporate Bond Pool Series I	23,639,205	0.4
Dynamic Small Business Fund Series O	2,900,731	0.3
Scotia Canadian Dividend Fund Series I	12,752,546	0.1
	159,151,842	

Comparison of net asset value and net assets per unit (note 2)

As at June 30, 2018 or December 31, 2017, there were no differences between the net asset value per unit and the net assets per unit for any series of the Fund.

Scotia Selected Balanced Income Portfolio (Unaudited)

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	June 30, 2018	December 31, 2017
ASSETS		
Current assets		
Financial assets at fair value through profit or loss (note 2)		
Non-derivative financial assets	1,079,639,721	1,076,705,835
Cash	2,402,337	5,307,264
Subscriptions receivable	1,020,736	925,173
Accrued investment income and other	1,731	4,098
	<u>1,083,064,525</u>	<u>1,082,942,370</u>
LIABILITIES		
Current liabilities		
Management fee payable	1,535,618	—
Redemptions payable	1,526,445	834,332
Accrued expenses	48,584	—
Distributions payable	67	46,370
	<u>3,110,714</u>	<u>880,702</u>
Net assets attributable to holders of redeemable units	<u>1,079,953,811</u>	<u>1,082,061,668</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series A	1,079,489,840	1,081,551,190
Advisor Series	86,896	87,632
Series F	<u>377,075</u>	<u>422,846</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series A	13.65	13.61
Advisor Series	13.76	13.88
Series F	<u>13.48</u>	<u>13.24</u>

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended June 30 (note 1),

(in dollars except average units)	2018	2017
INCOME		
Net gain (loss) on financial assets and liabilities at fair value through profit or loss		
Dividends	1,433,340	1,455,945
Interest for distribution purposes	15,682,181	16,327,311
Net realized gain (loss) on non-derivative financial assets	6,211,249	3,897,670
Change in unrealized gain (loss) on non-derivative financial assets	(10,510,365)	18,906,979
Net gain (loss) on financial assets and liabilities at fair value through profit or loss	<u>12,816,405</u>	<u>40,587,905</u>
Other income	14,062	5,866
Total income (loss), net	<u>12,830,467</u>	<u>40,593,771</u>
EXPENSES		
Management fees (note 5)	8,630,314	8,223,854
Fixed administration fees and operating expense (note 6)	269,756	261,803
Independent Review Committee fees	587	576
Harmonized Sales Tax/Goods and Services Tax	1,018,158	977,010
Total expenses	<u>9,918,815</u>	<u>9,463,243</u>
Expenses absorbed by the Manager	—	(4,756)
Net expenses	<u>9,918,815</u>	<u>9,458,487</u>
Increase (decrease) in net assets attributable to holders of redeemable units from operations	<u>2,911,652</u>	<u>31,135,284</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A	2,905,421	31,116,096
Advisor Series	(736)	8,991
Series F	<u>6,967</u>	<u>10,197</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT[†]		
Series A	0.04	0.41
Advisor Series	(0.12)	0.55
Series F	<u>0.24</u>	<u>0.49</u>
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series A	79,755,306	76,596,103
Advisor Series	6,316	16,462
Series F	<u>29,311</u>	<u>20,607</u>

[†] The increase (decrease) in net assets attributable to holders of redeemable units from operations per unit is calculated by dividing the increase (decrease) in net assets attributable to holders of redeemable units from operations per series by the weighted average number of units per series.

The accompanying notes are an integral part of the financial statements.

Scotia Selected Balanced Income Portfolio (Unaudited – Continued)

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the periods ended June 30 (note 1),

(in dollars)	2018	2017
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series A	1,081,551,190	996,331,235
Advisor Series	87,632	390,756
Series F	422,846	291,474
	<u>1,082,061,668</u>	<u>997,013,465</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A	2,905,421	31,116,096
Advisor Series	(736)	8,991
Series F	6,967	10,197
	<u>2,911,652</u>	<u>31,135,284</u>
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A	110,696,598	111,829,651
Series F	11,595	1,583
Reinvested distributions		
Series A	–	(2,959)
Payments on redemption		
Series A	(115,663,369)	(85,494,210)
Advisor Series	–	(313,802)
Series F	(64,333)	(40,707)
	<u>(5,019,509)</u>	<u>25,979,556</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A	(2,061,350)	57,448,578
Advisor Series	(736)	(304,811)
Series F	(45,771)	(28,927)
	<u>(2,107,857)</u>	<u>57,114,840</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series A	1,079,489,840	1,053,779,813
Advisor Series	86,896	85,945
Series F	377,075	262,547
	<u>1,079,953,811</u>	<u>1,054,128,305</u>

STATEMENTS OF CASH FLOWS

For the periods ended June 30 (note 1),

(in dollars)	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	2,911,652	31,135,284
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(6,211,249)	(3,897,670)
Change in unrealized (gain) loss on non-derivative financial assets	10,510,365	(18,906,979)
Non-cash transactions	(17,094,961)	(17,771,144)
Purchases of portfolio investments	(10,782,798)	(30,648,462)
Proceeds from sale of portfolio investments	20,644,758	17,121,270
Accrued investment income and other	2,367	(1,902,342)
Accrued expenses and other payables	1,584,202	1,561,534
Net cash provided by (used in) operating activities	<u>1,564,336</u>	<u>(23,308,509)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	110,601,034	111,384,232
Amounts paid on redemption of redeemable units	(115,023,994)	(85,551,224)
Distributions to unitholders of redeemable units	(46,303)	(85,007)
Net cash provided by (used in) financing activities	<u>(4,469,263)</u>	<u>25,748,001</u>
Net increase (decrease) in cash	(2,904,927)	2,439,492
Cash (bank overdraft), beginning of period	5,307,264	4,605,370
CASH (BANK OVERDRAFT), END OF PERIOD	<u>2,402,337</u>	<u>7,044,862</u>
Interest received, net of withholding taxes ⁽¹⁾	22,928	11,797

⁽¹⁾ Classified as operating items.

Scotia Selected Balanced Income Portfolio (Unaudited – Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at June 30, 2018

Issuer	Number of Units	Average Cost (\$)	Carrying Value (\$)
CANADIAN EQUITY FUNDS – 17.5%			
Dynamic Dividend Advantage Fund Series O†	6,288,959	49,428,961	47,418,753
Dynamic Small Business Fund Series O†	2,120,953	33,689,465	38,898,271
Scotia Canadian Dividend Fund Series I†	1,661,557	73,339,171	103,151,105
		<u>156,457,597</u>	<u>189,468,129</u>
FIXED INCOME FUNDS – 64.5%			
Dynamic Canadian Bond Fund Series O†	34,150,896	181,235,205	174,511,080
Dynamic Total Return Bond Fund Series O†	21,758,261	212,899,262	209,096,893
Scotia Canadian Income Fund Series I†	13,110,342	174,654,831	173,895,580
Scotia Private Canadian Corporate Bond Pool Series I†	13,199,490	142,145,882	139,530,488
		<u>710,935,180</u>	<u>697,034,041</u>
FOREIGN EQUITY FUNDS – 17.9%			
Scotia Global Dividend Fund Series I†	6,410,034	96,294,448	105,459,808
Scotia Global Growth Fund Series I†	672,874	29,375,955	58,357,469
Scotia Global Opportunities Fund Series I†	1,225,023	16,450,525	18,797,611
Scotia Global Small Cap Fund Series I†	750,461	8,591,214	10,522,663
		<u>150,712,142</u>	<u>193,137,551</u>
TOTAL INVESTMENT PORTFOLIO		<u><u>1,018,104,919</u></u>	<u><u>1,079,639,721</u></u>
OTHER ASSETS, LESS LIABILITIES – 0.1%			<u>314,090</u>
NET ASSETS – 100.0%			<u><u>1,079,953,811</u></u>

† These securities are investments in related parties (note 10).

Scotia Selected Balanced Income Portfolio (Unaudited – Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

The Fund (note 1)

The Fund's objective is to achieve a balance of current income and long term capital appreciation, with a bias towards income. It invests primarily in a diversified mix of equity and income mutual funds managed by us and by other mutual fund managers.

The Fund invests primarily in funds managed by the Manager and/or by the third party investment managers (the "Underlying Funds"). To ensure the Fund's composition meets the investment objectives of the Fund, the portfolio advisor monitors the Underlying Funds on an ongoing basis and rebalances the Fund's assets among the Underlying Funds.

Risk associated with financial instruments (note 4)

Interest rate risk

The Fund could be exposed to indirect interest rate risk to the extent that the Underlying Funds held financial instruments that were subject to interest rate risk.

Currency risk

The Fund could be exposed to indirect currency risk to the extent that the Underlying Funds held financial instruments that were denominated in a currency other than its functional currency.

Price risk

Price risk is the risk that the carrying value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) caused by factors specific to a security, its issuer or all factors affecting a market or a market segment. Exposure to price risk is mainly in equities, underlying funds, derivatives and commodities, as applicable. As at June 30, 2018, approximately 99.9% (December 31, 2017 – 99.5%) of the Fund's net assets were exposed to price risk. If prices of these instruments had decreased or increased by 10%, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by approximately \$107,963,972 (December 31, 2017 – \$107,670,584). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Credit risk

The Fund could be exposed to indirect credit risk to the extent that the Underlying Funds invested in bonds and debentures, derivatives, money market instruments or preferred shares.

Concentration risk

Concentration risk arises as a result of the concentration of financial instruments within the same category, geographical location, asset type or industry sector, as applicable. The table below is a summary of

the Fund's concentration risk by carrying value as a percentage of net assets:

	Percentage of net assets (%)	
	June 30, 2018	December 31, 2017
Canadian Equity Funds	17.5	17.8
Fixed Income Funds	64.5	63.2
Foreign Equity Funds	17.9	18.5

Fair Value Classification (note 2)

The tables below illustrate the classification of the Fund's financial instruments within the fair value hierarchy.

June 30, 2018	Level 1	Level 2	Level 3	Total
	(\$)	(\$)	(\$)	(\$)
Underlying funds	1,079,639,721	–	–	1,079,639,721
	1,079,639,721	–	–	1,079,639,721

December 31, 2017	Level 1	Level 2	Level 3	Total
	(\$)	(\$)	(\$)	(\$)
Underlying funds	1,076,705,835	–	–	1,076,705,835
	1,076,705,835	–	–	1,076,705,835

Transfers between levels

During the periods ended June 30, 2018 and December 31, 2017, there were no significant transfers between Level 1 and Level 2.

Offsetting of financial assets and liabilities (note 2)

As at June 30, 2018 and December 31, 2017, the Fund did not enter into any agreement whereby the financial instruments were eligible for offset.

Interest in Underlying Funds (note 2)

The following tables present the percentage of the Underlying Funds owned by the Fund.

Underlying Fund	June 30, 2018	
	Carrying value of the Underlying Fund (\$)	Ownership percentage in Underlying Fund (%)
Dynamic Canadian Bond Fund Series O	174,511,080	12.7
Scotia Global Dividend Fund Series I	105,459,808	12.6
Scotia Global Small Cap Fund Series I	10,522,663	8.0
Dynamic Dividend Advantage Fund Series O	47,418,753	6.8
Dynamic Total Return Bond Fund Series O	209,096,893	6.6
Scotia Global Opportunities Fund Series I	18,797,611	6.0
Scotia Global Growth Fund Series I	58,357,469	5.0
Dynamic Small Business Fund Series O	38,898,271	3.1
Scotia Canadian Income Fund Series I	173,895,580	2.9
Scotia Private Canadian Corporate Bond Pool Series I	139,530,488	2.4
Scotia Canadian Dividend Fund Series I	103,151,105	1.1
	1,079,639,721	

The accompanying notes are an integral part of the financial statements.

Scotia Selected Balanced Income Portfolio (Unaudited – Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

Underlying Fund	December 31, 2017	
	Carrying value of the Underlying Fund (\$)	Ownership percentage in Underlying Fund (%)
Scotia Global Dividend Fund Series I	106,852,776	13.6
Dynamic Canadian Bond Fund Series O	170,097,383	12.0
Scotia Global Small Cap Fund Series I	11,135,041	9.2
Dynamic Total Return Bond Fund Series O	206,294,933	7.5
Scotia Global Opportunities Fund Series I	19,520,506	6.7
Dynamic Dividend Advantage Fund Series O	47,555,317	5.9
Scotia Global Growth Fund Series I	62,428,019	5.9
Dynamic Small Business Fund Series O	39,651,650	3.5
Scotia Canadian Income Fund Series I	171,411,714	2.8
Scotia Private Canadian Corporate Bond Pool Series I	136,482,287	2.3
Scotia Canadian Dividend Fund Series I	105,276,209	1.1
	1,076,705,835	

Comparison of net asset value and net assets per unit (note 2)

As at June 30, 2018 or December 31, 2017, there were no differences between the net asset value per unit and the net assets per unit for any series of the Fund.

Scotia Selected Balanced Growth Portfolio (Unaudited)

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	June 30, 2018	December 31, 2017
ASSETS		
Current assets		
Financial assets at fair value through profit or loss (note 2)		
Non-derivative financial assets	1,834,628,636	1,744,309,721
Cash	8,879,511	9,099,393
Subscriptions receivable	2,037,264	1,799,332
Accrued investment income and other	9,218	9,786
	<u>1,845,554,629</u>	<u>1,755,218,232</u>
LIABILITIES		
Current liabilities		
Management fee payable	2,773,098	—
Payable for securities purchased	—	860,000
Redemptions payable	1,886,970	764,804
Accrued expenses	82,166	—
Distributions payable	131	14,510
	<u>4,742,365</u>	<u>1,639,314</u>
Net assets attributable to holders of redeemable units	<u>1,840,812,264</u>	<u>1,753,578,918</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series A	1,840,048,658	1,753,059,249
Advisor Series	122,238	121,106
Series F	<u>641,368</u>	<u>398,563</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series A	16.30	16.14
Advisor Series	16.00	15.86
Series F	<u>16.28</u>	<u>15.86</u>

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended June 30 (note 1),

(in dollars except average units)	2018	2017
INCOME		
Net gain (loss) on financial assets and liabilities at fair value through profit or loss		
Dividends	2,771,018	2,730,505
Interest for distribution purposes	22,050,529	21,673,803
Net realized gain (loss) on non-derivative financial assets	10,994,707	7,010,672
Change in unrealized gain (loss) on non-derivative financial assets	(54,523)	56,580,496
Net gain (loss) on financial assets and liabilities at fair value through profit or loss	<u>35,761,731</u>	<u>87,995,476</u>
Other income	18,208	8,180
Total income (loss), net	<u>35,779,939</u>	<u>88,003,656</u>
EXPENSES		
Management fees (note 5)	15,236,136	13,845,344
Fixed administration fees and operating expense (note 6)	448,202	411,449
Independent Review Committee fees	587	576
Harmonized Sales Tax/Goods and Services Tax	1,751,921	1,596,218
Total expenses	<u>17,436,846</u>	<u>15,853,587</u>
Expenses absorbed by the Manager	—	(4,763)
Net expenses	<u>17,436,846</u>	<u>15,848,824</u>
Increase (decrease) in net assets attributable to holders of redeemable units from operations	<u>18,343,093</u>	<u>72,154,832</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A	18,327,512	72,138,029
Advisor Series	1,132	5,662
Series F	<u>14,449</u>	<u>11,141</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT[†]		
Series A	0.16	0.69
Advisor Series	0.15	0.71
Series F	<u>0.41</u>	<u>0.75</u>
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series A	111,110,412	104,923,292
Advisor Series	7,638	7,951
Series F	<u>34,848</u>	<u>14,945</u>

[†] The increase (decrease) in net assets attributable to holders of redeemable units from operations per unit is calculated by dividing the increase (decrease) in net assets attributable to holders of redeemable units from operations per series by the weighted average number of units per series.

The accompanying notes are an integral part of the financial statements.

Scotia Selected Balanced Growth Portfolio (Unaudited – Continued)

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the periods ended June 30 (note 1),

(in dollars)	2018	2017
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series A	1,753,059,249	1,560,509,450
Advisor Series	121,106	120,913
Series F	398,563	232,515
	<u>1,753,578,918</u>	<u>1,560,862,878</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A	18,327,512	72,138,029
Advisor Series	1,132	5,662
Series F	14,449	11,141
	<u>18,343,093</u>	<u>72,154,832</u>
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A	199,273,612	148,152,388
Series F	405,661	91,990
Payments on redemption		
Series A	(130,611,715)	(113,151,567)
Advisor Series	–	(8,929)
Series F	(177,305)	(75,373)
	<u>68,890,253</u>	<u>35,008,509</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A	86,989,409	107,138,850
Advisor Series	1,132	(3,267)
Series F	242,805	27,758
	<u>87,233,346</u>	<u>107,163,341</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series A	1,840,048,658	1,667,648,300
Advisor Series	122,238	117,646
Series F	641,368	260,273
	<u>1,840,812,264</u>	<u>1,668,026,219</u>

STATEMENTS OF CASH FLOWS

For the periods ended June 30 (note 1),

(in dollars)	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	18,343,093	72,154,832
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(10,994,707)	(7,010,672)
Change in unrealized (gain) loss on non-derivative financial assets	54,523	(56,580,496)
Non-cash transactions	(24,762,731)	(24,385,337)
Purchases of portfolio investments	(71,201,000)	(40,481,689)
Proceeds from sale of portfolio investments	15,725,000	23,611,749
Accrued investment income and other	568	(2,712,293)
Accrued expenses and other payables	2,855,264	2,621,814
Net cash provided by (used in) operating activities	<u>(69,979,990)</u>	<u>(32,782,092)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	199,038,380	147,755,038
Amounts paid on redemption of redeemable units	(129,263,893)	(112,814,864)
Distributions to unitholders of redeemable units	(14,379)	(91,220)
Net cash provided by (used in) financing activities	69,760,108	34,848,954
Net increase (decrease) in cash	(219,882)	2,066,862
Cash (bank overdraft), beginning of period	9,099,393	7,688,962
CASH (BANK OVERDRAFT), END OF PERIOD	<u>8,879,511</u>	<u>9,755,824</u>
Interest received, net of withholding taxes ⁽¹⁾	59,382	18,485

⁽¹⁾ Classified as operating items.

The accompanying notes are an integral part of the financial statements.

Scotia Selected Balanced Growth Portfolio (Unaudited – Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at June 30, 2018

Issuer	Number of Units	Average Cost (\$)	Carrying Value (\$)
CANADIAN EQUITY FUNDS – 24.9%			
Dynamic Dividend Advantage Fund Series O [†]	18,095,690	143,612,638	136,441,505
Dynamic Small Business Fund Series O [†]	5,005,880	74,571,493	91,807,832
Scotia Canadian Dividend Fund Series I [†]	3,323,395	138,411,683	206,319,692
Scotia Canadian Growth Fund Series I [†]	260,170	22,513,813	23,044,400
		<u>379,109,627</u>	<u>457,613,429</u>
FIXED INCOME FUNDS – 43.7%			
Dynamic Canadian Bond Fund Series O [†]	23,566,024	124,500,072	120,422,380
Dynamic High Yield Bond Fund Series O [†]	13,931,138	42,651,097	41,514,792
Dynamic Total Return Bond Fund Series O [†]	29,220,913	285,331,640	280,812,971
Scotia Canadian Income Fund Series I [†]	15,156,695	200,477,269	201,038,397
Scotia Private Canadian Corporate Bond Pool Series I [†]	15,220,096	166,312,000	160,890,115
		<u>819,272,078</u>	<u>804,678,655</u>
FOREIGN EQUITY FUNDS – 31.1%			
Dynamic Power Global Growth Class Series O [†]	1,330,275	28,607,783	38,311,913
Scotia Global Dividend Fund Series I [†]	11,539,294	167,005,176	189,847,924
Scotia Global Growth Fund Series I [†]	2,212,103	96,548,470	191,852,843
Scotia Global Opportunities Fund Series I [†]	7,438,607	92,328,097	114,143,193
Scotia Global Small Cap Fund Series I [†]	2,722,990	26,624,901	38,180,679
		<u>411,114,427</u>	<u>572,336,552</u>
TOTAL INVESTMENT PORTFOLIO		<u>1,609,496,132</u>	<u>1,834,628,636</u>
OTHER ASSETS, LESS LIABILITIES – 0.3%			<u>6,183,628</u>
NET ASSETS – 100.0%			<u>1,840,812,264</u>

[†] These securities are investments in related parties (note 10).

Scotia Selected Balanced Growth Portfolio (Unaudited – Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

The Fund (note 1)

The Fund's objective is to achieve a balance of current income and long term capital appreciation, with a small bias towards capital appreciation. It invests primarily in a diversified mix of equity and income mutual funds managed by us and by other mutual fund managers.

The Fund invests primarily in funds managed by the Manager and/or by the third party investment managers (the "Underlying Funds"). To ensure the Fund's composition meets the investment objectives of the Fund, the portfolio advisor monitors the Underlying Funds on an ongoing basis and rebalances the Fund's assets among the Underlying Funds.

Risk associated with financial instruments (note 4)

Interest rate risk

The Fund could be exposed to indirect interest rate risk to the extent that the Underlying Funds held financial instruments that were subject to interest rate risk.

Currency risk

The Fund could be exposed to indirect currency risk to the extent that the Underlying Funds held financial instruments that were denominated in a currency other than its functional currency.

Price risk

Price risk is the risk that the carrying value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) caused by factors specific to a security, its issuer or all factors affecting a market or a market segment. Exposure to price risk is mainly in equities, underlying funds, derivatives and commodities, as applicable. As at June 30, 2018, approximately 99.7% (December 31, 2017 – 99.5%) of the Fund's net assets were exposed to price risk. If prices of these instruments had decreased or increased by 10%, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by approximately \$183,462,864 (December 31, 2017 – \$174,430,972). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Credit risk

The Fund could be exposed to indirect credit risk to the extent that the Underlying Funds invested in bonds and debentures, derivatives, money market instruments or preferred shares.

Concentration risk

Concentration risk arises as a result of the concentration of financial instruments within the same category, geographical location, asset type or industry sector, as applicable. The table below is a summary of

the Fund's concentration risk by carrying value as a percentage of net assets:

	Percentage of net assets (%)	
	June 30, 2018	December 31, 2017
Canadian Equity Funds	24.9	25.2
Fixed Income Funds	43.7	43.2
Foreign Equity Funds	31.1	31.1

Fair Value Classification (note 2)

The tables below illustrate the classification of the Fund's financial instruments within the fair value hierarchy.

	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
June 30, 2018				
Underlying funds	1,834,628,636	–	–	1,834,628,636
	1,834,628,636	–	–	1,834,628,636

	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
December 31, 2017				
Underlying funds	1,744,309,721	–	–	1,744,309,721
	1,744,309,721	–	–	1,744,309,721

Transfers between levels

During the periods ended June 30, 2018 and December 31, 2017, there were no significant transfers between Level 1 and Level 2.

Offsetting of financial assets and liabilities (note 2)

As at June 30, 2018 and December 31, 2017, the Fund did not enter into any agreement whereby the financial instruments were eligible for offset.

Interest in Underlying Funds (note 2)

The following tables present the percentage of the Underlying Funds owned by the Fund.

Underlying Fund	June 30, 2018	
	Carrying value of the Underlying Fund (\$)	Ownership percentage in Underlying Fund (%)
Scotia Global Opportunities Fund Series I	114,143,193	36.4
Scotia Global Small Cap Fund Series I	38,180,679	29.0
Scotia Global Dividend Fund Series I	189,847,924	22.8
Dynamic High Yield Bond Fund Series O	41,514,792	21.7
Dynamic Dividend Advantage Fund Series O	136,441,505	19.5
Scotia Global Growth Fund Series I	191,852,843	16.6
Dynamic Canadian Bond Fund Series O	120,422,380	8.8
Dynamic Total Return Bond Fund Series O	280,812,971	8.8
Dynamic Small Business Fund Series O	91,807,832	7.3
Scotia Canadian Growth Fund Series I	23,044,400	6.2
Scotia Canadian Income Fund Series I	201,038,397	3.3
Scotia Private Canadian Corporate Bond Pool Series I	160,890,115	2.8
Dynamic Power Global Growth Class Series O	38,311,913	2.4
Scotia Canadian Dividend Fund Series I	206,319,692	2.2
	1,834,628,636	

The accompanying notes are an integral part of the financial statements.

Scotia Selected Balanced Growth Portfolio (Unaudited – Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

Underlying Fund	December 31, 2017	
	Carrying value of the Underlying Fund (\$)	Ownership percentage in Underlying Fund (%)
Scotia Global Opportunities Fund Series I	108,045,129	37.3
Scotia Global Small Cap Fund Series I	36,009,290	29.6
Scotia Global Dividend Fund Series I	176,993,570	22.6
Scotia Global Growth Fund Series I	186,164,525	17.5
Dynamic Dividend Advantage Fund Series O	131,585,912	16.4
Dynamic Total Return Bond Fund Series O	264,738,407	9.6
Dynamic High Yield Bond Fund Series O	38,122,821	9.3
Dynamic Canadian Bond Fund Series O	113,516,775	8.0
Dynamic Small Business Fund Series O	88,214,015	7.7
Scotia Canadian Growth Fund Series I	21,968,507	5.7
Scotia Canadian Income Fund Series I	189,138,679	3.1
Dynamic Power Global Growth Class Series O	38,317,102	2.8
Scotia Private Canadian Corporate Bond Pool Series I	151,334,021	2.5
Scotia Canadian Dividend Fund Series I	200,160,968	2.1
	1,744,309,721	

Comparison of net asset value and net assets per unit (note 2)

As at June 30, 2018 or December 31, 2017, there were no differences between the net asset value per unit and the net assets per unit for any series of the Fund.

Scotia Selected Growth Portfolio (Unaudited)

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	June 30, 2018	December 31, 2017
ASSETS		
Current assets		
Financial assets at fair value through profit or loss (note 2)		
Non-derivative financial assets	1,396,502,884	1,288,470,453
Cash	9,465,190	6,531,344
Subscriptions receivable	2,676,138	1,677,286
Accrued investment income and other	7,712	7,669
	<u>1,408,651,924</u>	<u>1,296,686,752</u>
LIABILITIES		
Current liabilities		
Management fee payable	2,227,541	–
Payable for securities purchased	1,500,000	999,682
Redemptions payable	1,002,259	579,065
Accrued expenses	62,477	–
Distributions payable	29	–
	<u>4,792,306</u>	<u>1,578,747</u>
Net assets attributable to holders of redeemable units	<u>1,403,859,618</u>	<u>1,295,108,005</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series A	1,402,836,576	1,294,267,580
Advisor Series	–	41,966
Series F	<u>1,023,042</u>	<u>798,459</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series A	19.97	19.59
Advisor Series	–	18.46
Series F	<u>21.43</u>	<u>20.91</u>

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended June 30 (note 1),

(in dollars except average units)	2018	2017
INCOME		
Net gain (loss) on financial assets and liabilities at fair value through profit or loss		
Dividends	2,224,868	2,128,727
Interest for distribution purposes	8,242,442	8,027,823
Net realized gain (loss) on non-derivative financial assets	8,818,714	5,005,179
Change in unrealized gain (loss) on non-derivative financial assets	<u>20,392,715</u>	<u>62,783,546</u>
Net gain (loss) on financial assets and liabilities at fair value through profit or loss	39,678,739	77,945,275
Other income	11,634	8,365
Total income (loss), net	<u>39,690,373</u>	<u>77,953,640</u>
EXPENSES		
Management fees (note 5)	12,117,553	10,605,569
Fixed administration fees and operating expense (note 6)	337,306	298,599
Independent Review Committee fees	587	576
Harmonized Sales Tax/Goods and Services Tax	1,330,078	1,167,268
Total expenses	<u>13,785,524</u>	<u>12,072,012</u>
Expenses absorbed by the Manager	–	(4,746)
Net expenses	<u>13,785,524</u>	<u>12,067,266</u>
Increase (decrease) in net assets attributable to holders of redeemable units from operations	<u>25,904,849</u>	<u>65,886,374</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A	25,886,425	65,872,081
Advisor Series	664	2,262
Series F	<u>17,760</u>	<u>12,031</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT[†]		
Series A	0.38	1.03
Advisor Series	0.29	1.00
Series F	<u>0.45</u>	<u>1.01</u>
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series A	68,338,572	63,832,787
Advisor Series	2,273	2,273
Series F	<u>39,609</u>	<u>11,914</u>

[†] The increase (decrease) in net assets attributable to holders of redeemable units from operations per unit is calculated by dividing the increase (decrease) in net assets attributable to holders of redeemable units from operations per series by the weighted average number of units per series.

The accompanying notes are an integral part of the financial statements.

Scotia Selected Growth Portfolio (Unaudited – Continued)

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the periods ended June 30 (note 1),

(in dollars)	2018	2017
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series A	1,294,267,580	1,114,455,069
Advisor Series	41,966	37,965
Series F	798,459	229,425
	<u>1,295,108,005</u>	<u>1,114,722,459</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A	25,886,425	65,872,081
Advisor Series	664	2,262
Series F	17,760	12,031
	<u>25,904,849</u>	<u>65,886,374</u>
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A	179,565,564	115,021,589
Series F	699,076	268,226
Reinvested distributions		
Series A	(346)	–
Payments on redemption		
Series A	(96,882,647)	(86,603,332)
Advisor Series	(42,630)	–
Series F	(492,253)	(50,916)
	<u>82,846,764</u>	<u>28,635,567</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A	108,568,996	94,290,338
Advisor Series	(41,966)	2,262
Series F	224,583	229,341
	<u>108,751,613</u>	<u>94,521,941</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series A	1,402,836,576	1,208,745,407
Advisor Series	–	40,227
Series F	1,023,042	458,766
	<u>1,403,859,618</u>	<u>1,209,244,400</u>

STATEMENTS OF CASH FLOWS

For the periods ended June 30 (note 1),

(in dollars)	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	25,904,849	65,886,374
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(8,818,714)	(5,005,179)
Change in unrealized (gain) loss on non-derivative financial assets	(20,392,715)	(62,783,546)
Non-cash transactions	(10,422,252)	(10,142,739)
Purchases of portfolio investments	(73,023,432)	(34,095,089)
Proceeds from sale of portfolio investments	5,125,000	18,076,494
Accrued investment income and other	(43)	(984,663)
Accrued expenses and other payables	2,290,018	2,002,029
Net cash provided by (used in) operating activities	<u>(79,337,289)</u>	<u>(27,046,319)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	178,567,763	114,789,403
Amounts paid on redemption of redeemable units	(96,296,311)	(85,872,841)
Distributions to unitholders of redeemable units	(317)	(38,837)
Net cash provided by (used in) financing activities	<u>82,271,135</u>	<u>28,877,725</u>
Net increase (decrease) in cash	2,933,846	1,831,406
Cash (bank overdraft), beginning of period	6,531,344	5,626,170
CASH (BANK OVERDRAFT), END OF PERIOD	<u>9,465,190</u>	<u>7,457,576</u>
Interest received, net of withholding taxes ⁽¹⁾	45,017	13,599

⁽¹⁾ Classified as operating items.

Scotia Selected Growth Portfolio (Unaudited – Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at June 30, 2018

Issuer	Number of Units	Average Cost (\$)	Carrying Value (\$)
CANADIAN EQUITY FUNDS – 34.3%			
Dynamic Small Business Fund Series O†	6,546,504	98,041,286	120,062,891
Dynamic Value Fund of Canada Series O†	10,438,565	112,980,885	120,252,265
Scotia Canadian Dividend Fund Series I†	2,717,852	119,211,438	168,726,967
Scotia Canadian Growth Fund Series I†	814,298	60,238,085	72,125,914
		<u>390,471,694</u>	<u>481,168,037</u>
FIXED INCOME FUNDS – 24.0%			
Dynamic High Yield Bond Fund Series O†	11,319,480	36,242,341	33,732,049
Dynamic Total Return Bond Fund Series O†	17,562,712	173,200,857	168,777,658
Scotia Canadian Income Fund Series I†	5,081,552	67,530,072	67,401,704
Scotia Private Canadian Corporate Bond Pool Series I†	6,382,445	69,536,994	67,468,188
		<u>346,510,264</u>	<u>337,379,599</u>
FOREIGN EQUITY FUNDS – 41.2%			
Dynamic Power Global Growth Class Series O†	2,284,883	48,739,435	65,804,640
Scotia Global Dividend Fund Series I†	9,986,043	156,690,355	164,293,382
Scotia Global Growth Fund Series I†	2,025,116	88,999,553	175,635,666
Scotia Global Opportunities Fund Series I†	7,457,167	86,112,582	114,427,990
Scotia Global Small Cap Fund Series I†	4,121,753	40,928,240	57,793,570
		<u>421,470,165</u>	<u>577,955,248</u>
TOTAL INVESTMENT PORTFOLIO		<u>1,158,452,123</u>	<u>1,396,502,884</u>
OTHER ASSETS, LESS LIABILITIES – 0.5%			<u>7,356,734</u>
NET ASSETS – 100.0%			<u>1,403,859,618</u>

† These securities are investments in related parties (note 10).

Scotia Selected Growth Portfolio (Unaudited – Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

The Fund (note 1)

The Fund's objective is to achieve a balance of current income and long-term capital appreciation, with a bias towards capital appreciation. It invests primarily in a diversified mix of equity and income mutual funds managed by us and by other mutual fund managers.

The Fund invests primarily in funds managed by the Manager and/or by the third party investment managers (the "Underlying Funds"). To ensure the Fund's composition meets the investment objectives of the Fund, the portfolio advisor monitors the Underlying Funds on an ongoing basis and rebalances the Fund's assets among the Underlying Funds.

Risk associated with financial instruments (note 4)

Interest rate risk

The Fund could be exposed to indirect interest rate risk to the extent that the Underlying Funds held financial instruments that were subject to interest rate risk.

Currency risk

The Fund could be exposed to indirect currency risk to the extent that the Underlying Funds held financial instruments that were denominated in a currency other than its functional currency.

Price risk

Price risk is the risk that the carrying value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) caused by factors specific to a security, its issuer or all factors affecting a market or a market segment. Exposure to price risk is mainly in equities, underlying funds, derivatives and commodities, as applicable. As at June 30, 2018, approximately 99.5% (December 31, 2017 – 99.5%) of the Fund's net assets were exposed to price risk. If prices of these instruments had decreased or increased by 10%, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by approximately \$139,650,288 (December 31, 2017 – \$128,847,045). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Credit risk

The Fund could be exposed to indirect credit risk to the extent that the Underlying Funds invested in bonds and debentures, derivatives, money market instruments or preferred shares.

Concentration risk

Concentration risk arises as a result of the concentration of financial instruments within the same category, geographical location, asset type or industry sector, as applicable. The table below is a summary of

the Fund's concentration risk by carrying value as a percentage of net assets:

	Percentage of net assets (%)	
	June 30, 2018	December 31, 2017
Canadian Equity Funds	34.3	34.6
Fixed Income Funds	24.0	23.8
Foreign Equity Funds	41.2	41.1

Fair Value Classification (note 2)

The tables below illustrate the classification of the Fund's financial instruments within the fair value hierarchy.

	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
June 30, 2018				
Underlying funds	1,396,502,884	–	–	1,396,502,884
	1,396,502,884	–	–	1,396,502,884

	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
December 31, 2017				
Underlying funds	1,288,470,453	–	–	1,288,470,453
	1,288,470,453	–	–	1,288,470,453

Transfers between levels

During the periods ended June 30, 2018 and December 31, 2017, there were no significant transfers between Level 1 and Level 2.

Offsetting of financial assets and liabilities (note 2)

As at June 30, 2018 and December 31, 2017, the Fund did not enter into any agreement whereby the financial instruments were eligible for offset.

Interest in Underlying Funds (note 2)

The following tables present the percentage of the Underlying Funds owned by the Fund.

Underlying Fund	June 30, 2018	
	Carrying value of the Underlying Fund (\$)	Ownership percentage in Underlying Fund (%)
Scotia Global Small Cap Fund Series I	57,793,570	43.9
Scotia Global Opportunities Fund Series I	114,427,990	36.5
Scotia Global Dividend Fund Series I	164,293,382	19.7
Scotia Canadian Growth Fund Series I	72,125,914	19.3
Dynamic High Yield Bond Fund Series O	33,732,049	17.6
Scotia Global Growth Fund Series I	175,635,666	15.2
Dynamic Small Business Fund Series O	120,062,891	9.6
Dynamic Value Fund of Canada Series O	120,252,265	8.1
Dynamic Total Return Bond Fund Series O	168,777,658	5.3
Dynamic Power Global Growth Class Series O	65,804,640	4.2
Scotia Canadian Dividend Fund Series I	168,726,967	1.8
Scotia Private Canadian Corporate Bond Pool Series I	67,468,188	1.2
Scotia Canadian Income Fund Series I	67,401,704	1.1
	1,396,502,884	

The accompanying notes are an integral part of the financial statements.

Scotia Selected Growth Portfolio (Unaudited – Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

Underlying Fund	December 31, 2017	
	Carrying value of the Underlying Fund (\$)	Ownership percentage in Underlying Fund (%)
Scotia Global Small Cap Fund Series I	52,353,564	43.1
Scotia Global Opportunities Fund Series I	104,735,239	36.1
Scotia Global Dividend Fund Series I	149,896,110	19.1
Scotia Canadian Growth Fund Series I	66,870,493	17.5
Scotia Global Growth Fund Series I	162,269,529	15.2
Dynamic Small Business Fund Series O	111,891,073	9.8
Dynamic High Yield Bond Fund Series O	31,064,676	7.6
Dynamic Value Fund of Canada Series O	111,713,635	7.1
Dynamic Total Return Bond Fund Series O	153,917,749	5.6
Dynamic Power Global Growth Class Series O	63,191,005	4.6
Scotia Canadian Dividend Fund Series I	157,274,691	1.7
Scotia Canadian Income Fund Series I	61,618,105	1.0
Scotia Private Canadian Corporate Bond Pool Series I	61,674,584	1.0
	1,288,470,453	

Comparison of net asset value and net assets per unit (note 2)

As at June 30, 2018 or December 31, 2017, there were no differences between the net asset value per unit and the net assets per unit for any series of the Fund.

Scotia Selected Maximum Growth Portfolio (Unaudited)

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	June 30, 2018	December 31, 2017
ASSETS		
Current assets		
Financial assets at fair value through profit or loss (note 2)		
Non-derivative financial assets	395,127,354	346,290,383
Cash	2,830,386	2,112,369
Subscriptions receivable	821,388	729,926
Accrued investment income and other	2,160	1,546
	<u>398,781,288</u>	<u>349,134,224</u>
LIABILITIES		
Current liabilities		
Management fee payable	666,023	–
Payable for securities purchased	330,000	610,000
Redemptions payable	435,634	171,467
Accrued expenses	24,831	–
	<u>1,456,488</u>	<u>781,467</u>
Net assets attributable to holders of redeemable units	<u>397,324,800</u>	<u>348,352,757</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series A	396,563,830	347,470,901
Advisor Series	348,073	429,703
Series F	412,897	452,153
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series A	22.34	21.75
Advisor Series	22.18	21.60
Series F	23.24	22.52

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended June 30 (note 1),

(in dollars except average units)	2018	2017
INCOME		
Net gain (loss) on financial assets and liabilities at fair value through profit or loss		
Dividends	507,627	446,994
Interest for distribution purposes	1,177,024	997,383
Net realized gain (loss) on non-derivative financial assets	3,870,824	1,327,714
Change in unrealized gain (loss) on non-derivative financial assets	8,519,919	20,179,534
Net gain (loss) on financial assets and liabilities at fair value through profit or loss	14,075,394	22,951,625
Other income	6,002	3,015
Total income (loss), net	<u>14,081,396</u>	<u>22,954,640</u>
EXPENSES		
Management fees (note 5)	3,556,257	2,909,685
Fixed administration fees and operating expense (note 6)	131,066	111,436
Independent Review Committee fees	587	576
Harmonized Sales Tax/Goods and Services Tax	381,166	313,260
Total expenses	4,069,076	3,334,957
Expenses absorbed by the Manager	–	(4,700)
Net expenses	<u>4,069,076</u>	<u>3,330,257</u>
Increase (decrease) in net assets attributable to holders of redeemable units from operations	<u>10,012,320</u>	<u>19,624,383</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A	9,989,501	19,583,949
Advisor Series	9,696	26,812
Series F	13,123	13,622
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT[†]		
Series A	0.59	1.30
Advisor Series	0.53	1.33
Series F	0.70	1.11
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series A	16,986,036	15,081,457
Advisor Series	18,141	20,163
Series F	18,869	12,267

[†] The increase (decrease) in net assets attributable to holders of redeemable units from operations per unit is calculated by dividing the increase (decrease) in net assets attributable to holders of redeemable units from operations per series by the weighted average number of units per series.

Scotia Selected Maximum Growth Portfolio (Unaudited – Continued)

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the periods ended June 30 (note 1),

(in dollars)	2018	2017
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series A	347,470,901	283,289,407
Advisor Series	429,703	388,302
Series F	452,153	201,060
	<u>348,352,757</u>	<u>283,878,769</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A	9,989,501	19,583,949
Advisor Series	9,696	26,812
Series F	13,123	13,622
	<u>10,012,320</u>	<u>19,624,383</u>
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A	66,562,930	36,052,589
Series F	72,925	247,348
Payments on redemption		
Series A	(27,459,502)	(23,363,254)
Advisor Series	(91,326)	(1,690)
Series F	(125,304)	(12,358)
	<u>38,959,723</u>	<u>12,922,635</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A	49,092,929	32,273,284
Advisor Series	(81,630)	25,122
Series F	(39,256)	248,612
	<u>48,972,043</u>	<u>32,547,018</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series A	396,563,830	315,562,691
Advisor Series	348,073	413,424
Series F	412,897	449,672
	<u>397,324,800</u>	<u>316,425,787</u>

STATEMENTS OF CASH FLOWS

For the periods ended June 30 (note 1),

(in dollars)	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	10,012,320	19,624,383
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(3,870,824)	(1,327,714)
Change in unrealized (gain) loss on non-derivative financial assets	(8,519,919)	(20,179,534)
Non-cash transactions	(1,670,028)	(1,440,462)
Purchases of portfolio investments	(37,206,200)	(14,590,147)
Proceeds from sale of portfolio investments	2,150,000	5,055,922
Accrued investment income and other	(614)	(132,607)
Accrued expenses and other payables	690,854	557,831
Net cash provided by (used in) operating activities	<u>(38,414,411)</u>	<u>(12,432,328)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	66,473,268	36,166,529
Amounts paid on redemption of redeemable units	(27,340,840)	(23,037,303)
Distributions to unitholders of redeemable units	-	(3,788)
Net cash provided by (used in) financing activities	<u>39,132,428</u>	<u>13,125,438</u>
Net increase (decrease) in cash	718,017	693,110
Cash (bank overdraft), beginning of period	2,112,369	979,211
CASH (BANK OVERDRAFT), END OF PERIOD	<u>2,830,386</u>	<u>1,672,321</u>
Interest received, net of withholding taxes ⁽¹⁾	14,009	3,749

⁽¹⁾ Classified as operating items.

Scotia Selected Maximum Growth Portfolio (Unaudited – Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at June 30, 2018

Issuer	Number of Units	Average Cost (\$)	Carrying Value (\$)
CANADIAN EQUITY FUNDS – 39.1%			
Dynamic Small Business Fund Series O [†]	2,121,492	32,843,420	38,908,171
Dynamic Value Fund of Canada Series O [†]	4,047,621	44,681,493	46,628,598
Scotia Canadian Dividend Fund Series I [†]	627,225	29,909,140	38,938,785
Scotia Canadian Growth Fund Series I [†]	350,129	26,583,880	31,012,426
		<u>134,017,933</u>	<u>155,487,980</u>
FIXED INCOME FUNDS – 9.7%			
Dynamic High Yield Bond Fund Series O [†]	1,951,194	6,237,990	5,814,559
Dynamic Total Return Bond Fund Series O [†]	2,418,020	23,993,702	23,237,170
Scotia Private Canadian Corporate Bond Pool Series I [†]	915,919	9,979,066	9,682,085
		<u>40,210,758</u>	<u>38,733,814</u>
FOREIGN EQUITY FUNDS – 50.6%			
Dynamic Power Global Growth Class Series O [†]	1,035,107	22,220,148	29,811,088
Scotia Global Dividend Fund Series I [†]	2,584,913	41,065,590	42,527,765
Scotia Global Growth Fund Series I [†]	693,154	33,263,299	60,116,329
Scotia Global Opportunities Fund Series I [†]	3,145,156	37,350,815	48,261,475
Scotia Global Small Cap Fund Series I [†]	1,439,843	14,609,212	20,188,903
		<u>148,509,064</u>	<u>200,905,560</u>
TOTAL INVESTMENT PORTFOLIO		<u><u>322,737,755</u></u>	<u><u>395,127,354</u></u>
OTHER ASSETS, LESS LIABILITIES – 0.6%			<u>2,197,446</u>
NET ASSETS – 100.0%			<u><u>397,324,800</u></u>

[†] These securities are investments in related parties (note 10).

Scotia Selected Maximum Growth Portfolio (Unaudited – Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

The Fund (note 1)

The Fund's objective is long term capital appreciation. It invests primarily in a diversified mix of equity mutual funds, with additional stability derived from investments in income mutual funds, managed by us and by other mutual fund managers.

The Fund invests primarily in funds managed by the Manager and/or by the third party investment managers (the "Underlying Funds"). To ensure the Fund's composition meets the investment objectives of the Fund, the portfolio advisor monitors the Underlying Funds on an ongoing basis and rebalances the Fund's assets among the Underlying Funds.

Risk associated with financial instruments (note 4)

Interest rate risk

The Fund could be exposed to indirect interest rate risk to the extent that the Underlying Funds held financial instruments that were subject to interest rate risk.

Currency risk

The Fund could be exposed to indirect currency risk to the extent that the Underlying Funds held financial instruments that were denominated in a currency other than its functional currency.

Price risk

Price risk is the risk that the carrying value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) caused by factors specific to a security, its issuer or all factors affecting a market or a market segment. Exposure to price risk is mainly in equities, underlying funds, derivatives and commodities, as applicable. As at June 30, 2018, approximately 99.4% (December 31, 2017 – 99.4%) of the Fund's net assets were exposed to price risk. If prices of these instruments had decreased or increased by 10%, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by approximately \$39,512,735 (December 31, 2017 – \$34,629,038). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Credit risk

The Fund could be exposed to indirect credit risk to the extent that the Underlying Funds invested in bonds and debentures, derivatives, money market instruments or preferred shares.

Concentration risk

Concentration risk arises as a result of the concentration of financial instruments within the same category, geographical location, asset type or industry sector, as applicable. The table below is a summary of

the Fund's concentration risk by carrying value as a percentage of net assets:

	Percentage of net assets (%)	
	June 30, 2018	December 31, 2017
Canadian Equity Funds	39.1	39.2
Fixed Income Funds	9.7	9.6
Foreign Equity Funds	50.6	50.6

Fair Value Classification (note 2)

The tables below illustrate the classification of the Fund's financial instruments within the fair value hierarchy.

June 30, 2018	Level 1	Level 2	Level 3	Total
	(\$)	(\$)	(\$)	(\$)
Underlying funds	395,127,354	–	–	395,127,354
	395,127,354	–	–	395,127,354

December 31, 2017	Level 1	Level 2	Level 3	Total
	(\$)	(\$)	(\$)	(\$)
Underlying funds	346,290,383	–	–	346,290,383
	346,290,383	–	–	346,290,383

Transfers between levels

During the periods ended June 30, 2018 and December 31, 2017, there were no significant transfers between Level 1 and Level 2.

Offsetting of financial assets and liabilities (note 2)

As at June 30, 2018 and December 31, 2017, the Fund did not enter into any agreement whereby the financial instruments were eligible for offset.

Interest in Underlying Funds (note 2)

The following tables present the percentage of the Underlying Funds owned by the Fund.

Underlying Fund	June 30, 2018	
	Carrying value of the Underlying Fund (\$)	Ownership percentage in Underlying Fund (%)
Scotia Global Opportunities Fund Series I	48,261,475	15.4
Scotia Global Small Cap Fund Series I	20,188,903	15.3
Scotia Canadian Growth Fund Series I	31,012,426	8.3
Scotia Global Growth Fund Series I	60,116,329	5.2
Scotia Global Dividend Fund Series I	42,527,765	5.1
Dynamic Value Fund of Canada Series O	46,628,598	3.2
Dynamic Small Business Fund Series O	38,908,171	3.1
Dynamic High Yield Bond Fund Series O	5,814,559	3.0
Dynamic Power Global Growth Class Series O	29,811,088	1.9
Dynamic Total Return Bond Fund Series O	23,237,170	0.7
Scotia Canadian Dividend Fund Series I	38,938,785	0.4
Scotia Private Canadian Corporate Bond Pool Series I	9,682,085	0.2
	395,127,354	

The accompanying notes are an integral part of the financial statements.

Scotia Selected Maximum Growth Portfolio (Unaudited – Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

Underlying Fund	December 31, 2017	
	Carrying value of the Underlying Fund (\$)	Ownership percentage in Underlying Fund (%)
Scotia Global Opportunities Fund Series I	41,711,675	14.4
Scotia Global Small Cap Fund Series I	17,347,594	14.3
Scotia Canadian Growth Fund Series I	27,257,900	7.1
Scotia Global Growth Fund Series I	52,474,669	4.9
Scotia Global Dividend Fund Series I	36,469,640	4.6
Dynamic Small Business Fund Series O	34,187,044	3.0
Dynamic Value Fund of Canada Series O	41,046,524	2.6
Dynamic Power Global Growth Class Series O	28,083,804	2.1
Dynamic High Yield Bond Fund Series O	5,049,014	1.2
Dynamic Total Return Bond Fund Series O	20,092,196	0.7
Scotia Canadian Dividend Fund Series I	34,184,975	0.4
Scotia Private Canadian Corporate Bond Pool Series I	8,385,348	0.1
	<u>346,290,383</u>	

Comparison of net asset value and net assets per unit (note 2)

As at June 30, 2018 or December 31, 2017, there were no differences between the net asset value per unit and the net assets per unit for any series of the Fund.

Scotia Partners Income Portfolio (Unaudited)

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	June 30, 2018	December 31, 2017
ASSETS		
Current assets		
Financial assets at fair value through profit or loss (note 2)		
Non-derivative financial assets	744,003,339	772,630,369
Cash	1,252,265	997,553
Receivable for securities sold	1,031,775	518,400
Subscriptions receivable	534,009	376,605
Accrued investment income and other	880	3,203
	<u>746,822,268</u>	<u>774,526,130</u>
LIABILITIES		
Current liabilities		
Management fee payable	1,156,186	–
Redemptions payable	1,310,187	637,351
Accrued expenses	33,621	–
Distributions payable	7,261	7,796
	<u>2,507,255</u>	<u>645,147</u>
Net assets attributable to holders of redeemable units	<u>744,315,013</u>	<u>773,880,983</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series A	740,633,299	771,861,918
Series T	<u>3,681,714</u>	<u>2,019,065</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series A	11.15	11.22
Series T	<u>14.95</u>	<u>15.20</u>

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended June 30 (note 1),

(in dollars except average units)	2018	2017
INCOME		
Net gain (loss) on financial assets and liabilities at fair value through profit or loss		
Dividends	1,158,707	1,161,160
Interest for distribution purposes	11,998,617	13,552,652
Net realized gain (loss) on non-derivative financial assets	2,019,202	3,533,504
Change in unrealized gain (loss) on non-derivative financial assets	<u>(10,282,733)</u>	<u>10,500,834</u>
Net gain (loss) on financial assets and liabilities at fair value through profit or loss	4,893,793	28,748,150
Other income	8,762	5,224
Total income (loss), net	<u>4,902,555</u>	<u>28,753,374</u>
EXPENSES		
Management fees (note 5)	6,633,543	6,706,298
Fixed administration fees (note 6)	189,530	191,341
Independent Review Committee fees	587	576
Interest expense and bank overdraft charges	12	–
Foreign withholding taxes/tax reclaims	–	(9,250)
Harmonized Sales Tax/Goods and Services Tax	749,523	758,589
Total expenses	<u>7,573,195</u>	<u>7,647,554</u>
Increase (decrease) in net assets attributable to holders of redeemable units from operations	<u>(2,670,640)</u>	<u>21,105,820</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A	(2,669,234)	21,072,803
Series T	<u>(1,406)</u>	<u>33,017</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT[†]		
Series A	(0.04)	0.30
Series T	<u>(0.01)</u>	<u>0.39</u>
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series A	68,003,295	69,181,693
Series T	198,984	83,933

[†] The increase (decrease) in net assets attributable to holders of redeemable units from operations per unit is calculated by dividing the increase (decrease) in net assets attributable to holders of redeemable units from operations per series by the weighted average number of units per series.

Scotia Partners Income Portfolio (Unaudited – Continued)

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the periods ended June 30 (note 1),

(in dollars)	2018	2017
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series A	771,861,918	757,883,846
Series T	2,019,065	1,004,472
	<u>773,880,983</u>	<u>758,888,318</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A	(2,669,234)	21,072,803
Series T	(1,406)	33,017
	<u>(2,670,640)</u>	<u>21,105,820</u>
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net investment income		
Series A	(1,450,626)	(3,501,791)
Series T	(24,440)	(4,304)
From net realized gains on investments		
Series A	(477,759)	–
Series T	(4,772)	(11,214)
From return of capital		
Series T	(17,231)	(3,859)
	<u>(1,974,828)</u>	<u>(3,521,168)</u>
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A	57,712,063	64,120,049
Series T	2,138,190	517,557
Reinvested distributions		
Series A	1,906,935	3,444,406
Series T	36,331	14,525
Payments on redemption		
Series A	(86,249,998)	(72,051,694)
Series T	(464,023)	(97,491)
	<u>(24,920,502)</u>	<u>(4,052,648)</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A	(31,228,619)	13,083,773
Series T	1,662,649	448,231
	<u>(29,565,970)</u>	<u>13,532,004</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series A	740,633,299	770,967,619
Series T	3,681,714	1,452,703
	<u>744,315,013</u>	<u>772,420,322</u>

STATEMENTS OF CASH FLOWS

For the periods ended June 30 (note 1),

(in dollars)	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	(2,670,640)	21,105,820
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(2,019,202)	(3,533,504)
Change in unrealized (gain) loss on non-derivative financial assets	10,282,733	(10,500,834)
Non-cash transactions	(13,151,021)	(14,717,321)
Purchases of portfolio investments	–	(26,227,525)
Proceeds from sale of portfolio investments	33,001,145	41,219,300
Accrued investment income and other	2,323	(1,535,887)
Accrued expenses and other payables	1,189,807	1,238,965
Net cash provided by (used in) operating activities	26,635,145	7,049,014
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	59,692,849	64,475,493
Amounts paid on redemption of redeemable units	(86,041,185)	(71,782,956)
Distributions to unitholders of redeemable units	(32,097)	(246,993)
Net cash provided by (used in) financing activities	(26,380,433)	(7,554,456)
Net increase (decrease) in cash	254,712	(505,442)
Cash (bank overdraft), beginning of period	997,553	3,347,999
CASH (BANK OVERDRAFT), END OF PERIOD	<u>1,252,265</u>	<u>2,842,557</u>
Interest paid ⁽¹⁾	12	–
Interest received, net of withholding taxes ⁽¹⁾	8,626	6,329

⁽¹⁾ Classified as operating items.

Scotia Partners Income Portfolio (Unaudited – Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at June 30, 2018

Issuer	Number of Units	Average Cost (\$)	Carrying Value (\$)
CANADIAN EQUITY FUNDS – 12.0%			
CI Cambridge Canadian Equity Corporate Class, Class I	428,623	8,218,659	9,211,328
Dynamic Dividend Advantage Fund Series O [†]	1,228,889	9,523,854	9,265,820
Dynamic Small Business Fund Series O [†]	913,167	13,892,223	16,747,475
Scotia Canadian Dividend Fund Series I [†]	719,580	38,693,978	44,672,256
Scotia Private Canadian All Cap Equity Pool Series I [†]	827,850	8,354,024	9,299,323
		<u>78,682,738</u>	<u>89,196,202</u>
FIXED INCOME FUNDS – 67.7%			
Dynamic Canadian Bond Fund Series O [†]	16,409,870	86,589,222	83,854,435
Dynamic Total Return Bond Fund Series O [†]	20,365,596	200,438,932	195,713,382
PIMCO Monthly Income Fund (Canada) Series I	6,025,092	84,689,359	84,288,018
Scotia Private Canadian Corporate Bond Pool Series I [†]	13,215,934	141,960,995	139,704,321
		<u>513,678,508</u>	<u>503,560,156</u>
FOREIGN EQUITY FUNDS – 20.3%			
AGF Global Dividend Fund Series O	500,084	11,236,935	14,697,459
Dynamic Global Infrastructure Fund Series O [†]	734,922	11,421,806	14,896,861
Mackenzie Ivy Foreign Equity Fund Series O	1,951,186	22,247,903	25,544,541
Mawer International Equity Fund Class O	352,075	18,554,412	21,753,847
Mawer U.S. Equity Fund Series O	376,414	15,145,995	18,287,408
Scotia Private Global Credit Pool Series I [†]	5,901,465	58,575,745	56,066,865
		<u>137,182,796</u>	<u>151,246,981</u>
TOTAL INVESTMENT PORTFOLIO		<u>729,544,042</u>	<u>744,003,339</u>
OTHER ASSETS, LESS LIABILITIES – 0.0%			<u>311,674</u>
NET ASSETS – 100.0%			<u>744,315,013</u>

[†] These securities are investments in related parties (note 10).

Scotia Partners Income Portfolio (Unaudited – Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

The Fund (note 1)

The Fund's objective is to achieve a combination of a steady flow of income with the potential for capital gains. It invests primarily in a diversified mix of equity and income mutual funds managed by other mutual fund managers and by us.

The Fund invests primarily in funds managed by the Manager and/or by the third party investment managers (the "Underlying Funds"). To ensure the Fund's composition meets the investment objectives of the Fund, the portfolio advisor monitors the Underlying Funds on an ongoing basis and rebalances the Fund's assets among the Underlying Funds.

Risk associated with financial instruments (note 4)

Interest rate risk

The Fund could be exposed to indirect interest rate risk to the extent that the Underlying Funds held financial instruments that were subject to interest rate risk.

Currency risk

The Fund could be exposed to indirect currency risk to the extent that the Underlying Funds held financial instruments that were denominated in a currency other than its functional currency.

Price risk

Price risk is the risk that the carrying value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) caused by factors specific to a security, its issuer or all factors affecting a market or a market segment. Exposure to price risk is mainly in equities, underlying funds, derivatives and commodities, as applicable. As at June 30, 2018, approximately 100.0% (December 31, 2017 – 99.8%) of the Fund's net assets were exposed to price risk. If prices of these instruments had decreased or increased by 10%, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by approximately \$74,400,334 (December 31, 2017 – \$77,263,037). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Credit risk

The Fund could be exposed to indirect credit risk to the extent that the Underlying Funds invested in bonds and debentures, derivatives, money market instruments or preferred shares.

Concentration risk

Concentration risk arises as a result of the concentration of financial instruments within the same category, geographical location, asset type or industry sector, as applicable. The table below is a summary of

the Fund's concentration risk by carrying value as a percentage of net assets:

	Percentage of net assets (%)	
	June 30, 2018	December 31, 2017
Canadian Equity Funds	12.0	12.1
Fixed Income Funds	67.7	67.4
Foreign Equity Funds	20.3	20.3

Fair Value Classification (note 2)

The tables below illustrate the classification of the Fund's financial instruments within the fair value hierarchy.

	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
June 30, 2018				
Underlying funds	744,003,339	–	–	744,003,339
	744,003,339	–	–	744,003,339

	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
December 31, 2017				
Underlying funds	772,630,369	–	–	772,630,369
	772,630,369	–	–	772,630,369

Transfers between levels

During the periods ended June 30, 2018 and December 31, 2017, there were no significant transfers between Level 1 and Level 2.

Offsetting of financial assets and liabilities (note 2)

As at June 30, 2018 and December 31, 2017, the Fund did not enter into any agreement whereby the financial instruments were eligible for offset.

Scotia Partners Income Portfolio (Unaudited – Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

Interest in Underlying Funds (note 2)

The following tables present the percentage of the Underlying Funds owned by the Fund.

Underlying Fund	June 30, 2018	
	Carrying value of the Underlying Fund (\$)	Ownership percentage in Underlying Fund (%)
Scotia Private Global Credit Pool Series I	56,066,865	13.6
Dynamic Canadian Bond Fund Series O	83,854,435	6.1
Dynamic Total Return Bond Fund Series O	195,713,382	6.1
Scotia Private Canadian Corporate Bond Pool Series I	139,704,321	2.4
Scotia Private Canadian All Cap Equity Pool Series I	9,299,323	2.2
Dynamic Dividend Advantage Fund Series O	9,265,820	1.3
Dynamic Small Business Fund Series O	16,747,475	1.3
Dynamic Global Infrastructure Fund Series O	14,896,861	1.2
Mawer U.S. Equity Fund Class O	18,287,408	0.7
AGF Global Dividend Fund Series O	14,697,459	0.6
Mackenzie Ivy Foreign Equity Fund Series O	25,544,541	0.6
Scotia Canadian Dividend Fund Series I	44,672,256	0.5
PIMCO Monthly Income Fund (Canada) Class I	84,288,018	0.5
Mawer International Equity Fund Class O	21,753,847	0.4
CI Cambridge Canadian Equity Corporate Class, Class I	9,211,328	0.2
	744,003,339	

Comparison of net asset value and net assets per unit (note 2)

As at June 30, 2018 or December 31, 2017, there were no differences between the net asset value per unit and the net assets per unit for any series of the Fund.

Underlying Fund	December 31, 2017	
	Carrying value of the Underlying Fund (\$)	Ownership percentage in Underlying Fund (%)
Scotia Private Global Credit Pool Series I	58,316,982	13.8
Dynamic Total Return Bond Fund Series O	204,172,393	7.4
Dynamic Canadian Bond Fund Series O	85,995,829	6.1
Scotia Private Canadian All Cap Equity Pool Series I	9,825,824	2.5
Scotia Private Canadian Corporate Bond Pool Series I	144,036,873	2.4
Dynamic Small Business Fund Series O	17,612,300	1.5
Dynamic Global Infrastructure Fund Series O	15,422,961	1.3
Dynamic Dividend Advantage Fund Series O	9,588,815	1.2
Mawer U.S. Equity Fund Class O	18,778,907	0.7
PIMCO Monthly Income Fund (Canada) Class I	87,709,523	0.6
AGF Global Dividend Fund Series O	15,258,772	0.6
Mackenzie Ivy Foreign Equity Fund Series O	26,360,431	0.6
Scotia Canadian Dividend Fund Series I	46,740,703	0.5
Mawer International Equity Fund Class O	23,078,262	0.5
CI Cambridge Canadian Equity Corporate Class, Class I	9,731,794	0.2
	772,630,369	

The accompanying notes are an integral part of the financial statements.

Scotia Partners Balanced Income Portfolio (Unaudited)

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	June 30, 2018	December 31, 2017
ASSETS		
Current assets		
Financial assets at fair value through profit or loss (note 2)		
Non-derivative financial assets	1,279,524,172	1,327,593,055
Cash	1,989,156	1,940,493
Receivable for securities sold	1,779,750	388,375
Subscriptions receivable	752,729	849,681
Accrued investment income and other	2,013	1,635
	<u>1,284,047,820</u>	<u>1,330,773,239</u>
LIABILITIES		
Current liabilities		
Management fee payable	2,102,838	–
Redemptions payable	1,979,631	740,851
Accrued expenses	57,432	–
Distributions payable	4,891	40,378
	<u>4,144,792</u>	<u>781,229</u>
Net assets attributable to holders of redeemable units	<u>1,279,903,028</u>	<u>1,329,992,010</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series A	1,276,858,970	1,327,290,906
Series F	489,078	428,295
Series T	<u>2,554,980</u>	<u>2,272,809</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series A	14.17	14.17
Series F	14.31	14.05
Series T	<u>14.61</u>	<u>15.00</u>

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended June 30 (note 1),

(in dollars except average units)	2018	2017
INCOME		
Net gain (loss) on financial assets and liabilities at fair value through profit or loss		
Dividends	3,006,618	2,889,615
Interest for distribution purposes	17,874,038	19,142,021
Net realized gain (loss) on non-derivative financial assets	9,128,302	6,380,793
Change in unrealized gain (loss) on non-derivative financial assets	<u>(16,363,381)</u>	<u>25,856,736</u>
Net gain (loss) on financial assets and liabilities at fair value through profit or loss	13,645,577	54,269,165
Other income	6,877	11,770
Total income (loss), net	<u>13,652,454</u>	<u>54,280,935</u>
EXPENSES		
Management fees (note 5)	12,029,423	12,128,774
Fixed administration fees (note 6)	325,183	327,829
Independent Review Committee fees	587	576
Foreign withholding taxes/tax reclaims	–	(26,571)
Harmonized Sales Tax/Goods and Services Tax	<u>1,372,909</u>	<u>1,382,894</u>
Total expenses	<u>13,728,102</u>	<u>13,813,502</u>
Increase (decrease) in net assets attributable to holders of redeemable units from operations	<u>(75,648)</u>	<u>40,467,433</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A	(71,686)	40,435,013
Series F	9,514	6,673
Series T	<u>(13,476)</u>	<u>25,747</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT[†]		
Series A	(0.00)	0.43
Series F	0.28	0.52
Series T	<u>(0.08)</u>	<u>0.34</u>
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series A	92,298,032	94,179,878
Series F	33,490	12,815
Series T	<u>159,993</u>	<u>75,175</u>

[†] The increase (decrease) in net assets attributable to holders of redeemable units from operations per unit is calculated by dividing the increase (decrease) in net assets attributable to holders of redeemable units from operations per series by the weighted average number of units per series.

The accompanying notes are an integral part of the financial statements.

Scotia Partners Balanced Income Portfolio (Unaudited – Continued)

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the periods ended June 30 (note 1),

(in dollars)	2018	2017
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series A	1,327,290,906	1,279,928,076
Series F	428,295	197,467
Series T	2,272,809	790,017
	<u>1,329,992,010</u>	<u>1,280,915,560</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A	(71,686)	40,435,013
Series F	9,514	6,673
Series T	(13,476)	25,747
	<u>(75,648)</u>	<u>40,467,433</u>
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net investment income		
Series T	(22,277)	(23,336)
From net realized gains on investments		
Series T	(4,191)	–
From return of capital		
Series T	(22,101)	–
	<u>(48,569)</u>	<u>(23,336)</u>
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A	91,971,739	122,100,425
Series F	250,031	–
Series T	606,997	795,522
Reinvested distributions		
Series A	–	(3,908)
Series T	27,086	8,320
Payments on redemption		
Series A	(142,331,989)	(110,905,113)
Series F	(198,762)	(35,211)
Series T	(289,867)	(140,219)
	<u>(49,964,765)</u>	<u>11,819,816</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A	(50,431,936)	51,626,417
Series F	60,783	(28,538)
Series T	282,171	666,034
	<u>(50,088,982)</u>	<u>52,263,913</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series A	1,276,858,970	1,331,554,493
Series F	489,078	168,929
Series T	2,554,980	1,456,051
	<u>1,279,903,028</u>	<u>1,333,179,473</u>

STATEMENTS OF CASH FLOWS

For the periods ended June 30 (note 1),

(in dollars)	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	(75,648)	40,467,433
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(9,128,302)	(6,380,793)
Change in unrealized (gain) loss on non-derivative financial assets	16,363,381	(25,856,736)
Non-cash transactions	(20,867,118)	(22,045,397)
Purchases of portfolio investments	–	(51,263,244)
Proceeds from sale of portfolio investments	60,309,547	52,286,200
Accrued investment income and other	(378)	(1,606,131)
Accrued expenses and other payables	2,160,270	2,270,862
Net cash provided by (used in) operating activities	<u>48,761,752</u>	<u>(12,127,806)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	92,570,452	121,897,550
Amounts paid on redemption of redeemable units	(141,226,572)	(110,408,738)
Distributions to unitholders of redeemable units	(56,969)	(140,245)
Net cash provided by (used in) financing activities	<u>(48,713,089)</u>	<u>11,348,567</u>
Net increase (decrease) in cash	48,663	(779,239)
Cash (bank overdraft), beginning of period	1,940,493	5,566,279
CASH (BANK OVERDRAFT), END OF PERIOD	<u>1,989,156</u>	<u>4,787,040</u>
Interest received, net of withholding taxes ⁽¹⁾	13,159	14,435
Dividends received, net of withholding taxes ⁽¹⁾	–	–

⁽¹⁾ Classified as operating items.

Scotia Partners Balanced Income Portfolio (Unaudited – Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at June 30, 2018

Issuer	Number of Units	Average Cost (\$)	Carrying Value (\$)
CANADIAN EQUITY FUNDS – 17.0%			
CI Cambridge Canadian Equity Corporate Class, Class I	1,478,164	26,612,952	31,766,489
Dynamic Dividend Advantage Fund Series O [†]	4,665,861	35,559,766	35,180,593
Dynamic Small Business Fund Series O [†]	2,271,017	34,947,513	41,650,455
Scotia Canadian Dividend Fund Series I [†]	1,393,831	61,843,837	86,530,437
Scotia Private Canadian All Cap Equity Pool Series I [†]	2,001,105	20,206,181	22,478,608
		<u>179,170,249</u>	<u>217,606,582</u>
FIXED INCOME FUNDS – 58.7%			
Dynamic Canadian Bond Fund Series O [†]	16,386,845	86,353,589	83,736,777
Dynamic Total Return Bond Fund Series O [†]	17,400,699	171,418,853	167,220,722
PIMCO Monthly Income Fund (Canada) Series I	8,968,141	127,470,503	125,459,805
Scotia Canadian Income Fund Series I [†]	12,587,396	170,584,408	166,959,227
Scotia Private Canadian Corporate Bond Pool Series I [†]	19,709,698	209,432,131	208,349,250
		<u>765,259,484</u>	<u>751,725,781</u>
FOREIGN EQUITY FUNDS – 24.2%			
AGF Global Dividend Fund Series O	1,181,704	27,680,772	34,730,279
Dynamic Global Infrastructure Fund Series O [†]	1,109,262	18,293,040	22,484,749
Mackenzie Ivy Foreign Equity Fund Series O	4,378,198	51,199,701	57,318,488
Mackenzie US Mid Cap Growth Class Series O	372,366	9,575,697	18,552,220
Mawer International Equity Fund Class O	955,300	47,248,014	59,025,628
Mawer U.S. Equity Fund Series O	714,259	20,272,188	34,700,974
Scotia Private Global Credit Pool Series I [†]	8,776,325	87,110,489	83,379,471
		<u>261,379,901</u>	<u>310,191,809</u>
TOTAL INVESTMENT PORTFOLIO		<u><u>1,205,809,634</u></u>	<u><u>1,279,524,172</u></u>
OTHER ASSETS, LESS LIABILITIES – 0.1%			<u>378,856</u>
NET ASSETS – 100.0%			<u><u>1,279,903,028</u></u>

[†] These securities are investments in related parties (note 10).

Scotia Partners Balanced Income Portfolio (Unaudited – Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

The Fund (note 1)

The Fund's objective is to achieve a balance of current income and long term capital appreciation, with a bias towards income. It invests primarily in a diversified mix of equity and income mutual funds managed by other mutual fund managers and by us.

The Fund invests primarily in funds managed by the Manager and/or by the third party investment managers (the "Underlying Funds"). To ensure the Fund's composition meets the investment objectives of the Fund, the portfolio advisor monitors the Underlying Funds on an ongoing basis and rebalances the Fund's assets among the Underlying Funds.

Risk associated with financial instruments (note 4)

Interest rate risk

The Fund could be exposed to indirect interest rate risk to the extent that the Underlying Funds held financial instruments that were subject to interest rate risk.

Currency risk

The Fund could be exposed to indirect currency risk to the extent that the Underlying Funds held financial instruments that were denominated in a currency other than its functional currency.

Price risk

Price risk is the risk that the carrying value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) caused by factors specific to a security, its issuer or all factors affecting a market or a market segment. Exposure to price risk is mainly in equities, underlying funds, derivatives and commodities, as applicable. As at June 30, 2018, approximately 99.9% (December 31, 2017 – 99.8%) of the Fund's net assets were exposed to price risk. If prices of these instruments had decreased or increased by 10%, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by approximately \$127,952,417 (December 31, 2017 – \$132,759,306). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Credit risk

The Fund could be exposed to indirect credit risk to the extent that the Underlying Funds invested in bonds and debentures, derivatives, money market instruments or preferred shares.

Concentration risk

Concentration risk arises as a result of the concentration of financial instruments within the same category, geographical location, asset type or industry sector, as applicable. The table below is a summary of

the Fund's concentration risk by carrying value as a percentage of net assets:

	Percentage of net assets (%)	
	June 30, 2018	December 31, 2017
Canadian Equity Funds	17.0	17.2
Fixed Income Funds	58.7	58.2
Foreign Equity Funds	24.2	24.4

Fair Value Classification (note 2)

The tables below illustrate the classification of the Fund's financial instruments within the fair value hierarchy.

	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
June 30, 2018				
Underlying funds	1,279,524,172	–	–	1,279,524,172
	1,279,524,172	–	–	1,279,524,172

	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
December 31, 2017				
Underlying funds	1,327,593,055	–	–	1,327,593,055
	1,327,593,055	–	–	1,327,593,055

Transfers between levels

During the periods ended June 30, 2018 and December 31, 2017, there were no significant transfers between Level 1 and Level 2.

Offsetting of financial assets and liabilities (note 2)

As at June 30, 2018 and December 31, 2017, the Fund did not enter into any agreement whereby the financial instruments were eligible for offset.

Scotia Partners Balanced Income Portfolio (Unaudited – Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

Interest in Underlying Funds (note 2)

The following tables present the percentage of the Underlying Funds owned by the Fund.

Underlying Fund	June 30, 2018	
	Carrying value of the Underlying Fund (\$)	Ownership percentage in Underlying Fund (%)
Scotia Private Global Credit Pool Series I	83,379,471	20.2
Dynamic Canadian Bond Fund Series O	83,736,777	6.1
Scotia Private Canadian All Cap Equity Pool Series I	22,478,608	5.4
Dynamic Total Return Bond Fund Series O	167,220,722	5.3
Dynamic Dividend Advantage Fund Series O	35,180,593	5.0
Scotia Private Canadian Corporate Bond Pool Series I	208,349,250	3.6
Dynamic Small Business Fund Series O	41,650,455	3.3
Scotia Canadian Income Fund Series I	166,959,227	2.8
Dynamic Global Infrastructure Fund Series O	22,484,749	1.8
AGF Global Dividend Fund Series O	34,730,279	1.3
Mackenzie Ivy Foreign Equity Fund Series O	57,318,488	1.3
Mawer U.S. Equity Fund Class O	34,700,974	1.3
Mawer International Equity Fund Class O	59,025,628	1.1
Scotia Canadian Dividend Fund Series I	86,530,437	0.9
Mackenzie US Mid Cap Growth Class Series O	18,552,220	0.8
CI Cambridge Canadian Equity Corporate Class, Class I	31,766,489	0.7
PIMCO Monthly Income Fund (Canada) Class I	125,459,805	0.7
	1,279,524,172	

Underlying Fund	December 31, 2017	
	Carrying value of the Underlying Fund (\$)	Ownership percentage in Underlying Fund (%)
Scotia Private Global Credit Pool Series I	87,776,014	20.7
Dynamic Total Return Bond Fund Series O	172,228,935	6.2
Scotia Private Canadian All Cap Equity Pool Series I	23,542,468	6.0
Dynamic Canadian Bond Fund Series O	85,170,738	6.0
Dynamic Dividend Advantage Fund Series O	37,173,614	4.6
Dynamic Small Business Fund Series O	44,161,384	3.9
Scotia Private Canadian Corporate Bond Pool Series I	213,060,525	3.6
Scotia Canadian Income Fund Series I	172,644,234	2.9
Dynamic Global Infrastructure Fund Series O	23,273,179	2.0
AGF Global Dividend Fund Series O	36,258,904	1.4
Mawer U.S. Equity Fund Class O	35,806,155	1.4
Mackenzie Ivy Foreign Equity Fund Series O	59,190,956	1.3
Mawer International Equity Fund Class O	62,932,002	1.3
Scotia Canadian Dividend Fund Series I	90,534,749	1.0
Mackenzie US Mid Cap Growth Class Series O	19,724,615	1.0
PIMCO Monthly Income Fund (Canada) Class I	130,717,045	0.8
CI Cambridge Canadian Equity Corporate Class, Class I	33,397,538	0.7
	1,327,593,055	

Comparison of net asset value and net assets per unit (note 2)

As at June 30, 2018 or December 31, 2017, there were no differences between the net asset value per unit and the net assets per unit for any series of the Fund.

Scotia Partners Balanced Growth Portfolio (Unaudited)

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	June 30, 2018	December 31, 2017
ASSETS		
Current assets		
Financial assets at fair value through profit or loss (note 2)		
Non-derivative financial assets	2,997,596,644	2,987,123,491
Cash	7,242,776	3,260,192
Receivable for securities sold	636,500	2,652,300
Subscriptions receivable	1,972,200	1,935,629
Accrued investment income and other	5,281	4,458
	<u>3,007,453,401</u>	<u>2,994,976,070</u>
LIABILITIES		
Current liabilities		
Management fee payable	5,177,519	–
Redemptions payable	3,110,682	2,024,690
Accrued expenses	106,931	–
Distributions payable	9,445	19,838
	<u>8,404,577</u>	<u>2,044,528</u>
Net assets attributable to holders of redeemable units	<u>2,999,048,824</u>	<u>2,992,931,542</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series A	2,987,258,273	2,986,791,597
Series F	7,827,341	2,246,785
Series T	<u>3,963,210</u>	<u>3,893,160</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series A	17.49	17.30
Series F	18.87	18.31
Series T	<u>15.52</u>	<u>15.72</u>

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended June 30 (note 1),

(in dollars except average units)	2018	2017
INCOME		
Net gain (loss) on financial assets and liabilities at fair value through profit or loss		
Dividends	11,810,269	10,846,225
Interest for distribution purposes	24,101,567	24,534,629
Net realized gain (loss) on non-derivative financial assets	27,052,557	22,310,444
Change in unrealized gain (loss) on non-derivative financial assets	<u>2,819,825</u>	<u>97,069,371</u>
Net gain (loss) on financial assets and liabilities at fair value through profit or loss	65,784,218	154,760,669
Other income	21,759	16,819
Total income (loss), net	<u>65,805,977</u>	<u>154,777,488</u>
EXPENSES		
Management fees (note 5)	29,053,137	28,159,256
Fixed administration fees (note 6)	596,524	577,051
Independent Review Committee fees	587	576
Foreign withholding taxes/tax reclaims	–	(9,946)
Harmonized Sales Tax/Goods and Services Tax	<u>3,263,746</u>	<u>3,164,209</u>
Total expenses	<u>32,913,994</u>	<u>31,891,146</u>
Increase (decrease) in net assets attributable to holders of redeemable units from operations	<u>32,891,983</u>	<u>122,886,342</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A	32,764,032	122,766,099
Series F	83,278	48,754
Series T	<u>44,673</u>	<u>71,489</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT[†]		
Series A	0.19	0.70
Series F	0.28	0.66
Series T	<u>0.17</u>	<u>0.54</u>
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series A	172,261,579	174,281,782
Series F	298,526	73,946
Series T	<u>255,505</u>	<u>133,240</u>

[†] The increase (decrease) in net assets attributable to holders of redeemable units from operations per unit is calculated by dividing the increase (decrease) in net assets attributable to holders of redeemable units from operations per series by the weighted average number of units per series.

The accompanying notes are an integral part of the financial statements.

Scotia Partners Balanced Growth Portfolio (Unaudited – Continued)

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the periods ended June 30 (note 1),

(in dollars)	2018	2017
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series A	2,986,791,597	2,802,966,150
Series F	2,246,785	1,152,696
Series T	3,893,160	1,493,871
	<u>2,992,931,542</u>	<u>2,805,612,717</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A	32,764,032	122,766,099
Series F	83,278	48,754
Series T	44,673	71,489
	<u>32,891,983</u>	<u>122,886,342</u>
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net investment income		
Series T	(18,718)	–
From net realized gains on investments		
Series T	–	(37,504)
From return of capital		
Series T	(76,696)	(15,836)
	<u>(95,414)</u>	<u>(53,340)</u>
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A	195,708,676	196,033,225
Series F	6,091,257	523,975
Series T	1,091,588	1,278,296
Reinvested distributions		
Series T	32,557	17,085
Payments on redemption		
Series A	(228,006,032)	(203,272,674)
Series F	(593,979)	(260,074)
Series T	(1,003,354)	(176,449)
	<u>(26,679,287)</u>	<u>(5,856,616)</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A	466,676	115,526,650
Series F	5,580,556	312,655
Series T	70,050	1,137,081
	<u>6,117,282</u>	<u>116,976,386</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series A	2,987,258,273	2,918,492,800
Series F	7,827,341	1,465,351
Series T	3,963,210	2,630,952
	<u>2,999,048,824</u>	<u>2,922,589,103</u>

STATEMENTS OF CASH FLOWS

For the periods ended June 30 (note 1),

(in dollars)	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	32,891,983	122,886,342
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(27,052,557)	(22,310,444)
Change in unrealized (gain) loss on non-derivative financial assets	(2,819,825)	(97,069,371)
Non-cash transactions	(35,869,479)	(35,368,735)
Purchases of portfolio investments	(4,680,000)	(78,306,017)
Proceeds from sale of portfolio investments	61,964,508	113,200,194
Accrued investment income and other	(823)	(1,904,986)
Accrued expenses and other payables	5,284,450	5,227,963
Net cash provided by (used in) operating activities	<u>29,718,257</u>	<u>6,354,946</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	196,924,055	196,658,698
Amounts paid on redemption of redeemable units	(222,586,478)	(202,186,172)
Distributions to unitholders of redeemable units	(73,250)	(294,328)
Net cash provided by (used in) financing activities	<u>(25,735,673)</u>	<u>(5,821,802)</u>
Net increase (decrease) in cash	3,982,584	533,144
Cash (bank overdraft), beginning of period	3,260,192	9,086,344
CASH (BANK OVERDRAFT), END OF PERIOD	<u>7,242,776</u>	<u>9,619,488</u>
Interest received, net of withholding taxes ⁽¹⁾	41,534	23,024

⁽¹⁾ Classified as operating items.

Scotia Partners Balanced Growth Portfolio (Unaudited – Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at June 30, 2018

Issuer	Number of Units	Average Cost (\$)	Carrying Value (\$)
CANADIAN EQUITY FUNDS – 28.7%			
CI Cambridge Canadian Equity Corporate Class, Class I	4,924,302	73,451,491	105,825,711
Dynamic Small Business Fund Series O†	6,734,973	103,330,727	123,519,397
Dynamic Value Fund of Canada Series O†	7,865,279	93,847,986	90,608,016
Scotia Canadian Dividend Fund Series I†	4,871,188	206,971,594	302,408,226
Scotia Private Canadian All Cap Equity Pool Series I†	9,729,175	97,965,594	109,288,793
Scotia Private Fundamental Canadian Equity Pool Series I†	12,271,185	122,697,920	130,180,095
		<u>698,265,312</u>	<u>861,830,238</u>
FIXED INCOME FUNDS – 35.3%			
Dynamic Total Return Bond Fund Series O†	21,501,737	212,401,027	206,631,693
PIMCO Monthly Income Fund (Canada) Series I	12,872,376	187,591,001	180,078,111
Scotia Canadian Income Fund Series I†	28,683,461	386,685,714	380,457,429
Scotia Private Canadian Corporate Bond Pool Series I†	27,511,330	289,391,367	290,819,515
		<u>1,076,069,109</u>	<u>1,057,986,748</u>
FOREIGN EQUITY FUNDS – 35.9%			
AGF Global Dividend Fund Series O	4,841,747	107,898,311	142,298,939
Dynamic Global Equity Fund Series O†	8,934,207	101,355,702	142,768,624
Dynamic Global Infrastructure Fund Series O†	4,869,299	87,145,603	98,700,699
Mackenzie Emerging Markets Class Series O	1,269,855	35,383,047	41,909,919
Mackenzie Ivy Foreign Equity Fund Series O	3,404,095	36,431,811	44,565,728
Mackenzie US Mid Cap Growth Class Series O	1,961,247	41,715,252	97,714,413
Mawer International Equity Fund Class O	2,433,414	110,130,771	150,354,573
Mawer U.S. Equity Fund Series O	2,991,729	81,366,001	145,347,766
Scotia Global Growth Fund Series I†	1,120,553	55,189,696	97,184,062
Scotia Private Global Credit Pool Series I†	12,308,293	122,167,556	116,934,935
		<u>778,783,750</u>	<u>1,077,779,658</u>
TOTAL INVESTMENT PORTFOLIO		<u><u>2,553,118,171</u></u>	<u><u>2,997,596,644</u></u>
OTHER ASSETS, LESS LIABILITIES – 0.1%			<u>1,452,180</u>
NET ASSETS – 100.0%			<u><u>2,999,048,824</u></u>

† These securities are investments in related parties (note 10).

Scotia Partners Balanced Growth Portfolio (Unaudited – Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

The Fund (note 1)

The Fund's objective is to achieve a balance of current income and long term capital appreciation, with a small bias towards capital appreciation. It invests primarily in a diversified mix of equity and income mutual funds managed by other mutual fund managers and by us.

The Fund invests primarily in funds managed by the Manager and/or by the third party investment managers (the "Underlying Funds"). To ensure the Fund's composition meets the investment objectives of the Fund, the portfolio advisor monitors the Underlying Funds on an ongoing basis and rebalances the Fund's assets among the Underlying Funds.

Risk associated with financial instruments (note 4)

Interest rate risk

The Fund could be exposed to indirect interest rate risk to the extent that the Underlying Funds held financial instruments that were subject to interest rate risk.

Currency risk

The Fund could be exposed to indirect currency risk to the extent that the Underlying Funds held financial instruments that were denominated in a currency other than its functional currency.

Price risk

Price risk is the risk that the carrying value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) caused by factors specific to a security, its issuer or all factors affecting a market or a market segment. Exposure to price risk is mainly in equities, underlying funds, derivatives and commodities, as applicable. As at June 30, 2018, approximately 99.9% (December 31, 2017 – 99.8%) of the Fund's net assets were exposed to price risk. If prices of these instruments had decreased or increased by 10%, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by approximately \$299,759,664 (December 31, 2017 – \$298,712,349). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Credit risk

The Fund could be exposed to indirect credit risk to the extent that the Underlying Funds invested in bonds and debentures, derivatives, money market instruments or preferred shares.

Concentration risk

Concentration risk arises as a result of the concentration of financial instruments within the same category, geographical location, asset type or industry sector, as applicable. The table below is a summary of

the Fund's concentration risk by carrying value as a percentage of net assets:

	Percentage of net assets (%)	
	June 30, 2018	December 31, 2017
Canadian Equity Funds	28.7	28.5
Fixed Income Funds	35.3	35.1
Foreign Equity Funds	35.9	36.2

Fair Value Classification (note 2)

The tables below illustrate the classification of the Fund's financial instruments within the fair value hierarchy.

	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
June 30, 2018				
Underlying funds	2,997,596,644	–	–	2,997,596,644
	2,997,596,644	–	–	2,997,596,644

	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
December 31, 2017				
Underlying funds	2,987,123,491	–	–	2,987,123,491
	2,987,123,491	–	–	2,987,123,491

Transfers between levels

During the periods ended June 30, 2018 and December 31, 2017, there were no significant transfers between Level 1 and Level 2.

Offsetting of financial assets and liabilities (note 2)

As at June 30, 2018 and December 31, 2017, the Fund did not enter into any agreement whereby the financial instruments were eligible for offset.

Scotia Partners Balanced Growth Portfolio (Unaudited – Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

Interest in Underlying Funds (note 2)

The following tables present the percentage of the Underlying Funds owned by the Fund.

Underlying Fund	June 30, 2018	
	Carrying value of the Underlying Fund (\$)	Ownership percentage in Underlying Fund (%)
Scotia Private Fundamental Canadian Equity Pool Series I	130,180,095	45.4
Scotia Private Global Credit Pool Series I	116,934,935	28.3
Scotia Private Canadian All Cap Equity Pool Series I	109,288,793	26.2
Dynamic Global Equity Fund Series O	142,768,624	15.9
Dynamic Small Business Fund Series O	123,519,397	9.8
Mackenzie Emerging Markets Class Series O	41,909,919	9.0
Scotia Global Growth Fund Series I	97,184,062	8.4
Dynamic Global Infrastructure Fund Series O	98,700,699	7.8
Dynamic Total Return Bond Fund Series O	206,631,693	6.5
Scotia Canadian Income Fund Series I	380,457,429	6.3
Dynamic Value Fund of Canada Series O	90,608,016	6.1
AGF Global Dividend Fund Series O	142,298,939	5.4
Mawer U.S. Equity Fund Class O	145,347,766	5.4
Scotia Private Canadian Corporate Bond Pool Series I	290,819,515	5.0
Mackenzie US Mid Cap Growth Class Series O	97,714,413	4.1
Scotia Canadian Dividend Fund Series I	302,408,226	3.2
Mawer International Equity Fund Class O	150,354,573	2.9
CI Cambridge Canadian Equity Corporate Class, Class I	105,825,711	2.2
PIMCO Monthly Income Fund (Canada) Class I	180,078,111	1.0
Mackenzie Ivy Foreign Equity Fund Series O	44,565,728	1.0
	2,997,596,644	

Underlying Fund	December 31, 2017	
	Carrying value of the Underlying Fund (\$)	Ownership percentage in Underlying Fund (%)
Scotia Private Fundamental Canadian Equity Pool Series I	128,328,373	45.5
Scotia Private Global Credit Pool Series I	120,067,722	28.3
Scotia Private Canadian All Cap Equity Pool Series I	107,246,654	27.4
Dynamic Global Equity Fund Series O	143,930,493	16.3
Dynamic Small Business Fund Series O	122,294,842	10.7
Scotia Global Growth Fund Series I	97,547,232	9.1
Dynamic Global Infrastructure Fund Series O	96,131,862	8.1
Dynamic Total Return Bond Fund Series O	206,222,454	7.5
Scotia Canadian Income Fund Series I	376,863,237	6.3
Dynamic Value Fund of Canada Series O	87,718,088	5.6
AGF Global Dividend Fund Series O	142,742,616	5.6
Mawer U.S. Equity Fund Class O	143,512,829	5.5
Scotia Private Canadian Corporate Bond Pool Series I	288,219,522	4.9
Mackenzie US Mid Cap Growth Class Series O	97,681,266	4.9
Mackenzie Emerging Markets Class Series O	45,440,582	4.3
Scotia Canadian Dividend Fund Series I	302,206,582	3.2
Mawer International Equity Fund Class O	152,261,337	3.1
CI Cambridge Canadian Equity Corporate Class, Class I	104,394,300	2.1
PIMCO Monthly Income Fund (Canada) Class I	180,551,001	1.2
Mackenzie Ivy Foreign Equity Fund Series O	43,762,499	1.0
	2,987,123,491	

Comparison of net asset value and net assets per unit (note 2)

As at June 30, 2018 or December 31, 2017, there were no differences between the net asset value per unit and the net assets per unit for any series of the Fund.

Scotia Partners Growth Portfolio (Unaudited)

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	June 30, 2018	December 31, 2017
ASSETS		
Current assets		
Financial assets at fair value through profit or loss (note 2)		
Non-derivative financial assets	3,556,819,931	3,514,670,368
Cash	8,100,975	4,420,755
Receivable for securities sold	2,760,950	2,822,500
Subscriptions receivable	1,880,955	1,788,532
Accrued investment income and other	6,599	11,862
	<u>3,569,569,410</u>	<u>3,523,714,017</u>
LIABILITIES		
Current liabilities		
Management fee payable	6,455,932	–
Redemptions payable	3,731,899	2,269,819
Accrued expenses	126,634	–
Distributions payable	1,641	393
	<u>10,316,106</u>	<u>2,270,212</u>
Net assets attributable to holders of redeemable units	<u>3,559,253,304</u>	<u>3,521,443,805</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series A	3,553,557,776	3,517,109,444
Series F	4,579,307	3,653,526
Series T	1,116,221	680,835
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series A	22.52	22.15
Series F	25.17	24.63
Series T	15.77	15.82

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended June 30 (note 1),

(in dollars except average units)	2018	2017
INCOME		
Net gain (loss) on financial assets and liabilities at fair value through profit or loss		
Dividends	18,669,254	16,858,809
Interest for distribution purposes	18,160,174	18,001,474
Net realized gain (loss) on non-derivative financial assets	38,961,999	36,638,587
Change in unrealized gain (loss) on non-derivative financial assets	<u>23,867,689</u>	<u>146,527,091</u>
Net gain (loss) on financial assets and liabilities at fair value through profit or loss		
	99,659,116	218,025,961
Other income	16,858	14,407
Total income (loss), net	<u>99,675,974</u>	<u>218,040,368</u>
EXPENSES		
Management fees (note 5)	36,192,414	34,705,760
Fixed administration fees (note 6)	706,597	675,902
Independent Review Committee fees	587	576
Foreign withholding taxes/tax reclaims	–	(10,872)
Harmonized Sales Tax/Goods and Services Tax	<u>3,892,954</u>	<u>3,732,807</u>
Total expenses	<u>40,792,552</u>	<u>39,104,173</u>
Increase (decrease) in net assets attributable to holders of redeemable units from operations	<u>58,883,422</u>	<u>178,936,195</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A	58,778,406	178,738,057
Series F	91,864	175,536
Series T	13,152	22,602
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT[†]		
Series A	0.37	1.11
Series F	0.55	1.34
Series T	0.21	0.75
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series A	158,669,297	161,598,325
Series F	167,442	131,339
Series T	63,340	30,167

[†] The increase (decrease) in net assets attributable to holders of redeemable units from operations per unit is calculated by dividing the increase (decrease) in net assets attributable to holders of redeemable units from operations per series by the weighted average number of units per series.

Scotia Partners Growth Portfolio (Unaudited – Continued)

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the periods ended June 30 (note 1),

(in dollars)	2018	2017
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series A	3,517,109,444	3,270,878,145
Series F	3,653,526	2,912,642
Series T	680,835	308,613
	<u>3,521,443,805</u>	<u>3,274,099,400</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A	58,778,406	178,738,057
Series F	91,864	175,536
Series T	13,152	22,602
	<u>58,883,422</u>	<u>178,936,195</u>
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net realized gains on investments		
Series T	–	(11,605)
From return of capital		
Series T	(24,477)	–
	<u>(24,477)</u>	<u>(11,605)</u>
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A	224,761,746	206,678,371
Series F	1,634,888	283,585
Series T	681,528	217,076
Reinvested distributions		
Series T	15,512	10,270
Payments on redemption		
Series A	(247,091,820)	(237,647,219)
Series F	(800,971)	(310,632)
Series T	(250,329)	(56,000)
	<u>(21,049,446)</u>	<u>(30,824,549)</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A	36,448,332	147,769,209
Series F	925,781	148,489
Series T	435,386	182,343
	<u>37,809,499</u>	<u>148,100,041</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series A	3,553,557,776	3,418,647,354
Series F	4,579,307	3,061,131
Series T	1,116,221	490,956
	<u>3,559,253,304</u>	<u>3,422,199,441</u>

STATEMENTS OF CASH FLOWS

For the periods ended June 30 (note 1),

(in dollars)	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	58,883,422	178,936,195
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(38,961,999)	(36,638,587)
Change in unrealized (gain) loss on non-derivative financial assets	(23,867,689)	(146,527,091)
Non-cash transactions	(36,783,763)	(34,847,966)
Purchases of portfolio investments	(20,750,000)	(63,073,624)
Proceeds from sale of portfolio investments	78,275,438	133,011,137
Accrued investment income and other	5,263	(1,276,148)
Accrued expenses and other payables	6,582,566	6,415,406
	<u>23,383,238</u>	<u>35,999,322</u>
Net cash provided by (used in) operating activities	225,626,001	207,495,945
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	(245,321,302)	(236,893,370)
Amounts paid on redemption of redeemable units	(7,717)	(96,342)
Distributions to unitholders of redeemable units	(19,703,018)	(29,493,767)
Net cash provided by (used in) financing activities	3,680,220	6,505,555
Net increase (decrease) in cash	4,420,755	6,169,970
Cash (bank overdraft), beginning of period	8,100,975	12,675,525
CASH (BANK OVERDRAFT), END OF PERIOD	<u>12,521,730</u>	<u>18,845,495</u>
Interest received, net of withholding taxes ⁽¹⁾	50,927	27,557

⁽¹⁾ Classified as operating items.

Scotia Partners Growth Portfolio (Unaudited – Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at June 30, 2018

Issuer	Number of Units	Average Cost (\$)	Carrying Value (\$)
CANADIAN EQUITY FUNDS – 33.4%			
CI Cambridge Canadian Equity Corporate Class, Class I	12,289,026	162,193,094	264,097,313
Dynamic Small Business Fund Series O†	9,932,679	163,942,260	182,165,338
Dynamic Value Fund of Canada Series O†	15,266,566	153,373,757	175,870,846
Scotia Canadian Dividend Fund Series I†	4,820,469	208,100,225	299,259,532
Scotia Private Canadian All Cap Equity Pool Series I†	13,269,181	133,502,665	149,054,038
Scotia Private Fundamental Canadian Equity Pool Series I†	11,018,582	110,198,274	116,891,730
		<u>931,310,275</u>	<u>1,187,338,797</u>
FIXED INCOME FUNDS – 22.0%			
Dynamic Total Return Bond Fund Series O†	13,756,034	135,247,518	132,195,483
PIMCO Monthly Income Fund (Canada) Series I	9,280,635	135,367,210	129,831,437
Scotia Canadian Income Fund Series I†	22,864,279	307,374,374	303,271,792
Scotia Private Canadian Corporate Bond Pool Series I†	20,582,236	218,454,564	217,572,759
		<u>796,443,666</u>	<u>782,871,471</u>
FOREIGN EQUITY FUNDS – 44.6%			
Dynamic Global Equity Fund Series O†	14,699,268	170,655,855	234,894,304
Dynamic Global Infrastructure Fund Series O†	3,555,170	64,360,615	72,063,290
Invesco International Growth Fund Series I	14,765,199	103,080,906	147,843,937
Mackenzie Emerging Markets Class Series O	3,766,676	104,231,363	124,314,259
Mackenzie US Mid Cap Growth Class Series O	3,262,809	77,930,504	162,561,631
Mawer International Equity Fund Class O	3,662,967	163,136,082	226,325,598
Mawer U.S. Equity Fund Series O	4,534,951	126,017,849	220,322,426
Scotia Global Growth Fund Series I†	2,578,695	137,505,444	223,646,904
Scotia Private Global Credit Pool Series I†	9,046,662	89,748,873	85,947,812
Trimark Global Endeavour Fund Series I	2,171,102	44,900,203	88,689,502
		<u>1,081,567,694</u>	<u>1,586,609,663</u>
TOTAL INVESTMENT PORTFOLIO		<u><u>2,809,321,635</u></u>	<u><u>3,556,819,931</u></u>
OTHER ASSETS, LESS LIABILITIES – 0.0%			<u>2,433,373</u>
NET ASSETS – 100.0%			<u><u>3,559,253,304</u></u>

† These securities are investments in related parties (note 10).

Scotia Partners Growth Portfolio (Unaudited – Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

The Fund (note 1)

The Fund's objective is to achieve a balance of current income and long term capital appreciation, with a bias towards capital appreciation. It invests primarily in a diversified mix of equity and income mutual funds managed by other mutual fund managers and by us.

The Fund invests primarily in funds managed by the Manager and/or by the third party investment managers (the "Underlying Funds"). To ensure the Fund's composition meets the investment objectives of the Fund, the portfolio advisor monitors the Underlying Funds on an ongoing basis and rebalances the Fund's assets among the Underlying Funds.

Risk associated with financial instruments (note 4)

Interest rate risk

The Fund could be exposed to indirect interest rate risk to the extent that the Underlying Funds held financial instruments that were subject to interest rate risk.

Currency risk

The Fund could be exposed to indirect currency risk to the extent that the Underlying Funds held financial instruments that were denominated in a currency other than its functional currency.

Price risk

Price risk is the risk that the carrying value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) caused by factors specific to a security, its issuer or all factors affecting a market or a market segment. Exposure to price risk is mainly in equities, underlying funds, derivatives and commodities, as applicable. As at June 30, 2018, approximately 100.0% (December 31, 2017 – 99.8%) of the Fund's net assets were exposed to price risk. If prices of these instruments had decreased or increased by 10%, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by approximately \$355,681,993 (December 31, 2017 – \$351,467,037). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Credit risk

The Fund could be exposed to indirect credit risk to the extent that the Underlying Funds invested in bonds and debentures, derivatives, money market instruments or preferred shares.

Concentration risk

Concentration risk arises as a result of the concentration of financial instruments within the same category, geographical location, asset type or industry sector, as applicable. The table below is a summary of

the Fund's concentration risk by carrying value as a percentage of net assets:

	Percentage of net assets (%)	
	June 30, 2018	December 31, 2017
Canadian Equity Funds	33.4	33.2
Fixed Income Funds	22.0	21.8
Foreign Equity Funds	44.6	44.8

Fair Value Classification (note 2)

The tables below illustrate the classification of the Fund's financial instruments within the fair value hierarchy.

	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
June 30, 2018				
Underlying funds	3,556,819,931	–	–	3,556,819,931
	3,556,819,931	–	–	3,556,819,931

	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
December 31, 2017				
Underlying funds	3,514,670,368	–	–	3,514,670,368
	3,514,670,368	–	–	3,514,670,368

Transfers between levels

During the periods ended June 30, 2018 and December 31, 2017, there were no significant transfers between Level 1 and Level 2.

Offsetting of financial assets and liabilities (note 2)

As at June 30, 2018 and December 31, 2017, the Fund did not enter into any agreement whereby the financial instruments were eligible for offset.

Scotia Partners Growth Portfolio (Unaudited – Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

Interest in Underlying Funds (note 2)

The following tables present the percentage of the Underlying Funds owned by the Fund.

Underlying Fund	June 30, 2018	
	Carrying value of the Underlying Fund (\$)	Ownership percentage in Underlying Fund (%)
Scotia Private Fundamental Canadian Equity Pool Series I	116,891,730	40.7
Scotia Private Canadian All Cap Equity Pool Series I	149,054,038	35.7
Invesco International Growth Fund Series I	147,843,937	33.6
Mackenzie Emerging Markets Class Series O	124,314,259	26.6
Dynamic Global Equity Fund Series O	234,894,304	26.1
Scotia Private Global Credit Pool Series I	85,947,812	20.8
Scotia Global Growth Fund Series I	223,646,904	19.3
Dynamic Small Business Fund Series O	182,165,338	14.5
Dynamic Value Fund of Canada Series O	175,870,846	11.9
Mawer U.S. Equity Fund Class O	220,322,426	8.1
Mackenzie US Mid Cap Growth Class Series O	162,561,631	6.9
Dynamic Global Infrastructure Fund Series O	72,063,290	5.7
CI Cambridge Canadian Equity Corporate Class, Class I	264,097,313	5.5
Trimark Global Endeavour Fund Series I	88,689,502	5.1
Scotia Canadian Income Fund Series I	303,271,792	5.0
Mawer International Equity Fund Class O	226,325,598	4.3
Dynamic Total Return Bond Fund Series O	132,195,483	4.2
Scotia Private Canadian Corporate Bond Pool Series I	217,572,759	3.8
Scotia Canadian Dividend Fund Series I	299,259,532	3.1
PIMCO Monthly Income Fund (Canada) Class I	129,831,437	0.7
	3,556,819,931	

Underlying Fund	December 31, 2017	
	Carrying value of the Underlying Fund (\$)	Ownership percentage in Underlying Fund (%)
Scotia Private Fundamental Canadian Equity Pool Series I	115,229,026	40.8
Scotia Private Canadian All Cap Equity Pool Series I	143,865,092	36.8
Invesco International Growth Fund Series I	149,660,056	33.1
Dynamic Global Equity Fund Series O	231,478,513	26.2
Scotia Global Growth Fund Series I	222,566,028	20.9
Scotia Private Global Credit Pool Series I	87,221,067	20.6
Dynamic Small Business Fund Series O	179,526,712	15.8
Mackenzie Emerging Markets Class Series O	134,533,307	12.8
Dynamic Value Fund of Canada Series O	170,839,466	10.9
Mawer U.S. Equity Fund Class O	211,113,138	8.1
Mackenzie US Mid Cap Growth Class Series O	159,650,143	8.0
Dynamic Global Infrastructure Fund Series O	68,462,344	5.8
Trimark Global Endeavour Fund Series I	89,361,283	5.4
CI Cambridge Canadian Equity Corporate Class, Class I	260,525,101	5.2
Scotia Canadian Income Fund Series I	297,542,782	4.9
Dynamic Total Return Bond Fund Series O	129,690,512	4.7
Mawer International Equity Fund Class O	223,670,968	4.5
Scotia Private Canadian Corporate Bond Pool Series I	210,814,601	3.5
Scotia Canadian Dividend Fund Series I	298,227,095	3.2
PIMCO Monthly Income Fund (Canada) Class I	130,693,134	0.8
	3,514,670,368	

Comparison of net asset value and net assets per unit (note 2)

As at June 30, 2018 or December 31, 2017, there were no differences between the net asset value per unit and the net assets per unit for any series of the Fund.

Scotia Partners Maximum Growth Portfolio (Unaudited)

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	June 30, 2018	December 31, 2017
ASSETS		
Current assets		
Financial assets at fair value through profit or loss (note 2)		
Non-derivative financial assets	968,504,480	936,486,892
Cash	3,577,081	1,935,226
Receivable for securities sold	–	261,000
Subscriptions receivable	1,027,989	774,713
Accrued investment income and other	2,105	1,892
	<u>973,111,655</u>	<u>939,459,723</u>
LIABILITIES		
Current liabilities		
Management fee payable	1,836,064	–
Redemptions payable	960,202	714,378
Accrued expenses	43,309	–
Distributions payable	197	156
	<u>2,839,772</u>	<u>714,534</u>
Net assets attributable to holders of redeemable units	<u>970,271,883</u>	<u>938,745,189</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series A	968,888,939	937,384,237
Series F	1,132,789	1,173,042
Series T	250,155	187,910
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series A	25.44	24.90
Series F	28.60	27.85
Series T	16.98	16.94

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended June 30 (note 1),

(in dollars except average units)	2018	2017
INCOME		
Net gain (loss) on financial assets and liabilities at fair value through profit or loss		
Dividends	5,392,581	4,733,958
Interest for distribution purposes	2,413,816	2,029,211
Net realized gain (loss) on non-derivative financial assets	8,796,589	10,569,413
Change in unrealized gain (loss) on non-derivative financial assets	15,498,612	43,267,552
Net gain (loss) on financial assets and liabilities at fair value through profit or loss	32,101,598	60,600,134
Other income	6,338	5,397
Total income (loss), net	<u>32,107,936</u>	<u>60,605,531</u>
EXPENSES		
Management fees (note 5)	10,225,747	9,494,499
Fixed administration fees (note 6)	237,925	219,931
Independent Review Committee fees	587	576
Foreign withholding taxes/tax reclaims	–	(2,729)
Harmonized Sales Tax/Goods and Services Tax	1,047,502	972,579
Total expenses	<u>11,511,761</u>	<u>10,684,856</u>
Increase (decrease) in net assets attributable to holders of redeemable units from operations	<u>20,596,175</u>	<u>49,920,675</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A	20,560,772	49,871,778
Series F	30,250	40,899
Series T	5,153	7,998
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT[†]		
Series A	0.54	1.32
Series F	0.84	1.27
Series T	0.40	0.81
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series A	37,923,632	37,683,458
Series F	35,869	32,315
Series T	13,040	9,863

[†] The increase (decrease) in net assets attributable to holders of redeemable units from operations per unit is calculated by dividing the increase (decrease) in net assets attributable to holders of redeemable units from operations per series by the weighted average number of units per series.

Scotia Partners Maximum Growth Portfolio (Unaudited – Continued)

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the periods ended June 30 (note 1),

(in dollars)	2018	2017
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series A	937,384,237	841,779,584
Series F	1,173,042	738,966
Series T	187,910	120,577
	<u>938,745,189</u>	<u>842,639,127</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A	20,560,772	49,871,778
Series F	30,250	40,899
Series T	5,153	7,998
	<u>20,596,175</u>	<u>49,920,675</u>
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net realized gains on investments		
Series T	–	(2,778)
From return of capital		
Series T	(4,999)	(1,073)
	<u>(4,999)</u>	<u>(3,851)</u>
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A	81,943,268	71,857,873
Series F	281,537	564,861
Series T	73,250	87,142
Reinvested distributions		
Series A	33	–
Series T	3,841	2,110
Payments on redemption		
Series A	(70,999,371)	(69,170,975)
Series F	(352,040)	(224,181)
Series T	(15,000)	(14,357)
	<u>10,935,518</u>	<u>3,102,473</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A	31,504,702	52,558,676
Series F	(40,253)	381,579
Series T	62,245	79,042
	<u>31,526,694</u>	<u>53,019,297</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series A	968,888,939	894,338,260
Series F	1,132,789	1,120,545
Series T	250,155	199,619
	<u>970,271,883</u>	<u>895,658,424</u>

STATEMENTS OF CASH FLOWS

For the periods ended June 30 (note 1),

(in dollars)	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	20,596,175	49,920,675
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(8,796,589)	(10,569,413)
Change in unrealized (gain) loss on non-derivative financial assets	(15,498,612)	(43,267,552)
Non-cash transactions	(7,785,787)	(6,758,282)
Purchases of portfolio investments	(13,320,000)	(26,111,571)
Proceeds from sale of portfolio investments	13,644,400	32,222,174
Accrued investment income and other	(213)	(204,307)
Accrued expenses and other payables	1,879,373	1,759,692
Net cash provided by (used in) operating activities	<u>(9,281,253)</u>	<u>(3,008,584)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	81,817,077	72,034,287
Amounts paid on redemption of redeemable units	(70,892,885)	(68,778,815)
Distributions to unitholders of redeemable units	(1,084)	(8,276)
Net cash provided by (used in) financing activities	<u>10,923,108</u>	<u>3,247,196</u>
Net increase (decrease) in cash	1,641,855	238,612
Cash (bank overdraft), beginning of period	1,935,226	2,712,946
CASH (BANK OVERDRAFT), END OF PERIOD	<u>3,577,081</u>	<u>2,951,558</u>
Interest received, net of withholding taxes ⁽¹⁾	20,398	8,692

⁽¹⁾ Classified as operating items.

Scotia Partners Maximum Growth Portfolio (Unaudited – Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at June 30, 2018

Issuer	Number of Units	Average Cost (\$)	Carrying Value (\$)
CANADIAN EQUITY FUNDS – 39.4%			
CI Cambridge Canadian Equity Corporate Class, Class I	5,237,382	77,302,002	112,553,961
Dynamic Small Business Fund Series O [†]	3,101,607	51,445,203	56,883,480
Dynamic Value Fund of Canada Series O [†]	4,960,589	51,173,865	57,145,983
Scotia Canadian Dividend Fund Series I [†]	930,608	41,565,371	57,773,067
Scotia Private Canadian All Cap Equity Pool Series I [†]	5,344,131	54,117,924	60,031,157
Scotia Private Fundamental Canadian Equity Pool Series I [†]	3,596,132	36,183,107	38,149,921
		<u>311,787,472</u>	<u>382,537,569</u>
FIXED INCOME FUNDS – 7.2%			
Scotia Canadian Income Fund Series I [†]	3,502,139	47,234,322	46,452,370
Scotia Private Canadian Corporate Bond Pool Series I [†]	2,221,062	23,985,139	23,478,627
		<u>71,219,461</u>	<u>69,930,997</u>
FOREIGN EQUITY FUNDS – 53.2%			
Dynamic Global Equity Fund Series O [†]	4,705,682	53,722,547	75,196,802
Dynamic Global Infrastructure Fund Series O [†]	1,233,628	22,048,232	25,005,641
Invesco International Growth Fund Series I	4,828,657	35,050,615	48,349,344
Mackenzie Emerging Markets Class Series O	1,256,940	35,289,078	41,483,677
Mackenzie US Mid Cap Growth Class Series O	1,053,777	28,368,696	52,501,885
Mawer International Equity Fund Class O	1,204,203	54,592,765	74,404,694
Mawer U.S. Equity Fund Series O	1,492,296	42,403,020	72,500,520
Scotia Global Growth Fund Series I [†]	859,476	47,810,410	74,541,221
Scotia Private Global Credit Pool Series I [†]	2,433,167	24,128,246	23,116,305
Trimark Global Endeavour Fund Series I	708,343	15,769,251	28,935,825
		<u>359,182,860</u>	<u>516,035,914</u>
TOTAL INVESTMENT PORTFOLIO		<u><u>742,189,793</u></u>	<u><u>968,504,480</u></u>
OTHER ASSETS, LESS LIABILITIES – 0.2%			<u>1,767,403</u>
NET ASSETS – 100.0%			<u><u>970,271,883</u></u>

[†] These securities are investments in related parties (note 10).

Scotia Partners Maximum Growth Portfolio (Unaudited – Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

The Fund (note 1)

The Fund's objective is long term capital appreciation. It invests primarily in a diversified mix of equity mutual funds, with additional stability derived from investments in income mutual funds, managed by other mutual fund managers and by us.

The Fund invests primarily in funds managed by the Manager and/or by the third party investment managers (the "Underlying Funds"). To ensure the Fund's composition meets the investment objectives of the Fund, the portfolio advisor monitors the Underlying Funds on an ongoing basis and rebalances the Fund's assets among the Underlying Funds.

Risk associated with financial instruments (note 4)

Interest rate risk

The Fund could be exposed to indirect interest rate risk to the extent that the Underlying Funds held financial instruments that were subject to interest rate risk.

Currency risk

The Fund could be exposed to indirect currency risk to the extent that the Underlying Funds held financial instruments that were denominated in a currency other than its functional currency.

Price risk

Price risk is the risk that the carrying value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) caused by factors specific to a security, its issuer or all factors affecting a market or a market segment. Exposure to price risk is mainly in equities, underlying funds, derivatives and commodities, as applicable. As at June 30, 2018, approximately 99.8% (December 31, 2017 – 99.8%) of the Fund's net assets were exposed to price risk. If prices of these instruments had decreased or increased by 10%, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by approximately \$96,850,448 (December 31, 2017 – \$93,648,689). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Credit risk

The Fund could be exposed to indirect credit risk to the extent that the Underlying Funds invested in bonds and debentures, derivatives, money market instruments or preferred shares.

Concentration risk

Concentration risk arises as a result of the concentration of financial instruments within the same category, geographical location, asset type or industry sector, as applicable. The table below is a summary of

the Fund's concentration risk by carrying value as a percentage of net assets:

	Percentage of net assets (%)	
	June 30, 2018	December 31, 2017
Canadian Equity Funds	39.4	39.7
Fixed Income Funds	7.2	7.2
Foreign Equity Funds	53.2	52.9

Fair Value Classification (note 2)

The tables below illustrate the classification of the Fund's financial instruments within the fair value hierarchy.

	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
June 30, 2018				
Underlying funds	968,504,480	–	–	968,504,480
	968,504,480	–	–	968,504,480

	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
December 31, 2017				
Underlying funds	936,486,892	–	–	936,486,892
	936,486,892	–	–	936,486,892

Transfers between levels

During the periods ended June 30, 2018 and December 31, 2017, there were no significant transfers between Level 1 and Level 2.

Offsetting of financial assets and liabilities (note 2)

As at June 30, 2018 and December 31, 2017, the Fund did not enter into any agreement whereby the financial instruments were eligible for offset.

Scotia Partners Maximum Growth Portfolio (Unaudited – Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

Interest in Underlying Funds (note 2)

The following tables present the percentage of the Underlying Funds owned by the Fund.

Underlying Fund	June 30, 2018	
	Carrying value of the Underlying Fund (\$)	Ownership percentage in Underlying Fund (%)
Scotia Private Canadian All Cap Equity Pool Series I	60,031,157	14.4
Scotia Private Fundamental Canadian Equity Pool Series I	38,149,921	13.3
Invesco International Growth Fund Series I	48,349,344	11.0
Mackenzie Emerging Markets Class Series O	41,483,677	8.9
Dynamic Global Equity Fund Series O	75,196,802	8.3
Scotia Global Growth Fund Series I	74,541,221	6.4
Scotia Private Global Credit Pool Series I	23,116,305	5.6
Dynamic Small Business Fund Series O	56,883,480	4.5
Dynamic Value Fund of Canada Series O	57,145,983	3.9
Mawer U.S. Equity Fund Class O	72,500,520	2.7
CI Cambridge Canadian Equity Corporate Class, Class I	112,553,961	2.3
Mackenzie US Mid Cap Growth Class Series O	52,501,885	2.2
Dynamic Global Infrastructure Fund Series O	25,005,641	2.0
Trimark Global Endeavour Fund Series I	28,935,825	1.7
Mawer International Equity Fund Class O	74,404,694	1.4
Scotia Canadian Income Fund Series I	46,452,370	0.8
Scotia Canadian Dividend Fund Series I	57,773,067	0.6
Scotia Private Canadian Corporate Bond Pool Series I	23,478,627	0.4
	968,504,480	

Underlying Fund	December 31, 2017	
	Carrying value of the Underlying Fund (\$)	Ownership percentage in Underlying Fund (%)
Scotia Private Canadian All Cap Equity Pool Series I	57,554,152	14.7
Scotia Private Fundamental Canadian Equity Pool Series I	37,607,264	13.3
Invesco International Growth Fund Series I	47,267,784	10.4
Dynamic Global Equity Fund Series O	71,664,857	8.1
Scotia Global Growth Fund Series I	71,367,653	6.7
Scotia Private Global Credit Pool Series I	23,220,930	5.5
Dynamic Small Business Fund Series O	56,059,535	4.9
Mackenzie Emerging Markets Class Series O	43,268,378	4.1
Dynamic Value Fund of Canada Series O	54,326,906	3.5
Mawer U.S. Equity Fund Class O	68,337,771	2.6
Mackenzie US Mid Cap Growth Class Series O	48,599,167	2.4
CI Cambridge Canadian Equity Corporate Class, Class I	109,099,277	2.2
Dynamic Global Infrastructure Fund Series O	22,904,692	1.9
Trimark Global Endeavour Fund Series I	28,817,621	1.7
Mawer International Equity Fund Class O	71,546,157	1.5
Scotia Canadian Income Fund Series I	45,024,594	0.7
Scotia Canadian Dividend Fund Series I	57,573,751	0.6
Scotia Private Canadian Corporate Bond Pool Series I	22,246,403	0.4
	936,486,892	

Comparison of net asset value and net assets per unit (note 2)

As at June 30, 2018 or December 31, 2017, there were no differences between the net asset value per unit and the net assets per unit for any series of the Fund.

Scotia INNOVA Income Portfolio (Unaudited)

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	June 30, 2018	December 31, 2017
ASSETS		
Current assets		
Financial assets at fair value through profit or loss (note 2)		
Non-derivative financial assets	1,725,662,120	1,873,804,756
Cash	2,053,992	191,291
Receivable for securities sold	2,585,025	3,775,250
Subscriptions receivable	676,908	400,610
Accrued investment income and other	1,863	1,266
	<u>1,730,979,908</u>	<u>1,878,173,173</u>
LIABILITIES		
Current liabilities		
Management fee payable	2,454,106	—
Redemptions payable	1,645,800	2,721,376
Accrued expenses	46,601	—
Distributions payable	368,895	782,515
	<u>4,515,402</u>	<u>3,503,891</u>
Net assets attributable to holders of redeemable units	<u>1,726,464,506</u>	<u>1,874,669,282</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series A	1,483,079,983	1,614,302,633
Series T	243,384,523	260,366,649
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series A	13.17	13.19
Series T	15.91	16.18

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended June 30 (note 1),

(in dollars except average units)	2018	2017
INCOME		
Net gain (loss) on financial assets and liabilities at fair value through profit or loss		
Dividends	1,602,740	2,055,368
Interest for distribution purposes	19,382,829	19,665,023
Net realized gain (loss) on non-derivative financial assets	7,354,634	10,984,651
Change in unrealized gain (loss) on non-derivative financial assets	(15,036,791)	20,251,107
Net gain (loss) on financial assets and liabilities at fair value through profit or loss	<u>13,303,412</u>	<u>52,956,149</u>
Other income	10,829	7,786
Total income (loss), net	<u>13,314,241</u>	<u>52,963,935</u>
EXPENSES		
Management fees (note 5)	14,306,894	15,737,092
Fixed administration fees (note 6)	268,254	295,071
Independent Review Committee fees	587	576
Interest expense and bank overdraft charges	163	—
Other fund costs	6,558	7,979
Harmonized Sales Tax/Goods and Services Tax	1,576,049	1,725,886
Total expenses	<u>16,158,505</u>	<u>17,766,604</u>
Increase (decrease) in net assets attributable to holders of redeemable units from operations	<u>(2,844,264)</u>	<u>35,197,331</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A	(2,443,154)	30,466,099
Series T	(401,110)	4,731,232
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT[†]		
Series A	(0.02)	0.24
Series T	(0.03)	0.27
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series A	117,408,082	128,393,502
Series T	15,669,080	17,391,977

[†] The increase (decrease) in net assets attributable to holders of redeemable units from operations per unit is calculated by dividing the increase (decrease) in net assets attributable to holders of redeemable units from operations per series by the weighted average number of units per series.

Scotia INNOVA Income Portfolio (Unaudited – Continued)

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the periods ended June 30 (note 1),

(in dollars)	2018	2017
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series A	1,614,302,633	1,704,394,906
Series T	260,366,649	290,405,609
	<u>1,874,669,282</u>	<u>1,994,800,515</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A	(2,443,154)	30,466,099
Series T	(401,110)	4,731,232
	<u>(2,844,264)</u>	<u>35,197,331</u>
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net investment income		
Series T	(1,096,621)	(1,792,496)
From net realized gains on investments		
Series T	(408,653)	(158,515)
From return of capital		
Series T	(2,322,621)	(2,297,154)
	<u>(3,827,895)</u>	<u>(4,248,165)</u>
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A	72,200,407	100,345,861
Series T	12,640,865	16,461,567
Reinvested distributions		
Series T	1,556,808	1,666,209
Payments on redemption		
Series A	(200,979,903)	(164,469,412)
Series T	(26,950,794)	(33,511,486)
	<u>(141,532,617)</u>	<u>(79,507,261)</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A	(131,222,650)	(33,657,452)
Series T	(16,982,126)	(14,900,643)
	<u>(148,204,776)</u>	<u>(48,558,095)</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series A	1,483,079,983	1,670,737,454
Series T	243,384,523	275,504,966
	<u>1,726,464,506</u>	<u>1,946,242,420</u>

STATEMENTS OF CASH FLOWS

For the periods ended June 30 (note 1),

(in dollars)	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	(2,844,264)	35,197,331
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(7,354,634)	(10,984,651)
Change in unrealized (gain) loss on non-derivative financial assets	15,036,791	(20,251,107)
Non-cash transactions	(20,973,159)	(21,709,000)
Purchases of portfolio investments	6,558	7,981
Proceeds from sale of portfolio investments	162,617,305	100,792,738
Accrued investment income and other	(597)	905
Accrued expenses and other payables	2,500,707	2,832,003
Net cash provided by (used in) operating activities	<u>148,988,707</u>	<u>85,886,200</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	83,414,763	113,180,489
Amounts paid on redemption of redeemable units	(227,856,062)	(196,799,913)
Distributions to unitholders of redeemable units	(2,684,707)	(3,061,887)
Net cash provided by (used in) financing activities	<u>(147,126,006)</u>	<u>(86,681,311)</u>
Net increase (decrease) in cash	1,862,701	(795,111)
Cash (bank overdraft), beginning of period	191,291	5,736,913
CASH (BANK OVERDRAFT), END OF PERIOD	<u>2,053,992</u>	<u>4,941,802</u>
Interest paid ⁽¹⁾	163	–
Interest received, net of withholding taxes ⁽¹⁾	11,813	12,297

⁽¹⁾ Classified as operating items.

Scotia INNOVA Income Portfolio (Unaudited – Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at June 30, 2018

Issuer	Number of Units	Average Cost (\$)	Carrying Value (\$)
CANADIAN EQUITY FUNDS – 10.0%			
1832 AM Canadian Dividend LP Series I†	2,503,128	25,199,405	25,874,835
Scotia Canadian Dividend Fund Series I†	1,812,680	74,981,955	112,532,964
Scotia Private Canadian Equity Pool Series I†	1,187,259	13,733,659	16,568,673
Scotia Private Canadian Small Cap Pool Series I†	414,809	11,079,875	17,292,206
		<u>124,994,894</u>	<u>172,268,678</u>
FIXED INCOME FUNDS – 75.1%			
1832 AM North American Preferred Share LP Series I†	2,077,697	23,741,292	25,909,916
Scotia Canadian Income Fund Series I†	24,759,935	333,163,558	328,415,784
Scotia Floating Rate Income Fund Series I†	19,815,478	197,873,451	194,992,235
Scotia Private American Core-Plus Bond Pool Series I†	11,330,403	104,797,409	104,035,762
Scotia Private Canadian Corporate Bond Pool Series I†	25,274,323	270,637,985	267,172,342
Scotia Private High Yield Income Pool Series I†	5,972,573	55,527,055	51,920,174
Scotia Private Short-Mid Government Bond Pool Series I†	12,788,040	137,117,774	129,856,156
Scotia Total Return Bond LP Series I†	16,081,997	194,167,675	194,481,194
		<u>1,317,026,199</u>	<u>1,296,783,563</u>
FOREIGN EQUITY FUNDS – 14.9%			
1832 AM Global Completion LP Series I†	2,208,811	27,089,518	34,312,330
Scotia Global Low Volatility Equity LP Series I†	4,129,897	54,125,103	68,746,685
Scotia Private International Equity Pool Series I†	2,429,974	25,212,545	33,941,391
Scotia Private Options Income Pool Series I†	4,907,197	49,495,733	51,572,182
Scotia U.S. Low Volatility Equity LP Series I†	4,307,548	60,427,171	68,037,291
		<u>216,350,070</u>	<u>256,609,879</u>
TOTAL INVESTMENT PORTFOLIO		<u><u>1,658,371,163</u></u>	<u><u>1,725,662,120</u></u>
OTHER ASSETS, LESS LIABILITIES – 0.0%			<u>802,386</u>
NET ASSETS – 100.0%			<u><u>1,726,464,506</u></u>

† These securities are investments in related parties (note 10).

Scotia INNOVA Income Portfolio (Unaudited – Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

The Fund (note 1)

The Fund's objective is to achieve a balance of current income and long term capital appreciation, with a significant bias towards income. It invests primarily in a diversified mix of mutual funds, and/or equity securities and/or fixed income securities located anywhere in the world.

The Fund invests primarily in funds managed by the Manager and/or by the third party investment managers (the "Underlying Funds"). To ensure the Fund's composition meets the investment objectives of the Fund, the portfolio advisor monitors the Underlying Funds on an ongoing basis and rebalances the Fund's assets among the Underlying Funds.

Risk associated with financial instruments (note 4)

Interest rate risk

The Fund could be exposed to indirect interest rate risk to the extent that the Underlying Funds held financial instruments that were subject to interest rate risk.

Currency risk

The Fund could be exposed to indirect currency risk to the extent that the Underlying Funds held financial instruments that were denominated in a currency other than its functional currency.

Price risk

Price risk is the risk that the carrying value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) caused by factors specific to a security, its issuer or all factors affecting a market or a market segment. Exposure to price risk is mainly in equities, underlying funds, derivatives and commodities, as applicable. As at June 30, 2018, approximately 100.0% (December 31, 2017 – 100.0%) of the Fund's net assets were exposed to price risk. If prices of these instruments had decreased or increased by 10%, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by approximately \$172,566,212 (December 31, 2017 – \$187,380,476). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Credit risk

The Fund could be exposed to indirect credit risk to the extent that the Underlying Funds invested in bonds and debentures, derivatives, money market instruments or preferred shares.

Concentration risk

Concentration risk arises as a result of the concentration of financial instruments within the same category, geographical location, asset type or industry sector, as applicable. The table below is a summary of

the Fund's concentration risk by carrying value as a percentage of net assets:

	Percentage of net assets (%)	
	June 30, 2018	December 31, 2017
Canadian Equity Funds	10.0	9.9
Fixed Income Funds	75.1	75.2
Foreign Equity Funds	14.9	14.9

Fair Value Classification (note 2)

The tables below illustrate the classification of the Fund's financial instruments within the fair value hierarchy.

	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
June 30, 2018				
Underlying funds	1,725,662,120	–	–	1,725,662,120
	1,725,662,120	–	–	1,725,662,120

	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
December 31, 2017				
Underlying funds	1,873,804,756	–	–	1,873,804,756
	1,873,804,756	–	–	1,873,804,756

Transfers between levels

During the periods ended June 30, 2018 and December 31, 2017, there were no significant transfers between Level 1 and Level 2.

Offsetting of financial assets and liabilities (note 2)

As at June 30, 2018 and December 31, 2017, the Fund did not enter into any agreement whereby the financial instruments were eligible for offset.

Scotia INNOVA Income Portfolio (Unaudited – Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

Interest in Underlying Funds (note 2)

The following tables present the percentage of the Underlying Funds owned by the Fund.

Underlying Fund	June 30, 2018	
	Carrying value of the Underlying Fund (\$)	Ownership percentage in Underlying Fund (%)
Scotia Total Return Bond LP Series I	194,481,194	18.7
Scotia Private Short-Mid Government Bond Pool Series I	129,856,156	17.3
Scotia Floating Rate Income Fund Series I	194,992,235	14.7
Scotia Private American Core-Plus Bond Pool Series I	104,035,762	12.3
1832 AM North American Preferred Share LP Series I	25,909,916	9.3
1832 AM Global Completion LP Series I	34,312,330	7.4
Scotia U.S. Low Volatility Equity LP Series I	68,037,291	6.9
Scotia Global Low Volatility Equity LP Series I	68,746,685	6.6
Scotia Private Options Income Pool Series I	51,572,182	5.7
Scotia Canadian Income Fund Series I	328,415,784	5.4
Scotia Private High Yield Income Pool Series I	51,920,174	5.1
Scotia Private Canadian Corporate Bond Pool Series I	267,172,342	4.6
1832 AM Canadian Dividend LP Series I	25,874,835	4.4
Scotia Private Canadian Equity Pool Series I	16,568,673	2.7
Scotia Private International Equity Pool Series I	33,941,391	2.7
Scotia Private Canadian Small Cap Pool Series I	17,292,206	2.1
Scotia Canadian Dividend Fund Series I	112,532,964	1.2
	1,725,662,120	

Underlying Fund	December 31, 2017	
	Carrying value of the Underlying Fund (\$)	Ownership percentage in Underlying Fund (%)
Scotia Total Return Bond LP Series I	211,316,369	20.6
Scotia Private Short-Mid Government Bond Pool Series I	140,817,243	17.2
Scotia Floating Rate Income Fund Series I	211,994,929	16.3
Scotia Private American Core-Plus Bond Pool Series I	112,600,650	13.0
1832 AM North American Preferred Share LP Series I	28,262,714	10.4
1832 AM Global Completion LP Series I	37,238,398	7.9
Scotia U.S. Low Volatility Equity LP Series I	74,329,071	7.4
Scotia Global Low Volatility Equity LP Series I	74,790,303	7.2
Scotia Private Options Income Pool Series I	56,037,212	6.4
Scotia Canadian Income Fund Series I	356,638,319	5.9
Scotia Private Canadian Corporate Bond Pool Series I	291,248,143	4.9
1832 AM Canadian Dividend LP Series I	28,102,061	4.7
Scotia Private High Yield Income Pool Series I	56,286,690	4.3
Scotia Private International Equity Pool Series I	37,279,418	2.9
Scotia Private Canadian Equity Pool Series I	16,426,083	2.7
Scotia Private Canadian Small Cap Pool Series I	18,778,312	2.3
Scotia Canadian Dividend Fund Series I	121,658,841	1.3
	1,873,804,756	

Comparison of net asset value and net assets per unit (note 2)

As at June 30, 2018 or December 31, 2017, there were no differences between the net asset value per unit and the net assets per unit for any series of the Fund.

Scotia INNOVA Balanced Income Portfolio (Unaudited)

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	June 30, 2018	December 31, 2017
ASSETS		
Current assets		
Financial assets at fair value through profit or loss (note 2)		
Non-derivative financial assets	2,707,829,991	2,871,066,602
Cash	6,042,354	3,128,142
Receivable for securities sold	481,000	1,534,250
Subscriptions receivable	1,631,516	1,996,597
Accrued investment income and other	3,444	2,338
	<u>2,715,988,305</u>	<u>2,877,727,929</u>
LIABILITIES		
Current liabilities		
Management fee payable	4,087,239	–
Redemptions payable	2,757,480	2,261,390
Accrued expenses	72,726	–
Distributions payable	861,933	1,167,628
	<u>7,779,378</u>	<u>3,429,018</u>
Net assets attributable to holders of redeemable units	<u>2,708,208,927</u>	<u>2,874,298,911</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series A	2,359,359,938	2,492,776,440
Series T	<u>348,848,989</u>	<u>381,522,471</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series A	14.62	14.59
Series T	<u>15.68</u>	<u>16.09</u>

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended June 30 (note 1),

(in dollars except average units)	2018	2017
INCOME		
Net gain (loss) on financial assets and liabilities at fair value through profit or loss		
Dividends	2,888,697	3,596,316
Interest for distribution purposes	24,695,950	23,061,565
Net realized gain (loss) on non-derivative financial assets	16,737,382	5,353,296
Change in unrealized gain (loss) on non-derivative financial assets	(15,954,904)	55,691,393
Net gain (loss) on financial assets and liabilities at fair value through profit or loss	<u>28,367,125</u>	<u>87,702,570</u>
Other income	9,015	17,404
Total income (loss), net	<u>28,376,140</u>	<u>87,719,974</u>
EXPENSES		
Management fees (note 5)	23,587,999	24,456,829
Fixed administration fees (note 6)	416,259	431,591
Independent Review Committee fees	587	576
Interest expense and bank overdraft charges	502	–
Other fund costs	12,502	18,265
Harmonized Sales Tax/Goods and Services Tax	2,610,724	2,697,227
Total expenses	<u>26,628,573</u>	<u>27,604,488</u>
Increase (decrease) in net assets attributable to holders of redeemable units from operations	<u>1,747,567</u>	<u>60,115,486</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A	3,805,975	51,804,810
Series T	<u>(2,058,408)</u>	<u>8,310,676</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT[†]		
Series A	0.02	0.30
Series T	<u>(0.09)</u>	<u>0.33</u>
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series A	166,291,652	172,198,324
Series T	<u>22,975,723</u>	<u>25,266,877</u>

[†] The increase (decrease) in net assets attributable to holders of redeemable units from operations per unit is calculated by dividing the increase (decrease) in net assets attributable to holders of redeemable units from operations per series by the weighted average number of units per series.

The accompanying notes are an integral part of the financial statements.

Scotia INNOVA Balanced Income Portfolio (Unaudited – Continued)

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the periods ended June 30 (note 1),

(in dollars)	2018	2017
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series A	2,492,776,440	2,432,646,292
Series T	381,522,471	404,459,613
	<u>2,874,298,911</u>	<u>2,837,105,905</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A	3,805,975	51,804,810
Series T	(2,058,408)	8,310,676
	<u>1,747,567</u>	<u>60,115,486</u>
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net investment income		
Series T	(1,111,488)	(2,060,022)
From return of capital		
Series T	(6,325,452)	(6,159,112)
	<u>(7,436,940)</u>	<u>(8,219,134)</u>
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A	132,879,880	242,852,541
Series T	15,464,020	37,868,266
Reinvested distributions		
Series T	2,143,406	2,582,419
Payments on redemption		
Series A	(270,102,357)	(223,707,753)
Series T	(40,785,560)	(34,400,235)
	<u>(160,400,611)</u>	<u>25,195,238</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A	(133,416,502)	70,949,598
Series T	(32,673,482)	6,141,992
	<u>(166,089,984)</u>	<u>77,091,590</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series A	2,359,359,938	2,503,595,890
Series T	348,848,989	410,601,605
	<u>2,708,208,927</u>	<u>2,914,197,495</u>

STATEMENTS OF CASH FLOWS

For the periods ended June 30 (note 1),

(in dollars)	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	1,747,567	60,115,486
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(16,737,382)	(5,353,296)
Change in unrealized (gain) loss on non-derivative financial assets	15,954,904	(55,691,393)
Non-cash transactions	(27,561,935)	(26,628,566)
Purchases of portfolio investments	12,502	(28,879,186)
Proceeds from sale of portfolio investments	192,621,772	36,052,149
Accrued investment income and other	(1,106)	(175)
Accrued expenses and other payables	4,159,965	4,511,435
Net cash provided by (used in) operating activities	<u>170,196,287</u>	<u>(15,873,546)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	146,675,471	275,360,488
Amounts paid on redemption of redeemable units	(308,358,317)	(253,431,451)
Distributions to unitholders of redeemable units	(5,599,229)	(5,945,932)
Net cash provided by (used in) financing activities	<u>(167,282,075)</u>	<u>15,983,105</u>
Net increase (decrease) in cash	2,914,212	109,559
Cash (bank overdraft), beginning of period	3,128,142	12,680,516
CASH (BANK OVERDRAFT), END OF PERIOD	<u>6,042,354</u>	<u>12,790,075</u>
Interest paid ⁽¹⁾	502	–
Interest received, net of withholding taxes ⁽¹⁾	21,605	29,140

⁽¹⁾ Classified as operating items.

The accompanying notes are an integral part of the financial statements.

Scotia INNOVA Balanced Income Portfolio (Unaudited – Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at June 30, 2018

Issuer	Number of Units	Average Cost (\$)	Carrying Value (\$)
CANADIAN EQUITY FUNDS – 15.0%			
1832 AM Canadian Dividend LP Series I†	7,210,648	73,005,740	74,536,463
Scotia Canadian Dividend Fund Series I†	3,500,262	152,251,749	217,299,784
Scotia Private Canadian Equity Pool Series I†	3,861,844	45,052,466	53,893,583
Scotia Private Canadian Small Cap Pool Series I†	1,461,990	40,324,714	60,946,259
		<u>310,634,669</u>	<u>406,676,089</u>
FIXED INCOME FUNDS – 60.3%			
1832 AM North American Preferred Share LP Series I†	4,304,363	50,452,750	53,677,560
Scotia Canadian Income Fund Series I†	28,765,243	387,981,083	381,542,179
Scotia Floating Rate Income Fund Series I†	20,014,480	199,842,751	196,950,488
Scotia Private American Core-Plus Bond Pool Series I†	17,824,340	165,176,606	163,663,087
Scotia Private Canadian Corporate Bond Pool Series I†	29,552,594	318,613,237	312,397,518
Scotia Private High Yield Income Pool Series I†	12,464,545	116,321,464	108,355,540
Scotia Private Short-Mid Government Bond Pool Series I†	16,133,404	171,467,025	163,826,649
Scotia Total Return Bond LP Series I†	20,838,930	253,879,620	252,007,267
		<u>1,663,734,536</u>	<u>1,632,420,288</u>
FOREIGN EQUITY FUNDS – 24.7%			
1832 AM Global Completion LP Series I†	4,743,160	59,223,373	73,681,672
Scotia Global Low Volatility Equity LP Series I†	10,536,718	138,048,341	175,395,264
Scotia Private International Equity Pool Series I†	8,529,571	92,848,906	119,139,335
Scotia Private Options Income Pool Series I†	9,599,611	96,527,416	100,887,115
Scotia U.S. Dividend Growers LP Series I†	3,660,425	55,506,001	65,888,013
Scotia U.S. Low Volatility Equity LP Series I†	8,467,430	119,401,706	133,742,215
		<u>561,555,743</u>	<u>668,733,614</u>
TOTAL INVESTMENT PORTFOLIO		<u>2,535,924,948</u>	<u>2,707,829,991</u>
OTHER ASSETS, LESS LIABILITIES – 0.0%			<u>378,936</u>
NET ASSETS – 100.0%			<u>2,708,208,927</u>

† These securities are investments in related parties (note 10).

Scotia INNOVA Balanced Income Portfolio (Unaudited – Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

The Fund (note 1)

The Fund's objective is to achieve a balance of current income and long term capital appreciation, with a bias towards income. It invests primarily in a diversified mix of mutual funds, and/or equity securities and/or fixed income securities located anywhere in the world.

The Fund invests primarily in funds managed by the Manager and/or by the third party investment managers (the "Underlying Funds"). To ensure the Fund's composition meets the investment objectives of the Fund, the portfolio advisor monitors the Underlying Funds on an ongoing basis and rebalances the Fund's assets among the Underlying Funds.

Risk associated with financial instruments (note 4)

Interest rate risk

The Fund could be exposed to indirect interest rate risk to the extent that the Underlying Funds held financial instruments that were subject to interest rate risk.

Currency risk

The Fund could be exposed to indirect currency risk to the extent that the Underlying Funds held financial instruments that were denominated in a currency other than its functional currency.

Price risk

Price risk is the risk that the carrying value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) caused by factors specific to a security, its issuer or all factors affecting a market or a market segment. Exposure to price risk is mainly in equities, underlying funds, derivatives and commodities, as applicable. As at June 30, 2018, approximately 100.0% (December 31, 2017 – 99.9%) of the Fund's net assets were exposed to price risk. If prices of these instruments had decreased or increased by 10%, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by approximately \$270,782,999 (December 31, 2017 – \$287,106,660). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Credit risk

The Fund could be exposed to indirect credit risk to the extent that the Underlying Funds invested in bonds and debentures, derivatives, money market instruments or preferred shares.

Concentration risk

Concentration risk arises as a result of the concentration of financial instruments within the same category, geographical location, asset type or industry sector, as applicable. The table below is a summary of

the Fund's concentration risk by carrying value as a percentage of net assets:

	Percentage of net assets (%)	
	June 30, 2018	December 31, 2017
Canadian Equity Funds	15.0	15.0
Fixed Income Funds	60.3	59.9
Foreign Equity Funds	24.7	25.0

Fair Value Classification (note 2)

The tables below illustrate the classification of the Fund's financial instruments within the fair value hierarchy.

	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
June 30, 2018				
Underlying funds	2,707,829,991	–	–	2,707,829,991
	2,707,829,991	–	–	2,707,829,991

	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
December 31, 2017				
Underlying funds	2,871,066,602	–	–	2,871,066,602
	2,871,066,602	–	–	2,871,066,602

Transfers between levels

During the periods ended June 30, 2018 and December 31, 2017, there were no significant transfers between Level 1 and Level 2.

Offsetting of financial assets and liabilities (note 2)

As at June 30, 2018 and December 31, 2017, the Fund did not enter into any agreement whereby the financial instruments were eligible for offset.

Scotia INNOVA Balanced Income Portfolio (Unaudited – Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

Interest in Underlying Funds (note 2)

The following tables present the percentage of the Underlying Funds owned by the Fund.

Underlying Fund	June 30, 2018	
	Carrying value of the Underlying Fund (\$)	Ownership percentage in Underlying Fund (%)
Scotia Total Return Bond LP Series I	252,007,267	24.2
Scotia Private Short-Mid Government Bond Pool Series I	163,826,649	21.8
Scotia Private American Core-Plus Bond Pool Series I	163,663,087	19.3
1832 AM North American Preferred Share LP Series I	53,677,560	19.2
Scotia Global Low Volatility Equity LP Series I	175,395,264	16.7
1832 AM Global Completion LP Series I	73,681,672	15.8
Scotia Floating Rate Income Fund Series I	196,950,488	14.8
Scotia U.S. Low Volatility Equity LP Series I	133,742,215	13.5
1832 AM Canadian Dividend LP Series I	74,536,463	12.6
Scotia Private Options Income Pool Series I	100,887,115	11.2
Scotia U.S. Dividend Growers LP Series I	65,888,013	11.0
Scotia Private High Yield Income Pool Series I	108,355,540	10.5
Scotia Private International Equity Pool Series I	119,139,335	9.4
Scotia Private Canadian Equity Pool Series I	53,893,583	8.9
Scotia Private Canadian Small Cap Pool Series I	60,946,259	7.4
Scotia Canadian Income Fund Series I	381,542,179	6.3
Scotia Private Canadian Corporate Bond Pool Series I	312,397,518	5.4
Scotia Canadian Dividend Fund Series I	217,299,784	2.3
	<u>2,707,829,991</u>	

Underlying Fund	December 31, 2017	
	Carrying value of the Underlying Fund (\$)	Ownership percentage in Underlying Fund (%)
Scotia Total Return Bond LP Series I	265,873,066	25.9
1832 AM North American Preferred Share LP Series I	57,370,454	21.1
Scotia Private Short-Mid Government Bond Pool Series I	171,014,404	20.8
Scotia Private American Core-Plus Bond Pool Series I	172,787,000	20.0
Scotia Global Low Volatility Equity LP Series I	187,659,944	18.0
1832 AM Global Completion LP Series I	78,838,206	16.7
Scotia Floating Rate Income Fund Series I	207,888,916	15.9
Scotia U.S. Low Volatility Equity LP Series I	143,214,637	14.3
1832 AM Canadian Dividend LP Series I	79,584,512	13.2
Scotia Private Options Income Pool Series I	108,313,264	12.3
Scotia U.S. Dividend Growers LP Series I	71,190,098	11.8
Scotia Private International Equity Pool Series I	128,911,569	10.1
Scotia Private Canadian Equity Pool Series I	57,164,230	9.5
Scotia Private High Yield Income Pool Series I	112,946,927	8.7
Scotia Private Canadian Small Cap Pool Series I	65,605,626	8.1
Scotia Canadian Income Fund Series I	402,743,713	6.7
Scotia Private Canadian Corporate Bond Pool Series I	329,841,133	5.6
Scotia Canadian Dividend Fund Series I	230,118,903	2.4
	<u>2,871,066,602</u>	

Comparison of net asset value and net assets per unit (note 2)

As at June 30, 2018 or December 31, 2017, there were no differences between the net asset value per unit and the net assets per unit for any series of the Fund.

Scotia INNOVA Balanced Growth Portfolio (Unaudited)

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	June 30, 2018	December 31, 2017
ASSETS		
Current assets		
Financial assets at fair value through profit or loss (note 2)		
Non-derivative financial assets	3,754,585,728	3,814,368,186
Cash	7,922,363	3,257,458
Receivable for securities sold	1,297,500	3,439,600
Subscriptions receivable	2,324,543	2,308,097
Accrued investment income and other	5,951	5,888
	<u>3,766,136,085</u>	<u>3,823,379,229</u>
LIABILITIES		
Current liabilities		
Management fee payable	5,995,331	–
Redemptions payable	3,752,910	3,203,203
Accrued expenses	100,509	–
Distributions payable	992,878	1,081,999
	<u>10,841,628</u>	<u>4,285,202</u>
Net assets attributable to holders of redeemable units	<u>3,755,294,457</u>	<u>3,819,094,027</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series A	3,428,234,383	3,481,422,937
Series T	<u>327,060,074</u>	<u>337,671,090</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series A	16.34	16.24
Series T	<u>15.50</u>	<u>15.87</u>

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended June 30 (note 1),

(in dollars except average units)	2018	2017
INCOME		
Net gain (loss) on financial assets and liabilities at fair value through profit or loss		
Dividends	3,602,046	4,225,819
Interest for distribution purposes	23,635,961	20,816,070
Net realized gain (loss) on non-derivative financial assets	23,504,385	10,831,948
Change in unrealized gain (loss) on non-derivative financial assets	9,985,669	109,499,813
Net gain (loss) on financial assets and liabilities at fair value through profit or loss	<u>60,728,061</u>	<u>145,373,650</u>
Other income	12,473	15,194
Total income (loss), net	<u>60,740,534</u>	<u>145,388,844</u>
EXPENSES		
Management fees (note 5)	33,894,377	33,008,963
Fixed administration fees (note 6)	564,906	550,149
Independent Review Committee fees	587	576
Other fund costs	24,724	28,112
Harmonized Sales Tax/Goods and Services Tax	3,706,440	3,620,417
Total expenses	<u>38,191,034</u>	<u>37,208,217</u>
Increase (decrease) in net assets attributable to holders of redeemable units from operations	<u>22,549,500</u>	<u>108,180,627</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A	21,937,093	98,504,778
Series T	<u>612,407</u>	<u>9,675,849</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT[†]		
Series A	0.10	0.46
Series T	<u>0.03</u>	<u>0.46</u>
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series A	212,337,780	211,993,770
Series T	<u>21,142,057</u>	<u>21,053,018</u>

[†] The increase (decrease) in net assets attributable to holders of redeemable units from operations per unit is calculated by dividing the increase (decrease) in net assets attributable to holders of redeemable units from operations per series by the weighted average number of units per series.

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the periods ended June 30 (note 1),

(in dollars)	2018	2017
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series A	3,481,422,937	3,240,284,874
Series T	<u>337,671,090</u>	<u>331,722,417</u>
	<u>3,819,094,027</u>	<u>3,572,007,291</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A	21,937,093	98,504,778
Series T	612,407	9,675,849
	<u>22,549,500</u>	<u>108,180,627</u>
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net investment income		
Series T	(831,152)	(1,201,783)
From return of capital		
Series T	(7,599,665)	(7,190,778)
	<u>(8,430,817)</u>	<u>(8,392,561)</u>
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A	228,641,813	316,931,888
Series T	25,672,324	31,005,650
Reinvested distributions		
Series T	2,470,768	2,309,432
Payments on redemption		
Series A	(303,767,460)	(262,723,297)
Series T	(30,935,698)	(32,104,704)
	<u>(77,918,253)</u>	<u>55,418,969</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A	(53,188,554)	152,713,369
Series T	(10,611,016)	2,493,666
	<u>(63,799,570)</u>	<u>155,207,035</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series A	3,428,234,383	3,392,998,243
Series T	<u>327,060,074</u>	<u>334,216,083</u>
	<u>3,755,294,457</u>	<u>3,727,214,326</u>
STATEMENTS OF CASH FLOWS		
For the periods ended June 30 (note 1),		
(in dollars)	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	22,549,500	108,180,627
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(23,504,385)	(10,831,948)
Change in unrealized (gain) loss on non-derivative financial assets	(9,985,669)	(109,499,813)
Non-cash transactions	(27,197,270)	(25,005,127)
Purchases of portfolio investments	(4,158,529)	(63,239,459)
Proceeds from sale of portfolio investments	126,770,408	52,468,809
Accrued investment income and other	(63)	(183)
Accrued expenses and other payables	6,095,840	6,115,613
Net cash provided by (used in) operating activities	<u>90,569,832</u>	<u>(41,811,481)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	253,121,390	343,926,724
Amounts paid on redemption of redeemable units	(332,977,148)	(293,224,019)
Distributions to unitholders of redeemable units	(6,049,169)	(6,232,343)
Net cash provided by (used in) financing activities	<u>(85,904,927)</u>	<u>44,470,362</u>
Net increase (decrease) in cash	4,664,905	2,658,881
Cash (bank overdraft), beginning of period	3,257,458	15,556,852
CASH (BANK OVERDRAFT), END OF PERIOD	<u>7,922,363</u>	<u>18,215,733</u>
Interest received, net of withholding taxes ⁽¹⁾	40,674	36,578

⁽¹⁾ Classified as operating items.

The accompanying notes are an integral part of the financial statements.

Scotia INNOVA Balanced Growth Portfolio (Unaudited – Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at June 30, 2018

Issuer	Number of Units	Average Cost (\$)	Carrying Value (\$)
CANADIAN EQUITY FUNDS – 20.4%			
1832 AM Canadian Dividend LP Series I [†]	13,009,007	131,289,042	134,474,108
1832 AM Canadian Growth LP Series I [†]	7,038,108	70,921,500	76,668,217
Scotia Canadian Dividend Fund Series I [†]	4,410,599	194,937,799	273,814,422
Scotia Private Canadian Equity Pool Series I [†]	9,065,232	107,451,755	126,508,937
Scotia Private Canadian Small Cap Pool Series I [†]	3,735,958	106,069,507	155,741,634
		<u>610,669,603</u>	<u>767,207,318</u>
FIXED INCOME FUNDS – 39.4%			
1832 AM North American Preferred Share LP Series I [†]	6,026,531	70,224,866	75,153,860
Scotia Canadian Income Fund Series I [†]	31,420,458	424,878,491	416,760,953
Scotia Floating Rate Income Fund Series I [†]	7,610,240	75,941,844	74,887,805
Scotia Private American Core-Plus Bond Pool Series I [†]	24,168,422	225,190,958	221,914,453
Scotia Private Canadian Corporate Bond Pool Series I [†]	30,552,193	330,778,041	322,964,174
Scotia Private High Yield Income Pool Series I [†]	16,748,701	156,267,150	145,598,134
Scotia Total Return Bond LP Series I [†]	18,537,246	228,008,875	224,172,768
		<u>1,511,290,225</u>	<u>1,481,452,147</u>
FOREIGN EQUITY FUNDS – 40.1%			
1832 AM Global Completion LP Series I [†]	6,644,054	83,460,698	103,210,728
Scotia Global Low Volatility Equity LP Series I [†]	14,988,714	188,939,101	249,503,636
Scotia Private Emerging Markets Pool Series I [†]	4,511,412	42,564,392	52,190,274
Scotia Private Global Equity Pool Series I [†]	4,035,589	67,374,582	122,014,013
Scotia Private Global Real Estate Pool Series I [†]	1,956,691	30,830,021	37,421,717
Scotia Private International Equity Pool Series I [†]	21,274,586	247,458,119	297,159,162
Scotia Private Options Income Pool Series I [†]	14,290,225	143,790,013	150,183,122
Scotia U.S. Dividend Growers LP Series I [†]	10,489,444	158,609,754	188,811,048
Scotia U.S. Low Volatility Equity LP Series I [†]	19,337,417	272,984,151	305,432,563
		<u>1,236,010,831</u>	<u>1,505,926,263</u>
TOTAL INVESTMENT PORTFOLIO		<u><u>3,357,970,659</u></u>	<u><u>3,754,585,728</u></u>
OTHER ASSETS, LESS LIABILITIES – 0.1%			<u>708,729</u>
NET ASSETS – 100.0%			<u><u>3,755,294,457</u></u>

[†] These securities are investments in related parties (note 10).

Scotia INNOVA Balanced Growth Portfolio (Unaudited – Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

The Fund (note 1)

The Fund's objective is to achieve a balance of current income and long term capital appreciation, with a bias towards capital appreciation. It invests primarily in a diversified mix of mutual funds, and/or equity securities and/or fixed income securities located anywhere in the world.

The Fund invests primarily in funds managed by the Manager and/or by the third party investment managers (the "Underlying Funds"). To ensure the Fund's composition meets the investment objectives of the Fund, the portfolio advisor monitors the Underlying Funds on an ongoing basis and rebalances the Fund's assets among the Underlying Funds.

Risk associated with financial instruments (note 4)

Interest rate risk

The Fund could be exposed to indirect interest rate risk to the extent that the Underlying Funds held financial instruments that were subject to interest rate risk.

Currency risk

The Fund could be exposed to indirect currency risk to the extent that the Underlying Funds held financial instruments that were denominated in a currency other than its functional currency.

Price risk

Price risk is the risk that the carrying value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) caused by factors specific to a security, its issuer or all factors affecting a market or a market segment. Exposure to price risk is mainly in equities, underlying funds, derivatives and commodities, as applicable. As at June 30, 2018, approximately 99.9% (December 31, 2017 – 99.9%) of the Fund's net assets were exposed to price risk. If prices of these instruments had decreased or increased by 10%, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by approximately \$375,458,573 (December 31, 2017 – \$381,436,819). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Credit risk

The Fund could be exposed to indirect credit risk to the extent that the Underlying Funds invested in bonds and debentures, derivatives, money market instruments or preferred shares.

Concentration risk

Concentration risk arises as a result of the concentration of financial instruments within the same category, geographical location, asset type or industry sector, as applicable. The table below is a summary of

the Fund's concentration risk by carrying value as a percentage of net assets:

	Percentage of net assets (%)	
	June 30, 2018	December 31, 2017
Canadian Equity Funds	20.4	20.5
Fixed Income Funds	39.4	38.9
Foreign Equity Funds	40.1	40.5

Fair Value Classification (note 2)

The tables below illustrate the classification of the Fund's financial instruments within the fair value hierarchy.

	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
June 30, 2018				
Underlying funds	3,754,585,728	–	–	3,754,585,728
	3,754,585,728	–	–	3,754,585,728

	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
December 31, 2017				
Underlying funds	3,814,368,186	–	–	3,814,368,186
	3,814,368,186	–	–	3,814,368,186

Transfers between levels

During the periods ended June 30, 2018 and December 31, 2017, there were no significant transfers between Level 1 and Level 2.

Offsetting of financial assets and liabilities (note 2)

As at June 30, 2018 and December 31, 2017, the Fund did not enter into any agreement whereby the financial instruments were eligible for offset.

Scotia INNOVA Balanced Growth Portfolio (Unaudited – Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

Interest in Underlying Funds (note 2)

The following tables present the percentage of the Underlying Funds owned by the Fund.

Underlying Fund	June 30, 2018	
	Carrying value of the Underlying Fund (\$)	Ownership percentage in Underlying Fund (%)
Scotia Private Global Equity Pool Series I	122,014,013	31.5
Scotia U.S. Dividend Growers LP Series I	188,811,048	31.5
Scotia U.S. Low Volatility Equity LP Series I	305,432,563	30.8
1832 AM Canadian Growth LP Series I	76,668,217	30.6
1832 AM North American Preferred Share LP Series I	75,153,860	26.9
Scotia Private American Core-Plus Bond Pool Series I	221,914,453	26.2
Scotia Global Low Volatility Equity LP Series I	249,503,636	23.8
Scotia Private International Equity Pool Series I	297,159,162	23.4
1832 AM Canadian Dividend LP Series I	134,474,108	22.8
1832 AM Global Completion LP Series I	103,210,728	22.1
Scotia Total Return Bond LP Series I	224,172,768	21.5
Scotia Private Canadian Equity Pool Series I	126,508,937	20.9
Scotia Private Canadian Small Cap Pool Series I	155,741,634	18.9
Scotia Private Options Income Pool Series I	150,183,122	16.6
Scotia Private Emerging Markets Pool Series I	52,190,274	15.8
Scotia Private High Yield Income Pool Series I	145,598,134	14.2
Scotia Private Global Real Estate Pool Series I	37,421,717	11.9
Scotia Canadian Income Fund Series I	416,760,953	6.9
Scotia Floating Rate Income Fund Series I	74,887,805	5.6
Scotia Private Canadian Corporate Bond Pool Series I	322,964,174	5.6
Scotia Canadian Dividend Fund Series I	273,814,422	2.9
	3,754,585,728	

Underlying Fund	December 31, 2017	
	Carrying value of the Underlying Fund (\$)	Ownership percentage in Underlying Fund (%)
Scotia U.S. Dividend Growers LP Series I	194,326,327	32.3
Scotia Private Global Equity Pool Series I	126,637,544	31.7
Scotia U.S. Low Volatility Equity LP Series I	311,007,634	31.1
1832 AM Canadian Growth LP Series I	77,234,874	31.0
1832 AM North American Preferred Share LP Series I	78,321,571	28.7
Scotia Private American Core-Plus Bond Pool Series I	225,385,353	26.0
Scotia Private International Equity Pool Series I	309,800,177	24.3
Scotia Global Low Volatility Equity LP Series I	250,698,764	24.1
1832 AM Global Completion LP Series I	106,718,968	22.6
1832 AM Canadian Dividend LP Series I	134,659,388	22.4
Scotia Total Return Bond LP Series I	223,605,528	21.8
Scotia Private Canadian Equity Pool Series I	130,042,833	21.5
Scotia Private Canadian Small Cap Pool Series I	160,691,650	19.9
Scotia Private Emerging Markets Pool Series I	57,519,594	18.4
Scotia Private Options Income Pool Series I	154,653,267	17.6
Scotia Private High Yield Income Pool Series I	145,820,265	11.2
Scotia Private Global Real Estate Pool Series I	37,750,435	10.7
Scotia Canadian Income Fund Series I	414,687,066	6.9
Scotia Floating Rate Income Fund Series I	75,232,975	5.8
Scotia Private Canadian Corporate Bond Pool Series I	320,984,778	5.4
Scotia Canadian Dividend Fund Series I	278,589,195	2.9
	3,814,368,186	

Comparison of net asset value and net assets per unit (note 2)

As at June 30, 2018 or December 31, 2017, there were no differences between the net asset value per unit and the net assets per unit for any series of the Fund.

Scotia INNOVA Growth Portfolio (Unaudited)

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	June 30, 2018	December 31, 2017
ASSETS		
Current assets		
Financial assets at fair value through profit or loss (note 2)		
Non-derivative financial assets	2,421,732,236	2,393,912,297
Cash	6,239,734	4,942,595
Subscriptions receivable	1,882,846	2,150,444
Accrued investment income and other	5,145	4,738
	<u>2,429,859,961</u>	<u>2,401,010,074</u>
LIABILITIES		
Current liabilities		
Management fee payable	4,056,248	–
Redemptions payable	2,918,971	939,144
Accrued expenses	64,633	8
Distributions payable	14,007	27,170
	<u>7,053,859</u>	<u>966,322</u>
Net assets attributable to holders of redeemable units	<u>2,422,806,102</u>	<u>2,400,043,752</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series A	2,414,765,122	2,393,393,593
Series T	8,040,980	6,650,159
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series A	18.26	18.12
Series T	16.20	16.46

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended June 30 (note 1),

(in dollars except average units)	2018	2017
INCOME		
Net gain (loss) on financial assets and liabilities at fair value through profit or loss		
Dividends	2,393,374	2,625,668
Interest for distribution purposes	10,404,364	8,638,718
Net realized gain (loss) on non-derivative financial assets	10,083,240	3,693,882
Change in unrealized gain (loss) on non-derivative financial assets	21,032,715	86,282,053
Net gain (loss) on financial assets and liabilities at fair value through profit or loss	43,913,693	101,240,321
Other income	13,893	16,665
Total income (loss), net	<u>43,927,586</u>	<u>101,256,986</u>
EXPENSES		
Management fees (note 5)	22,780,687	21,113,268
Fixed administration fees (note 6)	359,695	333,367
Independent Review Committee fees	587	576
Other fund costs	18,205	18,293
Harmonized Sales Tax/Goods and Services Tax	2,353,089	2,178,879
Total expenses	<u>25,512,263</u>	<u>23,644,383</u>
Increase (decrease) in net assets attributable to holders of redeemable units from operations	<u>18,415,323</u>	<u>77,612,603</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A	18,366,006	77,365,808
Series T	49,317	246,795
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT[†]		
Series A	0.14	0.61
Series T	0.11	0.70
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series A	132,273,584	127,432,677
Series T	460,943	351,915

[†] The increase (decrease) in net assets attributable to holders of redeemable units from operations per unit is calculated by dividing the increase (decrease) in net assets attributable to holders of redeemable units from operations per series by the weighted average number of units per series.

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the periods ended June 30 (note 1),

(in dollars)	2018	2017
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series A	2,393,393,593	2,110,520,289
Series T	6,650,159	4,647,954
	<u>2,400,043,752</u>	<u>2,115,168,243</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A	18,366,006	77,365,808
Series T	49,317	246,795
	<u>18,415,323</u>	<u>77,612,603</u>
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net investment income		
Series T	(17,926)	(122,532)
From return of capital		
Series T	(156,697)	(11,928)
	<u>(174,623)</u>	<u>(134,460)</u>
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A	190,214,827	249,739,894
Series T	2,333,402	2,463,098
Reinvested distributions		
Series A	–	(68)
Series T	100,580	86,447
Payments on redemption		
Series A	(187,209,304)	(154,528,247)
Series T	(917,855)	(1,933,427)
	<u>4,521,650</u>	<u>95,827,697</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A	21,371,529	172,577,387
Series T	1,390,821	728,453
	<u>22,762,350</u>	<u>173,305,840</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series A	2,414,765,122	2,283,097,676
Series T	8,040,980	5,376,407
	<u>2,422,806,102</u>	<u>2,288,474,083</u>

STATEMENTS OF CASH FLOWS

For the periods ended June 30 (note 1),

(in dollars)	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	18,415,323	77,612,603
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(10,083,240)	(3,693,882)
Change in unrealized (gain) loss on non-derivative financial assets	(21,032,715)	(86,282,053)
Non-cash transactions	(12,761,989)	(11,233,961)
Purchases of portfolio investments	(24,272,795)	(94,803,406)
Proceeds from sale of portfolio investments	40,330,800	19,804,405
Accrued investment income and other	(407)	(811)
Accrued expenses and other payables	4,120,873	3,937,419
Net cash provided by (used in) operating activities	<u>(5,284,150)</u>	<u>(94,659,686)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	192,335,796	251,322,256
Amounts paid on redemption of redeemable units	(185,667,301)	(155,913,156)
Distributions to unitholders of redeemable units	(87,206)	(75,695)
Net cash provided by (used in) financing activities	<u>6,581,289</u>	<u>95,333,405</u>
Net increase (decrease) in cash	1,297,139	673,719
Cash (bank overdraft), beginning of period	4,942,595	10,686,520
CASH (BANK OVERDRAFT), END OF PERIOD	<u>6,239,734</u>	<u>11,360,239</u>
Interest received, net of withholding taxes ⁽¹⁾	35,343	29,613

⁽¹⁾ Classified as operating items.

The accompanying notes are an integral part of the financial statements.

Scotia INNOVA Growth Portfolio (Unaudited – Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at June 30, 2018

Issuer	Number of Units	Average Cost (\$)	Carrying Value (\$)
CANADIAN EQUITY FUNDS – 25.0%			
1832 AM Canadian Dividend LP Series I [†]	15,969,464	159,739,315	165,076,353
1832 AM Canadian Growth LP Series I [†]	8,122,876	81,825,129	88,484,921
Scotia Canadian Dividend Fund Series I [†]	2,998,004	138,248,719	186,119,099
Scotia Private Canadian Small Cap Pool Series I [†]	4,001,631	118,364,981	166,816,796
		<u>498,178,144</u>	<u>606,497,169</u>
FIXED INCOME FUNDS – 24.5%			
1832 AM North American Preferred Share LP Series I [†]	4,903,722	56,844,451	61,151,866
Scotia Canadian Income Fund Series I [†]	11,979,717	162,222,710	158,898,971
Scotia Floating Rate Income Fund Series I [†]	2,969,680	29,560,411	29,222,838
Scotia Private American Core-Plus Bond Pool Series I [†]	9,582,075	89,899,101	87,982,609
Scotia Private Canadian Corporate Bond Pool Series I [†]	13,155,325	143,179,505	139,063,627
Scotia Private High Yield Income Pool Series I [†]	9,979,198	93,687,185	86,750,163
Scotia Total Return Bond LP Series I [†]	2,486,256	30,653,632	30,066,539
		<u>606,046,995</u>	<u>593,136,613</u>
FOREIGN EQUITY FUNDS – 50.4%			
1832 AM Global Completion LP Series I [†]	6,232,231	80,049,096	96,813,351
Scotia Global Low Volatility Equity LP Series I [†]	12,110,350	158,458,984	201,590,096
Scotia Private Emerging Markets Pool Series I [†]	6,809,929	64,505,800	78,780,664
Scotia Private Global Equity Pool Series I [†]	4,070,946	70,912,580	123,083,027
Scotia Private Global Real Estate Pool Series I [†]	4,546,555	77,854,226	86,952,864
Scotia Private International Equity Pool Series I [†]	16,860,605	203,773,058	235,505,554
Scotia Private Options Income Pool Series I [†]	8,708,229	87,739,298	91,519,136
Scotia U.S. Dividend Growers LP Series I [†]	6,717,045	102,720,867	120,907,480
Scotia U.S. Low Volatility Equity LP Series I [†]	11,835,864	169,585,977	186,946,282
		<u>1,015,599,886</u>	<u>1,222,098,454</u>
TOTAL INVESTMENT PORTFOLIO		<u><u>2,119,825,025</u></u>	<u><u>2,421,732,236</u></u>
OTHER ASSETS, LESS LIABILITIES – 0.1%			<u>1,073,866</u>
NET ASSETS – 100.0%			<u><u>2,422,806,102</u></u>

[†] These securities are investments in related parties (note 10).

Scotia INNOVA Growth Portfolio (Unaudited – Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

The Fund (note 1)

The Fund's objective is to achieve a balance of long term capital appreciation and current income, with a significant bias towards capital appreciation. It invests primarily in a diversified mix of mutual funds, and/or equity securities and/or fixed income securities located anywhere in the world.

The Fund invests primarily in funds managed by the Manager and/or by the third party investment managers (the "Underlying Funds"). To ensure the Fund's composition meets the investment objectives of the Fund, the portfolio advisor monitors the Underlying Funds on an ongoing basis and rebalances the Fund's assets among the Underlying Funds.

Risk associated with financial instruments (note 4)

Interest rate risk

The Fund could be exposed to indirect interest rate risk to the extent that the Underlying Funds held financial instruments that were subject to interest rate risk.

Currency risk

The Fund could be exposed to indirect currency risk to the extent that the Underlying Funds held financial instruments that were denominated in a currency other than its functional currency.

Price risk

Price risk is the risk that the carrying value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) caused by factors specific to a security, its issuer or all factors affecting a market or a market segment. Exposure to price risk is mainly in equities, underlying funds, derivatives and commodities, as applicable. As at June 30, 2018, approximately 99.9% (December 31, 2017 – 99.7%) of the Fund's net assets were exposed to price risk. If prices of these instruments had decreased or increased by 10%, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by approximately \$242,173,224 (December 31, 2017 – \$239,391,230). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Credit risk

The Fund could be exposed to indirect credit risk to the extent that the Underlying Funds invested in bonds and debentures, derivatives, money market instruments or preferred shares.

Concentration risk

Concentration risk arises as a result of the concentration of financial instruments within the same category, geographical location, asset type or industry sector, as applicable. The table below is a summary of

the Fund's concentration risk by carrying value as a percentage of net assets:

	Percentage of net assets (%)	
	June 30, 2018	December 31, 2017
Canadian Equity Funds	25.0	25.2
Fixed Income Funds	24.5	24.1
Foreign Equity Funds	50.4	50.4

Fair Value Classification (note 2)

The tables below illustrate the classification of the Fund's financial instruments within the fair value hierarchy.

	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
June 30, 2018				
Underlying funds	2,421,732,236	–	–	2,421,732,236
	2,421,732,236	–	–	2,421,732,236

	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
December 31, 2017				
Underlying funds	2,393,912,297	–	–	2,393,912,297
	2,393,912,297	–	–	2,393,912,297

Transfers between levels

During the periods ended June 30, 2018 and December 31, 2017, there were no significant transfers between Level 1 and Level 2.

Offsetting of financial assets and liabilities (note 2)

As at June 30, 2018 and December 31, 2017, the Fund did not enter into any agreement whereby the financial instruments were eligible for offset.

Scotia INNOVA Growth Portfolio (Unaudited – Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

Interest in Underlying Funds (note 2)

The following tables present the percentage of the Underlying Funds owned by the Fund.

Underlying Fund	June 30, 2018	
	Carrying value of the Underlying Fund (\$)	Ownership percentage in Underlying Fund (%)
1832 AM Canadian Growth LP Series I	88,484,921	35.3
Scotia Private Global Equity Pool Series I	123,083,027	31.7
1832 AM Canadian Dividend LP Series I	165,076,353	28.0
Scotia Private Global Real Estate Pool Series I	86,952,864	27.6
Scotia Private Emerging Markets Pool Series I	78,780,664	23.9
1832 AM North American Preferred Share LP Series I	61,151,866	21.9
1832 AM Global Completion LP Series I	96,813,351	20.7
Scotia Private Canadian Small Cap Pool Series I	166,816,796	20.3
Scotia U.S. Dividend Growers LP Series I	120,907,480	20.2
Scotia Global Low Volatility Equity LP Series I	201,590,096	19.3
Scotia U.S. Low Volatility Equity LP Series I	186,946,282	18.9
Scotia Private International Equity Pool Series I	235,505,554	18.5
Scotia Private American Core-Plus Bond Pool Series I	87,982,609	10.4
Scotia Private Options Income Pool Series I	91,519,136	10.1
Scotia Private High Yield Income Pool Series I	86,750,163	8.4
Scotia Total Return Bond LP Series I	30,066,539	2.9
Scotia Canadian Income Fund Series I	158,898,971	2.6
Scotia Private Canadian Corporate Bond Pool Series I	139,063,627	2.4
Scotia Floating Rate Income Fund Series I	29,222,838	2.2
Scotia Canadian Dividend Fund Series I	186,119,099	2.0
	2,421,732,236	

Underlying Fund	December 31, 2017	
	Carrying value of the Underlying Fund (\$)	Ownership percentage in Underlying Fund (%)
1832 AM Canadian Growth LP Series I	87,080,476	35.0
Scotia Private Global Equity Pool Series I	125,490,876	31.4
Scotia Private Emerging Markets Pool Series I	88,495,431	28.3
1832 AM Canadian Dividend LP Series I	166,851,367	27.7
Scotia Private Global Real Estate Pool Series I	81,208,399	23.1
1832 AM North American Preferred Share LP Series I	60,529,584	22.2
Scotia Private Canadian Small Cap Pool Series I	166,685,142	20.7
1832 AM Global Completion LP Series I	95,169,289	20.2
Scotia U.S. Dividend Growers LP Series I	121,101,341	20.1
Scotia Private International Equity Pool Series I	238,182,230	18.7
Scotia Global Low Volatility Equity LP Series I	190,695,981	18.3
Scotia U.S. Low Volatility Equity LP Series I	178,685,663	17.9
Scotia Private Options Income Pool Series I	90,904,536	10.4
Scotia Private American Core-Plus Bond Pool Series I	87,018,498	10.1
Scotia Private High Yield Income Pool Series I	86,547,403	6.7
Scotia Total Return Bond LP Series I	28,864,686	2.8
Scotia Canadian Income Fund Series I	155,736,001	2.6
Scotia Floating Rate Income Fund Series I	29,012,027	2.2
Scotia Private Canadian Corporate Bond Pool Series I	131,445,428	2.2
Scotia Canadian Dividend Fund Series I	184,207,939	1.9
	2,393,912,297	

Comparison of net asset value and net assets per unit (note 2)

As at June 30, 2018 or December 31, 2017, there were no differences between the net asset value per unit and the net assets per unit for any series of the Fund.

Scotia INNOVA Maximum Growth Portfolio (Unaudited)

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	June 30, 2018	December 31, 2017
ASSETS		
Current assets		
Financial assets at fair value through profit or loss (note 2)		
Non-derivative financial assets	812,830,953	789,741,826
Cash	1,694,761	4,082,638
Receivable for securities sold	707,900	–
Subscriptions receivable	715,894	882,016
Accrued investment income and other	2,579	2,917
	<u>815,952,087</u>	<u>794,709,397</u>
LIABILITIES		
Current liabilities		
Management fee payable	1,429,394	–
Payable for securities purchased	–	90,000
Redemptions payable	1,322,287	1,078,204
Accrued expenses	29,175	3
Distributions payable	1,080	920
	<u>2,781,936</u>	<u>1,169,127</u>
Net assets attributable to holders of redeemable units	<u>813,170,151</u>	<u>793,540,270</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series A	811,633,315	791,463,009
Series T	<u>1,536,836</u>	<u>2,077,261</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series A	20.48	20.29
Series T	<u>15.74</u>	<u>15.89</u>

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended June 30 (note 1),

(in dollars except average units)	2018	2017
INCOME		
Net gain (loss) on financial assets and liabilities at fair value through profit or loss		
Dividends	766,713	802,034
Interest for distribution purposes	1,576,647	1,137,478
Net realized gain (loss) on non-derivative financial assets	2,602,842	739,184
Change in unrealized gain (loss) on non-derivative financial assets	11,823,196	31,922,628
Net gain (loss) on financial assets and liabilities at fair value through profit or loss	<u>16,769,398</u>	<u>34,601,324</u>
Other income	6,546	6,805
Total income (loss), net	<u>16,775,944</u>	<u>34,608,129</u>
EXPENSES		
Management fees (note 5)	8,013,191	7,156,288
Fixed administration fees (note 6)	160,264	143,126
Independent Review Committee fees	587	576
Other fund costs	7,276	6,625
Harmonized Sales Tax/Goods and Services Tax	784,747	703,976
Total expenses	<u>8,966,065</u>	<u>8,010,591</u>
Increase (decrease) in net assets attributable to holders of redeemable units from operations	<u>7,809,879</u>	<u>26,597,538</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A	7,776,889	26,551,892
Series T	<u>32,990</u>	<u>45,646</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT[†]		
Series A	0.20	0.72
Series T	<u>0.32</u>	<u>0.52</u>
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series A	39,485,720	37,033,755
Series T	<u>102,237</u>	<u>88,567</u>

[†] The increase (decrease) in net assets attributable to holders of redeemable units from operations per unit is calculated by dividing the increase (decrease) in net assets attributable to holders of redeemable units from operations per series by the weighted average number of units per series.

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the periods ended June 30 (note 1),

(in dollars)	2018	2017
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series A	791,463,009	668,088,185
Series T	<u>2,077,261</u>	<u>1,106,231</u>
	<u>793,540,270</u>	<u>669,194,416</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A	7,776,889	26,551,892
Series T	<u>32,990</u>	<u>45,646</u>
	<u>7,809,879</u>	<u>26,597,538</u>
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net investment income		
Series T	(827)	(31,564)
From return of capital		
Series T	<u>(35,882)</u>	<u>(2,556)</u>
	<u>(36,709)</u>	<u>(34,120)</u>
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A	82,032,047	101,666,375
Series T	<u>573,367</u>	<u>821,180</u>
Reinvested distributions		
Series T	<u>30,041</u>	<u>24,564</u>
Payments on redemption		
Series A	<u>(69,638,630)</u>	<u>(55,583,333)</u>
Series T	<u>(1,140,114)</u>	<u>(332,115)</u>
	<u>11,856,711</u>	<u>46,596,671</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A	20,170,306	72,634,934
Series T	<u>(540,425)</u>	<u>525,155</u>
	<u>19,629,881</u>	<u>73,160,089</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series A	811,633,315	740,723,119
Series T	<u>1,536,836</u>	<u>1,631,386</u>
	<u>813,170,151</u>	<u>742,354,505</u>

STATEMENTS OF CASH FLOWS

For the periods ended June 30 (note 1),

(in dollars)	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	7,809,879	26,597,538
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(2,602,842)	(739,184)
Change in unrealized (gain) loss on non-derivative financial assets	(11,823,196)	(31,922,628)
Non-cash transactions	(2,321,964)	(1,929,073)
Purchases of portfolio investments	(15,728,725)	(40,851,574)
Proceeds from sale of portfolio investments	8,589,700	3,667,400
Accrued investment income and other	338	(191)
Accrued expenses and other payables	<u>1,458,566</u>	<u>1,346,444</u>
Net cash provided by (used in) operating activities	<u>(14,618,244)</u>	<u>(43,831,268)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	82,771,536	101,039,753
Amounts paid on redemption of redeemable units	<u>(70,534,661)</u>	<u>(55,635,034)</u>
Distributions to unitholders of redeemable units	<u>(6,508)</u>	<u>(10,980)</u>
Net cash provided by (used in) financing activities	<u>12,230,367</u>	<u>45,393,739</u>
Net increase (decrease) in cash	<u>(2,387,877)</u>	<u>1,562,471</u>
Cash (bank overdraft), beginning of period	4,082,638	4,046,551
CASH (BANK OVERDRAFT), END OF PERIOD	<u>1,694,761</u>	<u>5,609,022</u>
Interest received, net of withholding taxes ⁽¹⁾	21,734	10,251

(1) Classified as operating items.

The accompanying notes are an integral part of the financial statements.

Scotia INNOVA Maximum Growth Portfolio (Unaudited – Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at June 30, 2018

Issuer	Number of Units	Average Cost (\$)	Carrying Value (\$)
CANADIAN EQUITY FUNDS – 29.5%			
1832 AM Canadian Dividend LP Series I†	6,833,985	67,979,564	70,642,908
1832 AM Canadian Growth LP Series I†	3,646,071	36,743,770	39,717,741
Scotia Canadian Dividend Fund Series I†	979,924	47,163,885	60,834,654
Scotia Private Canadian Small Cap Pool Series I†	1,654,484	51,593,896	68,970,794
		<u>203,481,115</u>	<u>240,166,097</u>
FIXED INCOME FUNDS – 9.9%			
1832 AM North American Preferred Share LP Series I†	957,429	10,895,595	11,939,619
Scotia Canadian Income Fund Series I†	1,680,890	22,864,294	22,295,323
Scotia Private American Core-Plus Bond Pool Series I†	1,305,857	12,367,203	11,990,377
Scotia Private Canadian Corporate Bond Pool Series I†	2,104,005	22,863,966	22,241,226
Scotia Private High Yield Income Pool Series I†	1,378,688	13,001,654	11,985,072
		<u>81,992,712</u>	<u>80,451,617</u>
FOREIGN EQUITY FUNDS – 60.5%			
1832 AM Global Completion LP Series I†	2,897,404	38,309,188	45,009,137
Scotia Global Low Volatility Equity LP Series I†	4,572,792	63,780,374	76,119,154
Scotia Private Emerging Markets Pool Series I†	3,552,588	33,826,003	41,098,115
Scotia Private Global Equity Pool Series I†	1,614,078	30,092,260	48,800,837
Scotia Private Global Real Estate Pool Series I†	1,857,415	31,571,783	35,523,070
Scotia Private International Equity Pool Series I†	6,082,322	71,265,709	84,956,662
Scotia Private Options Income Pool Series I†	3,518,494	35,477,910	36,977,611
Scotia U.S. Dividend Growers LP Series I†	2,696,997	41,270,309	48,546,207
Scotia U.S. Low Volatility Equity LP Series I†	4,759,919	68,910,482	75,182,446
		<u>414,504,018</u>	<u>492,213,239</u>
TOTAL INVESTMENT PORTFOLIO		<u>699,977,845</u>	<u>812,830,953</u>
OTHER ASSETS, LESS LIABILITIES – 0.1%			<u>339,198</u>
NET ASSETS – 100.0%			<u>813,170,151</u>

† These securities are investments in related parties (note 10).

Scotia INNOVA Maximum Growth Portfolio (Unaudited – Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

The Fund (note 1)

The Fund's objective is long term capital appreciation. It invests primarily in a diversified mix of mutual funds and/or equity securities located anywhere in the world.

The Fund invests primarily in funds managed by the Manager and/or by the third party investment managers (the "Underlying Funds"). To ensure the Fund's composition meets the investment objectives of the Fund, the portfolio advisor monitors the Underlying Funds on an ongoing basis and rebalances the Fund's assets among the Underlying Funds.

Risk associated with financial instruments (note 4)

Interest rate risk

The Fund could be exposed to indirect interest rate risk to the extent that the Underlying Funds held financial instruments that were subject to interest rate risk.

Currency risk

The Fund could be exposed to indirect currency risk to the extent that the Underlying Funds held financial instruments that were denominated in a currency other than its functional currency.

Price risk

Price risk is the risk that the carrying value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) caused by factors specific to a security, its issuer or all factors affecting a market or a market segment. Exposure to price risk is mainly in equities, underlying funds, derivatives and commodities, as applicable. As at June 30, 2018, approximately 99.9% (December 31, 2017 – 99.5%) of the Fund's net assets were exposed to price risk. If prices of these instruments had decreased or increased by 10%, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by approximately \$81,283,095 (December 31, 2017 – \$78,974,183). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Credit risk

The Fund could be exposed to indirect credit risk to the extent that the Underlying Funds invested in bonds and debentures, derivatives, money market instruments or preferred shares.

Concentration risk

Concentration risk arises as a result of the concentration of financial instruments within the same category, geographical location, asset type or industry sector, as applicable. The table below is a summary of

the Fund's concentration risk by carrying value as a percentage of net assets:

	Percentage of net assets (%)	
	June 30, 2018	December 31, 2017
Canadian Equity Funds	29.5	29.8
Fixed Income Funds	9.9	9.6
Foreign Equity Funds	60.5	60.1

Fair Value Classification (note 2)

The tables below illustrate the classification of the Fund's financial instruments within the fair value hierarchy.

June 30, 2018	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Underlying funds	812,830,953	–	–	812,830,953
	812,830,953	–	–	812,830,953

December 31, 2017	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Underlying funds	789,741,826	–	–	789,741,826
	789,741,826	–	–	789,741,826

Transfers between levels

During the periods ended June 30, 2018 and December 31, 2017, there were no significant transfers between Level 1 and Level 2.

Offsetting of financial assets and liabilities (note 2)

As at June 30, 2018 and December 31, 2017, the Fund did not enter into any agreement whereby the financial instruments were eligible for offset.

Scotia INNOVA Maximum Growth Portfolio (Unaudited – Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

Interest in Underlying Funds (note 2)

The following tables present the percentage of the Underlying Funds owned by the Fund.

Underlying Fund	June 30, 2018	
	Carrying value of the Underlying Fund (\$)	Ownership percentage in Underlying Fund (%)
1832 AM Canadian Growth LP Series I	39,717,741	15.8
Scotia Private Global Equity Pool Series I	48,800,837	12.6
Scotia Private Emerging Markets Pool Series I	41,098,115	12.5
1832 AM Canadian Dividend LP Series I	70,642,908	12.0
Scotia Private Global Real Estate Pool Series I	35,523,070	11.3
1832 AM Global Completion LP Series I	45,009,137	9.6
Scotia Private Canadian Small Cap Pool Series I	68,970,794	8.4
Scotia U.S. Dividend Growers LP Series I	48,546,207	8.1
Scotia U.S. Low Volatility Equity LP Series I	75,182,446	7.6
Scotia Global Low Volatility Equity LP Series I	76,119,154	7.3
Scotia Private International Equity Pool Series I	84,956,662	6.7
1832 AM North American Preferred Share LP Series I	11,939,619	4.3
Scotia Private Options Income Pool Series I	36,977,611	4.1
Scotia Private American Core-Plus Bond Pool Series I	11,990,377	1.4
Scotia Private High Yield Income Pool Series I	11,985,072	1.2
Scotia Canadian Dividend Fund Series I	60,834,654	0.6
Scotia Canadian Income Fund Series I	22,295,323	0.4
Scotia Private Canadian Corporate Bond Pool Series I	22,241,226	0.4
	812,830,953	

Underlying Fund	December 31, 2017	
	Carrying value of the Underlying Fund (\$)	Ownership percentage in Underlying Fund (%)
1832 AM Canadian Growth LP Series I	38,805,818	15.6
Scotia Private Emerging Markets Pool Series I	43,598,118	13.9
Scotia Private Global Equity Pool Series I	48,896,312	12.2
1832 AM Canadian Dividend LP Series I	70,252,401	11.7
Scotia Private Global Real Estate Pool Series I	32,935,186	9.4
1832 AM Global Completion LP Series I	43,262,536	9.2
Scotia Private Canadian Small Cap Pool Series I	68,916,362	8.5
Scotia U.S. Dividend Growers LP Series I	47,867,696	7.9
Scotia U.S. Low Volatility Equity LP Series I	70,545,043	7.1
Scotia Global Low Volatility Equity LP Series I	70,699,155	6.8
Scotia Private International Equity Pool Series I	82,955,118	6.5
1832 AM North American Preferred Share LP Series I	11,818,121	4.3
Scotia Private Options Income Pool Series I	35,890,901	4.1
Scotia Private American Core-Plus Bond Pool Series I	11,575,513	1.3
Scotia Private High Yield Income Pool Series I	11,337,177	0.9
Scotia Canadian Dividend Fund Series I	58,786,101	0.6
Scotia Private Canadian Corporate Bond Pool Series I	20,797,213	0.4
Scotia Canadian Income Fund Series I	20,803,055	0.3
	789,741,826	

Comparison of net asset value and net assets per unit (note 2)

As at June 30, 2018 or December 31, 2017, there were no differences between the net asset value per unit and the net assets per unit for any series of the Fund.

Scotia Aria Conservative Build Portfolio (Unaudited)

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	June 30, 2018	December 31, 2017
ASSETS		
Current assets		
Financial assets at fair value through profit or loss (note 2)		
Non-derivative financial assets	80,633,814	44,720,131
Cash	1,176,916	663,723
Subscriptions receivable	892,715	–
Accrued investment income and other	909	449
	<u>82,704,354</u>	<u>45,384,303</u>
LIABILITIES		
Current liabilities		
Management fee payable	82,898	–
Payable for securities purchased	500,000	293,000
Redemptions payable	244,792	642,136
Accrued expenses	7,495	–
Distributions payable	10,276	1,153
	<u>845,461</u>	<u>936,289</u>
Net assets attributable to holders of redeemable units	<u>81,858,893</u>	<u>44,448,014</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Premium Series	81,858,893	44,448,014
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Premium Series	10.57	10.52

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended June 30 (note 1),

(in dollars except average units)	2018	2017
INCOME		
Net gain (loss) on financial assets and liabilities at fair value through profit or loss		
Dividends	58,200	28,145
Interest for distribution purposes	806,107	336,629
Net realized gain (loss) on non-derivative financial assets	172,951	108,780
Change in unrealized gain (loss) on non-derivative financial assets	(268,454)	409,846
Net gain (loss) on financial assets and liabilities at fair value through profit or loss	768,804	883,400
Other income	1,086	1
Total income (loss), net	<u>769,890</u>	<u>883,401</u>
EXPENSES		
Management fees (note 5)	369,818	164,015
Fixed administration fees (note 6)	30,818	13,557
Independent Review Committee fees	587	576
Interest expense and bank overdraft charges	40	11
Foreign withholding taxes/tax reclaims	–	(24)
Other fund costs	267	54
Harmonized Sales Tax/Goods and Services Tax	43,109	19,018
Total expenses	<u>444,639</u>	<u>197,207</u>
Increase (decrease) in net assets attributable to holders of redeemable units from operations	<u>325,251</u>	<u>686,194</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A	–	434,912
Premium Series	325,251	251,282
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT[†]		
Series A	–	0.27
Premium Series	0.06	0.24
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series A	–	1,598,867
Premium Series	5,897,612	1,029,035

[†] The increase (decrease) in net assets attributable to holders of redeemable units from operations per unit is calculated by dividing the increase (decrease) in net assets attributable to holders of redeemable units from operations per series by the weighted average number of units per series.

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the periods ended June 30 (note 1),

(in dollars)	2018	2017
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series A	–	12,612,029
Premium Series	44,448,014	8,221,230
	<u>44,448,014</u>	<u>20,833,259</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A	–	434,912
Premium Series	325,251	251,282
	<u>325,251</u>	<u>686,194</u>
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A	–	9,565,547
Premium Series	43,525,881	5,734,320
Payments on redemption		
Series A	–	(1,106,527)
Premium Series	(6,440,253)	(1,427,604)
	<u>37,085,628</u>	<u>12,765,736</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A	–	8,893,932
Premium Series	37,410,879	4,557,998
	<u>37,410,879</u>	<u>13,451,930</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series A	–	21,505,961
Premium Series	81,858,893	12,779,228
	<u>81,858,893</u>	<u>34,285,189</u>

STATEMENTS OF CASH FLOWS

For the periods ended June 30 (note 1),

(in dollars)	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	325,251	686,194
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(172,951)	(108,780)
Change in unrealized (gain) loss on non-derivative financial assets	268,454	(409,846)
Non-cash transactions	(858,860)	(363,653)
Purchases of portfolio investments	(35,553,826)	(12,407,772)
Proceeds from sale of portfolio investments	610,500	598,600
Accrued investment income and other	(460)	(17)
Accrued expenses and other payables	90,393	39,028
Net cash provided by (used in) operating activities	<u>(35,291,499)</u>	<u>(11,966,246)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	42,633,166	14,959,762
Amounts paid on redemption of redeemable units	(6,837,597)	(2,989,340)
Distributions to unitholders of redeemable units	9,123	(6,604)
Net cash provided by (used in) financing activities	<u>35,804,692</u>	<u>11,963,818</u>
Net increase (decrease) in cash	513,193	(2,428)
Cash (bank overdraft), beginning of period	663,723	476,182
CASH (BANK OVERDRAFT), END OF PERIOD	<u>1,176,916</u>	<u>473,754</u>
Interest paid ⁽¹⁾	40	11
Interest received, net of withholding taxes ⁽¹⁾	4,987	1,128

⁽¹⁾ Classified as operating items.

The accompanying notes are an integral part of the financial statements.

Scotia Aria Conservative Build Portfolio (Unaudited – Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at June 30, 2018

Issuer	Number of Units	Average Cost (\$)	Carrying Value (\$)
CANADIAN EQUITY FUNDS – 12.1%			
CI Cambridge Canadian Equity Corporate Class, Class I	230,110	4,846,105	4,945,186
Scotia Private Canadian All Cap Equity Pool Series I†	92,218	965,889	1,035,891
Scotia Private Canadian Mid Cap Pool Series I†	118,052	2,469,992	2,474,093
Scotia Private Canadian Small Cap Pool Series I†	34,527	1,335,834	1,439,339
		<u>9,617,820</u>	<u>9,894,509</u>
FIXED INCOME FUNDS – 68.8%			
1832 AM North American Preferred Share LP Series I†	453,036	5,495,717	5,649,592
PIMCO Monthly Income Fund (Canada) Series I	607,151	8,643,616	8,493,737
Scotia Canadian Income Fund Series I†	633,660	8,549,323	8,404,862
Scotia Private American Core-Plus Bond Pool Series I†	611,112	5,790,834	5,611,226
Scotia Private Canadian Corporate Bond Pool Series I†	1,863,066	19,882,073	19,694,282
Scotia Private High Yield Income Pool Series I†	970,967	8,845,225	8,440,713
		<u>57,206,788</u>	<u>56,294,412</u>
FOREIGN EQUITY FUNDS – 17.6%			
1832 AM Global Completion LP Series I†	104,589	1,577,480	1,624,719
Scotia Global Growth Fund Series I†	58,770	4,285,517	5,097,013
Scotia Private Emerging Markets Pool Series I†	124,390	1,452,213	1,439,006
Scotia Private International Equity Pool Series I†	204,196	2,769,474	2,852,167
Scotia U.S. Dividend Growers LP Series I†	190,665	3,147,458	3,431,988
		<u>13,232,142</u>	<u>14,444,893</u>
TOTAL INVESTMENT PORTFOLIO		<u>80,056,750</u>	<u>80,633,814</u>
OTHER ASSETS, LESS LIABILITIES – 1.5%			<u>1,225,079</u>
NET ASSETS – 100.0%			<u>81,858,893</u>

† These securities are investments in related parties (note 10).

Scotia Aria Conservative Build Portfolio (Unaudited – Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

The Fund (note 1)

The Fund invests primarily in a diversified mix of mutual funds, equity securities and/or fixed income securities located anywhere in the world and aims to achieve modest long term capital appreciation with a secondary focus on income generation using a balanced approach to investing. The majority of the portfolio's assets will be held in fixed income securities.

The Fund invests primarily in funds managed by the Manager and/or by the third party investment managers (the "Underlying Funds"). To ensure the Fund's composition meets the investment objectives of the Fund, the portfolio advisor monitors the Underlying Funds on an ongoing basis and rebalances the Fund's assets among the Underlying Funds.

Risk associated with financial instruments (note 4)

Interest rate risk

The Fund could be exposed to indirect interest rate risk to the extent that the Underlying Funds held financial instruments that were subject to interest rate risk.

Currency risk

The Fund could be exposed to indirect currency risk to the extent that the Underlying Funds held financial instruments that were denominated in a currency other than its functional currency.

Price risk

Price risk is the risk that the carrying value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) caused by factors specific to a security, its issuer or all factors affecting a market or a market segment. Exposure to price risk is mainly in equities, underlying funds, derivatives and commodities, as applicable. As at June 30, 2018, approximately 98.5% (December 31, 2017 – 100.6%) of the Fund's net assets were exposed to price risk. If prices of these instruments had decreased or increased by 10%, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by approximately \$8,063,381 (December 31, 2017 – \$4,472,013). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Credit risk

The Fund could be exposed to indirect credit risk to the extent that the Underlying Funds invested in bonds and debentures, derivatives, money market instruments or preferred shares.

Concentration risk

Concentration risk arises as a result of the concentration of financial instruments within the same category, geographical location, asset type or industry sector, as applicable. The table below is a summary of

the Fund's concentration risk by carrying value as a percentage of net assets:

	Percentage of net assets (%)	
	June 30, 2018	December 31, 2017
Canadian Equity Funds	12.1	12.4
Fixed Income Funds	68.8	69.6
Foreign Equity Funds	17.6	18.6

Fair Value Classification (note 2)

The tables below illustrate the classification of the Fund's financial instruments within the fair value hierarchy.

	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
June 30, 2018				
Underlying funds	80,633,814	–	–	80,633,814
	80,633,814	–	–	80,633,814

	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
December 31, 2017				
Underlying funds	44,720,131	–	–	44,720,131
	44,720,131	–	–	44,720,131

Transfers between levels

During the periods ended June 30, 2018 and December 31, 2017, there were no significant transfers between Level 1 and Level 2.

Offsetting of financial assets and liabilities (note 2)

As at June 30, 2018 and December 31, 2017, the Fund did not enter into any agreement whereby the financial instruments were eligible for offset.

Scotia Aria Conservative Build Portfolio (Unaudited – Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

Interest in Underlying Funds (note 2)

The following tables present the percentage of the Underlying Funds owned by the Fund.

Underlying Fund	June 30, 2018	
	Carrying value of the Underlying Fund (\$)	Ownership percentage in Underlying Fund (%)
Scotia Private Canadian Mid Cap Pool Series I	2,474,093	2.0
1832 AM North American Preferred Share LP Series I	5,649,592	2.0
Scotia Private High Yield Income Pool Series I	8,440,713	0.8
Scotia Private American Core-Plus Bond Pool Series I	5,611,226	0.7
Scotia U.S. Dividend Growers LP Series I	3,431,988	0.6
Scotia Global Growth Fund Series I	5,097,013	0.4
Scotia Private Emerging Markets Pool Series I	1,439,006	0.4
Scotia Private Canadian Corporate Bond Pool Series I	19,694,282	0.3
1832 AM Global Completion LP Series I	1,624,719	0.3
Scotia Private Canadian All Cap Equity Pool Series I	1,035,891	0.2
Scotia Private Canadian Small Cap Pool Series I	1,439,339	0.2
Scotia Private International Equity Pool Series I	2,852,167	0.2
CI Cambridge Canadian Equity Corporate Class, Class I	4,945,186	0.1
Scotia Canadian Income Fund Series I	8,404,862	0.1
PIMCO Monthly Income Fund (Canada) Class I	8,493,737	0.0
	80,633,814	

Comparison of net asset value and net assets per unit (note 2)

As at June 30, 2018 or December 31, 2017, there were no differences between the net asset value per unit and the net assets per unit for any series of the Fund.

Underlying Fund	December 31, 2017	
	Carrying value of the Underlying Fund (\$)	Ownership percentage in Underlying Fund (%)
Scotia Private Canadian Mid Cap Pool Series I	1,384,576	1.3
1832 AM North American Preferred Share LP Series I	3,123,684	1.1
Scotia Private American Core-Plus Bond Pool Series I	3,093,976	0.4
Scotia Private High Yield Income Pool Series I	4,620,097	0.4
Scotia Global Growth Fund Series I	2,874,745	0.3
Scotia Private Emerging Markets Pool Series I	810,106	0.3
Scotia U.S. Dividend Growers LP Series I	2,062,533	0.3
Scotia Private Canadian Corporate Bond Pool Series I	10,792,142	0.2
1832 AM Global Completion LP Series I	918,916	0.2
CI Cambridge Canadian Equity Corporate Class, Class I	2,756,540	0.1
Scotia Private Canadian All Cap Equity Pool Series I	577,673	0.1
Scotia Private Canadian Small Cap Pool Series I	807,728	0.1
Scotia Canadian Income Fund Series I	4,633,516	0.1
Scotia Private International Equity Pool Series I	1,612,326	0.1
PIMCO Monthly Income Fund (Canada) Class I	4,651,573	0.0
	44,720,131	

The accompanying notes are an integral part of the financial statements.

Scotia Aria Conservative Defend Portfolio (Unaudited)

(formerly, Scotia Aria Conservative Core Portfolio)

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	June 30, 2018	December 31, 2017
ASSETS		
Current assets		
Financial assets at fair value through profit or loss (note 2)		
Non-derivative financial assets	216,977,047	167,898,128
Cash	1,941,081	767,473
Subscriptions receivable	825,470	211,308
Accrued investment income and other	1,480	804
	<u>219,745,078</u>	<u>168,877,713</u>
LIABILITIES		
Current liabilities		
Management fee payable	225,480	–
Payable for securities purchased	667,400	131,900
Redemptions payable	1,041,895	408,008
Accrued expenses	19,377	–
Distributions payable	57,949	36,103
	<u>2,012,101</u>	<u>576,011</u>
Net assets attributable to holders of redeemable units	<u>217,732,977</u>	<u>168,301,702</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Premium Series	195,375,287	146,528,301
Premium T Series	9,666,184	9,219,951
Premium TH Series	10,997,057	10,729,152
Premium TL Series	1,694,449	1,824,298
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Premium Series	10.28	10.26
Premium T Series	14.46	14.66
Premium TH Series	13.75	14.05
Premium TL Series	15.22	15.31

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended June 30 (note 1),

(in dollars except average units)	2018	2017
INCOME		
Net gain (loss) on financial assets and liabilities at fair value through profit or loss		
Dividends	398,283	231,708
Interest for distribution purposes	2,193,233	1,720,566
Net realized gain (loss) on non-derivative financial assets	259,199	277,552
Change in unrealized gain (loss) on non-derivative financial assets	(858,630)	185,346
Net gain (loss) on financial assets and liabilities at fair value through profit or loss	1,992,085	2,415,172
Other income	12,460	3,687
Total income (loss), net	<u>2,004,545</u>	<u>2,418,859</u>
EXPENSES		
Management fees (note 5)	1,158,061	743,445
Fixed administration fees and operating expense (note 6)	96,505	61,427
Independent Review Committee fees	587	576
Foreign withholding taxes/tax reclaims	–	(81)
Other fund costs	617	171
Harmonized Sales Tax/Goods and Services Tax	134,152	86,534
Total expenses	1,389,922	892,072
Expenses absorbed by the Manager	–	(1,517)
Net expenses	<u>1,389,922</u>	<u>890,555</u>
Increase (decrease) in net assets attributable to holders of redeemable units from operations	<u>614,623</u>	<u>1,528,304</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A	–	722,314
Series T	–	43,597
Series TH	–	34,194
Series TL	–	(16,432)
Premium Series	569,214	566,078
Premium T Series	24,298	55,023
Premium TH Series	18,654	98,076
Premium TL Series	2,457	25,454
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT[†]		
Series A	–	0.13
Series T	–	0.36
Series TH	–	0.20
Series TL	–	(0.60)
Premium Series	0.03	0.12
Premium T Series	0.04	0.18
Premium TH Series	0.02	0.21
Premium TL Series	0.02	0.28
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series A	–	5,723,659
Series T	–	120,801
Series TH	–	167,171
Series TL	–	27,543
Premium Series	16,786,004	4,680,010
Premium T Series	657,516	305,270
Premium TH Series	812,737	456,541
Premium TL Series	116,844	92,489

[†] The increase (decrease) in net assets attributable to holders of redeemable units from operations per unit is calculated by dividing the increase (decrease) in net assets attributable to holders of redeemable units from operations per series by the weighted average number of units per series.

The accompanying notes are an integral part of the financial statements.

Scotia Aria Conservative Defend Portfolio (Unaudited – Continued)

(formerly, Scotia Aria Conservative Core Portfolio)

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the periods ended June 30 (note 1),

(in dollars)	2018	2017
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series A	–	45,778,127
Series T	–	1,388,336
Series TH	–	1,887,595
Series TL	–	415,703
Premium Series	146,528,301	41,977,846
Premium T Series	9,219,951	3,874,675
Premium TH Series	10,729,152	5,719,506
Premium TL Series	1,824,298	1,622,478
	<u>168,301,702</u>	<u>102,664,266</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A	–	722,314
Series T	–	43,597
Series TH	–	34,194
Series TL	–	(16,432)
Premium Series	569,214	566,078
Premium T Series	24,298	55,023
Premium TH Series	18,654	98,076
Premium TL Series	2,457	25,454
	<u>614,623</u>	<u>1,528,304</u>
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net investment income		
Series T	–	(9,683)
Series TH	–	(7,166)
Series TL	–	(1,231)
Premium T Series	(83,062)	(42,136)
Premium TH Series	(83,561)	(59,443)
Premium TL Series	(11,794)	(8,647)
From net realized gains on investments		
Series T	–	(2,247)
Series TH	–	(2,544)
Series TL	–	(433)
Premium T Series	–	(6,993)
Premium TH Series	–	(9,452)
Premium TL Series	–	(1,620)
From return of capital		
Series T	–	(16,642)
Series TH	–	(46,005)
Series TL	–	(1,471)
Premium T Series	(65,542)	(22,620)
Premium TH Series	(177,088)	(82,466)
Premium TL Series	(1,519)	–
	<u>(422,566)</u>	<u>(320,799)</u>
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A	–	29,698,993
Series T	–	934,860
Series TH	–	954,681
Series TL	–	135,932
Premium Series	66,124,499	13,757,523
Premium T Series	1,858,867	2,562,430
Premium TH Series	3,061,286	1,896,399
Premium TL Series	–	119,000
Reinvested distributions		
Series T	–	5,003
Series TH	–	17,356
Series TL	–	40
Premium T Series	32,494	16,843
Premium TH Series	71,670	63,298
Premium TL Series	(443)	39

(in dollars)	2018	2017
Payments on redemption		
Series A	–	(4,777,046)
Series T	–	(56,138)
Series TH	–	(75,150)
Series TL	–	(132,638)
Premium Series	(17,846,727)	(2,966,356)
Premium T Series	(1,320,822)	(439,883)
Premium TH Series	(2,623,056)	(226,520)
Premium TL Series	(118,550)	(355,994)
	<u>49,239,218</u>	<u>41,132,672</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A	–	25,644,261
Series T	–	898,750
Series TH	–	875,366
Series TL	–	(16,233)
Premium Series	48,846,986	11,357,245
Premium T Series	446,233	2,122,664
Premium TH Series	267,905	1,679,892
Premium TL Series	(129,849)	(221,768)
	<u>49,431,275</u>	<u>42,340,177</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series A	–	71,422,388
Series T	–	2,287,086
Series TH	–	2,762,961
Series TL	–	399,470
Premium Series	195,375,287	53,335,091
Premium T Series	9,666,184	5,997,339
Premium TH Series	10,997,057	7,399,398
Premium TL Series	1,694,449	1,400,710
	<u>217,732,977</u>	<u>145,004,443</u>

STATEMENTS OF CASH FLOWS

For the periods ended June 30 (note 1),

(in dollars)	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	614,623	1,528,304
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(259,199)	(277,552)
Change in unrealized (gain) loss on non-derivative financial assets	858,630	(185,346)
Non-cash transactions	(2,582,378)	(1,948,646)
Purchases of portfolio investments	(46,910,475)	(38,376,419)
Proceeds from sale of portfolio investments	350,002	35,000
Accrued investment income and other	(676)	(110,164)
Accrued expenses and other payables	244,857	161,834
Net cash provided by (used in) operating activities	<u>(47,684,616)</u>	<u>(39,172,989)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	70,226,716	49,037,303
Amounts paid on redemption of redeemable units	(21,071,493)	(9,644,162)
Distributions to unitholders of redeemable units	(296,999)	(207,025)
Net cash provided by (used in) financing activities	48,858,224	39,186,116
Net increase (decrease) in cash	1,173,608	13,127
Cash (bank overdraft), beginning of period	767,473	1,259,389
CASH (BANK OVERDRAFT), END OF PERIOD	<u>1,941,081</u>	<u>1,272,516</u>
Interest received, net of withholding taxes ⁽¹⁾	8,463	3,758

⁽¹⁾ Classified as operating items.

The accompanying notes are an integral part of the financial statements.

Scotia Aria Conservative Defend Portfolio (Unaudited – Continued) (formerly, Scotia Aria Conservative Core Portfolio)

SCHEDULE OF INVESTMENT PORTFOLIO

As at June 30, 2018

Issuer	Number of Units	Average Cost (\$)	Carrying Value (\$)
CANADIAN EQUITY FUNDS – 15.4%			
CI Cambridge Canadian Equity Corporate Class, Class I	309,910	6,407,222	6,660,117
Dynamic Small Business Fund Series O [†]	274,502	4,954,656	5,034,360
Scotia Canadian Dividend Fund Series I [†]	351,050	20,219,162	21,793,539
		<u>31,581,040</u>	<u>33,488,016</u>
FIXED INCOME FUNDS – 74.1%			
CI Signature Corporate Bond Corporate Class, Class I	1,515,070	16,271,996	16,159,126
Dynamic Canadian Bond Fund Series O [†]	4,736,322	24,910,785	24,202,604
PIMCO Monthly Income Fund (Canada) Series I	1,163,840	16,612,161	16,281,535
Scotia Floating Rate Income Fund Series I [†]	4,075,004	40,323,694	40,099,665
Scotia Private Canadian Corporate Bond Pool Series I [†]	3,078,504	33,013,120	32,542,557
Scotia Total Return Bond LP Series I [†]	2,651,561	32,512,994	32,065,587
		<u>163,644,750</u>	<u>161,351,074</u>
FOREIGN EQUITY FUNDS – 10.2%			
Dynamic Global Infrastructure Fund Series O [†]	111,309	2,228,511	2,256,229
Scotia Global Low Volatility Equity LP Series I [†]	598,911	9,323,077	9,969,530
Scotia Private International Equity Pool Series I [†]	236,181	3,130,806	3,298,935
Scotia Private Options Income Pool Series I [†]	421,636	4,316,348	4,431,184
Scotia U.S. Low Volatility Equity LP Series I [†]	138,151	2,082,197	2,182,079
		<u>21,080,939</u>	<u>22,137,957</u>
TOTAL INVESTMENT PORTFOLIO		<u>216,306,729</u>	<u>216,977,047</u>
OTHER ASSETS, LESS LIABILITIES – 0.3%			<u>755,930</u>
NET ASSETS – 100.0%			<u>217,732,977</u>

[†] These securities are investments in related parties (note 10).

Scotia Aria Conservative Defend Portfolio (Unaudited – Continued) (formerly Scotia Aria Conservative Core Portfolio)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

The Fund (note 1)

The Fund invests primarily in a diversified mix of mutual funds, equity securities and/or fixed income securities located anywhere in the world and aims to achieve modest long term capital appreciation using a balanced approach to investing through investments that the portfolio advisor assesses to be less volatile than that of broad markets. The majority of the portfolio's assets will be held in fixed income securities.

The Fund invests primarily in funds managed by the Manager and/or by the third party investment managers (the "Underlying Funds"). To ensure the Fund's composition meets the investment objectives of the Fund, the portfolio advisor monitors the Underlying Funds on an ongoing basis and rebalances the Fund's assets among the Underlying Funds.

Risk associated with financial instruments (note 4)

Interest rate risk

The Fund could be exposed to indirect interest rate risk to the extent that the Underlying Funds held financial instruments that were subject to interest rate risk.

Currency risk

The Fund could be exposed to indirect currency risk to the extent that the Underlying Funds held financial instruments that were denominated in a currency other than its functional currency.

Price risk

Price risk is the risk that the carrying value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) caused by factors specific to a security, its issuer or all factors affecting a market or a market segment. Exposure to price risk is mainly in equities, underlying funds, derivatives and commodities, as applicable. As at June 30, 2018, approximately 99.7% (December 31, 2017 – 99.8%) of the Fund's net assets were exposed to price risk. If prices of these instruments had decreased or increased by 10%, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by approximately \$21,697,705 (December 31, 2017 – \$16,789,813). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Credit risk

The Fund could be exposed to indirect credit risk to the extent that the Underlying Funds invested in bonds and debentures, derivatives, money market instruments or preferred shares.

Concentration risk

Concentration risk arises as a result of the concentration of financial instruments within the same category, geographical location, asset

type or industry sector, as applicable. The table below is a summary of the Fund's concentration risk by carrying value as a percentage of net assets:

	Percentage of net assets (%)	
	June 30, 2018	December 31, 2017
Canadian Equity Funds	15.4	15.5
Fixed Income Funds	74.1	74.1
Foreign Equity Funds	10.2	10.2

Fair Value Classification (note 2)

The tables below illustrate the classification of the Fund's financial instruments within the fair value hierarchy.

June 30, 2018	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Underlying funds	216,977,047	–	–	216,977,047
	216,977,047	–	–	216,977,047

December 31, 2017	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Underlying funds	167,898,128	–	–	167,898,128
	167,898,128	–	–	167,898,128

Transfers between levels

During the periods ended June 30, 2018 and December 31, 2017, there were no significant transfers between Level 1 and Level 2.

Offsetting of financial assets and liabilities (note 2)

As at June 30, 2018 and December 31, 2017, the Fund did not enter into any agreement whereby the financial instruments were eligible for offset.

Scotia Aria Conservative Defend Portfolio (Unaudited – Continued) (formerly Scotia Aria Conservative Core Portfolio)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

Interest in Underlying Funds (note 2)

The following tables present the percentage of the Underlying Funds owned by the Fund.

Underlying Fund	June 30, 2018	
	Carrying value of the Underlying Fund (\$)	Ownership percentage in Underlying Fund (%)
Scotia Total Return Bond LP Series I	32,065,587	3.1
Scotia Floating Rate Income Fund Series I	40,099,665	3.0
Dynamic Canadian Bond Fund Series O	24,202,604	1.8
Scotia Global Low Volatility Equity LP Series I	9,969,530	1.0
Scotia Private Canadian Corporate Bond Pool Series I	32,542,557	0.6
CI Signature Corporate Bond Corporate Class, Class I	16,159,126	0.5
Scotia Private Options Income Pool Series I	4,431,184	0.5
Dynamic Small Business Fund Series O	5,034,360	0.4
Scotia Private International Equity Pool Series I	3,298,935	0.3
Scotia Canadian Dividend Fund Series I	21,793,539	0.2
Dynamic Global Infrastructure Fund Series O	2,256,229	0.2
Scotia U.S. Low Volatility Equity LP Series I	2,182,079	0.2
CI Cambridge Canadian Equity Corporate Class, Class I	6,660,117	0.1
PIMCO Monthly Income Fund (Canada) Class I	16,281,535	0.1
	216,977,047	

Comparison of net asset value and net assets per unit (note 2)

As at June 30, 2018 or December 31, 2017, there were no differences between the net asset value per unit and the net assets per unit for any series of the Fund.

Underlying Fund	December 31, 2017	
	Carrying value of the Underlying Fund (\$)	Ownership percentage in Underlying Fund (%)
Scotia Floating Rate Income Fund Series I	31,229,903	2.4
Scotia Total Return Bond LP Series I	24,844,039	2.4
Dynamic Canadian Bond Fund Series O	18,602,549	1.3
Scotia Global Low Volatility Equity LP Series I	7,746,044	0.7
CI Signature Corporate Bond Corporate Class, Class I	12,484,399	0.4
Scotia Private Canadian Corporate Bond Pool Series I	24,876,622	0.4
Scotia Private Options Income Pool Series I	3,456,766	0.4
Dynamic Small Business Fund Series O	3,928,876	0.3
Scotia Canadian Dividend Fund Series I	16,966,532	0.2
Scotia Private International Equity Pool Series I	2,582,359	0.2
Scotia U.S. Low Volatility Equity LP Series I	1,717,987	0.2
CI Cambridge Canadian Equity Corporate Class, Class I	5,218,510	0.1
PIMCO Monthly Income Fund (Canada) Class I	12,508,273	0.1
Dynamic Global Infrastructure Fund Series O	1,735,269	0.1
	167,898,128	

The accompanying notes are an integral part of the financial statements.

Scotia Aria Conservative Pay Portfolio (Unaudited)

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	June 30, 2018	December 31, 2017
ASSETS		
Current assets		
Financial assets at fair value through profit or loss (note 2)		
Non-derivative financial assets	193,014,836	150,673,944
Cash	1,431,851	1,029,537
Subscriptions receivable	471,359	177,706
Accrued investment income and other	1,331	875
	<u>194,919,377</u>	<u>151,882,062</u>
LIABILITIES		
Current liabilities		
Management fee payable	200,368	–
Payable for securities purchased	386,200	396,000
Redemptions payable	125,977	5,000
Accrued expenses	17,284	–
Distributions payable	113,639	98,958
	<u>843,468</u>	<u>499,958</u>
Net assets attributable to holders of redeemable units	<u>194,075,909</u>	<u>151,382,104</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Premium Series	142,602,184	106,424,951
Premium T Series	21,848,523	18,303,220
Premium TH Series	22,769,040	21,836,988
Premium TL Series	6,856,162	4,816,945
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Premium Series	10.38	10.40
Premium T Series	14.79	15.04
Premium TH Series	14.06	14.41
Premium TL Series	15.15	15.28

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended June 30 (note 1),

(in dollars except average units)	2018	2017
INCOME		
Net gain (loss) on financial assets and liabilities at fair value through profit or loss		
Dividends	327,603	212,656
Interest for distribution purposes	1,635,228	1,058,261
Net realized gain (loss) on non-derivative financial assets	227,834	279,196
Change in unrealized gain (loss) on non-derivative financial assets	(1,075,201)	2,184,646
Net gain (loss) on financial assets and liabilities at fair value through profit or loss		
	1,115,464	3,734,759
Other income	13,425	1,759
Total income (loss), net	<u>1,128,889</u>	<u>3,736,518</u>
EXPENSES		
Management fees (note 5)	1,029,983	622,451
Fixed administration fees (note 6)	85,832	51,418
Independent Review Committee fees	587	576
Interest expense and bank overdraft charges	36	12
Foreign withholding taxes/tax reclaims	–	(99)
Other fund costs	873	566
Harmonized Sales Tax/Goods and Services Tax	114,793	68,154
Total expenses	<u>1,232,104</u>	<u>743,078</u>
Increase (decrease) in net assets attributable to holders of redeemable units from operations	<u>(103,215)</u>	<u>2,993,440</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A	–	977,538
Series T	–	161,545
Series TH	–	116,512
Series TL	–	27,307
Premium Series	(39,562)	1,041,215
Premium T Series	(21,851)	237,301
Premium TH Series	(43,122)	374,000
Premium TL Series	1,320	58,022
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT[†]		
Series A	–	0.29
Series T	–	0.45
Series TH	–	0.39
Series TL	–	0.48
Premium Series	(0.00)	0.31
Premium T Series	(0.02)	0.45
Premium TH Series	(0.03)	0.41
Premium TL Series	0.00	0.48
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series A	–	3,411,431
Series T	–	361,594
Series TH	–	301,072
Series TL	–	57,091
Premium Series	11,993,182	3,363,255
Premium T Series	1,342,673	530,555
Premium TH Series	1,541,272	917,108
Premium TL Series	440,900	121,328

[†] The increase (decrease) in net assets attributable to holders of redeemable units from operations per unit is calculated by dividing the increase (decrease) in net assets attributable to holders of redeemable units from operations per series by the weighted average number of units per series.

Scotia Aria Conservative Pay Portfolio (Unaudited – Continued)

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the periods ended June 30 (note 1),

(in dollars)	2018	2017
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series A	–	27,818,430
Series T	–	5,131,945
Series TH	–	3,297,975
Series TL	–	911,553
Premium Series	106,424,951	32,219,249
Premium T Series	18,303,220	7,858,807
Premium TH Series	21,836,988	11,987,100
Premium TL Series	4,816,945	2,148,241
	<u>151,382,104</u>	<u>91,373,300</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A	–	977,538
Series T	–	161,545
Series TH	–	116,512
Series TL	–	27,307
Premium Series	(39,562)	1,041,215
Premium T Series	(21,851)	237,301
Premium TH Series	(43,122)	374,000
Premium TL Series	1,320	58,022
	<u>(103,215)</u>	<u>2,993,440</u>
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net investment income		
Series T	–	(53,587)
Series TH	–	(44,875)
Series TL	–	(6,395)
Premium T Series	(185,328)	(87,738)
Premium TH Series	(162,485)	(158,305)
Premium TL Series	(50,788)	(10,818)
From net realized gains on investments		
Series T	–	(21,289)
Series TH	–	(17,857)
Premium T Series	–	(31,832)
Premium TH Series	–	(55,841)
Premium TL Series	–	(3,526)
From return of capital		
Series T	–	(7,756)
Series TH	–	(35,736)
Premium T Series	(121,826)	–
Premium TH Series	(341,599)	(89,108)
	<u>(862,026)</u>	<u>(624,663)</u>
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A	–	16,650,611
Series T	–	1,528,675
Series TH	–	3,047,144
Premium Series	49,321,346	7,916,446
Premium T Series	5,565,851	2,873,265
Premium TH Series	6,334,393	6,446,179
Premium TL Series	2,895,357	881,081
Reinvested distributions		
Series T	–	13,801
Series TH	–	33,287
Series TL	–	1,761
Premium T Series	65,012	17,356
Premium TH Series	110,633	75,133
Premium TL Series	4,479	4,867
Payments on redemption		
Series A	–	(2,670,670)
Series T	–	(654,549)
Series TH	–	(931,473)
Series TL	–	(59,789)
Premium Series	(13,104,551)	(2,846,668)
Premium T Series	(1,756,555)	(2,167,686)
Premium TH Series	(4,965,768)	(2,899,102)
Premium TL Series	(811,151)	(495,673)
	<u>43,659,046</u>	<u>26,763,996</u>

(in dollars)	2018	2017
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A	–	14,957,479
Series T	–	966,840
Series TH	–	2,167,002
Series TL	–	(37,116)
Premium Series	36,177,233	6,110,993
Premium T Series	3,545,303	840,666
Premium TH Series	932,052	3,692,956
Premium TL Series	2,039,217	433,953
	<u>42,693,805</u>	<u>29,132,773</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series A	–	42,775,909
Series T	–	6,098,785
Series TH	–	5,464,977
Series TL	–	874,437
Premium Series	142,602,184	38,330,242
Premium T Series	21,848,523	8,699,473
Premium TH Series	22,769,040	15,680,056
Premium TL Series	6,856,162	2,582,194
	<u>194,075,909</u>	<u>120,506,073</u>

STATEMENTS OF CASH FLOWS

For the periods ended June 30 (note 1),

(in dollars)	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	(103,215)	2,993,440
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(227,834)	(279,196)
Change in unrealized (gain) loss on non-derivative financial assets	1,075,201	(2,184,646)
Non-cash transactions	(1,954,874)	(1,268,029)
Purchases of portfolio investments	(41,833,736)	(24,340,073)
Proceeds from sale of portfolio investments	590,550	1,085,900
Accrued investment income and other	(456)	(38,749)
Accrued expenses and other payables	217,652	133,718
Net cash provided by (used in) operating activities	(42,236,712)	(23,897,635)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	63,374,339	36,289,214
Amounts paid on redemption of redeemable units	(20,068,092)	(10,888,028)
Distributions to unitholders of redeemable units	(667,221)	(540,725)
Net cash provided by (used in) financing activities	42,639,026	24,860,461
Net increase (decrease) in cash	402,314	962,826
Cash (bank overdraft), beginning of period	1,029,537	924,577
CASH (BANK OVERDRAFT), END OF PERIOD	<u>1,431,851</u>	<u>1,887,403</u>
Interest paid ⁽¹⁾	36	12
Interest received, net of withholding taxes ⁽¹⁾	7,502	2,901

⁽¹⁾ Classified as operating items.

The accompanying notes are an integral part of the financial statements.

Scotia Aria Conservative Pay Portfolio (Unaudited – Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at June 30, 2018

Issuer	Number of Units	Average Cost (\$)	Carrying Value (\$)
CANADIAN EQUITY FUNDS – 15.3%			
CI Cambridge Canadian Equity Corporate Class, Class I	321,206	6,660,134	6,902,886
Dynamic Dividend Advantage Fund Series O†	393,267	2,944,588	2,965,236
Dynamic Small Business Fund Series O†	323,973	5,861,788	5,941,658
Scotia Canadian Dividend Fund Series I†	222,888	12,781,094	13,837,135
		<u>28,247,604</u>	<u>29,646,915</u>
FIXED INCOME FUNDS – 69.0%			
1832 AM North American Preferred Share LP Series I†	1,084,874	12,880,840	13,528,927
PIMCO Monthly Income Fund (Canada) Series I	1,453,727	20,777,284	20,336,919
Scotia Private American Core-Plus Bond Pool Series I†	734,369	7,011,620	6,742,973
Scotia Private Canadian Corporate Bond Pool Series I†	3,771,777	40,558,300	39,871,081
Scotia Private High Yield Income Pool Series I†	1,541,116	14,209,034	13,397,078
Scotia Total Return Bond LP Series I†	3,310,340	40,825,403	40,032,268
		<u>136,262,481</u>	<u>133,909,246</u>
FOREIGN EQUITY FUNDS – 15.2%			
Dynamic Global Infrastructure Fund Series O†	99,350	1,842,867	2,013,825
Scotia Global Dividend Fund Series I†	805,983	13,767,661	13,260,282
Scotia Private International Equity Pool Series I†	526,784	7,058,459	7,358,017
Scotia Private Options Income Pool Series I†	375,594	3,860,715	3,947,308
Scotia U.S. Dividend Growers LP Series I†	159,957	2,594,842	2,879,243
		<u>29,124,544</u>	<u>29,458,675</u>
TOTAL INVESTMENT PORTFOLIO		<u>193,634,629</u>	<u>193,014,836</u>
OTHER ASSETS, LESS LIABILITIES – 0.5%			<u>1,061,073</u>
NET ASSETS – 100.0%			<u>194,075,909</u>

† These securities are investments in related parties (note 10).

Scotia Aria Conservative Pay Portfolio (Unaudited – Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

The Fund (note 1)

The Fund invests primarily in a diversified mix of mutual funds, equity securities and/or fixed income securities located anywhere in the world and aims to generate income and modest long term capital appreciation using a balanced approach to investing through investments in income producing equity and fixed income securities. The majority of the portfolio's assets will be held in fixed income securities.

The Fund invests primarily in funds managed by the Manager and/or by the third party investment managers (the "Underlying Funds"). To ensure the Fund's composition meets the investment objectives of the Fund, the portfolio advisor monitors the Underlying Funds on an ongoing basis and rebalances the Fund's assets among the Underlying Funds.

Risk associated with financial instruments (note 4)

Interest rate risk

The Fund could be exposed to indirect interest rate risk to the extent that the Underlying Funds held financial instruments that were subject to interest rate risk.

Currency risk

The Fund could be exposed to indirect currency risk to the extent that the Underlying Funds held financial instruments that were denominated in a currency other than its functional currency.

Price risk

Price risk is the risk that the carrying value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) caused by factors specific to a security, its issuer or all factors affecting a market or a market segment. Exposure to price risk is mainly in equities, underlying funds, derivatives and commodities, as applicable. As at June 30, 2018, approximately 99.5% (December 31, 2017 – 99.5%) of the Fund's net assets were exposed to price risk. If prices of these instruments had decreased or increased by 10%, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by approximately \$19,301,484 (December 31, 2017 – \$15,067,394). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Credit risk

The Fund could be exposed to indirect credit risk to the extent that the Underlying Funds invested in bonds and debentures, derivatives, money market instruments or preferred shares.

Concentration risk

Concentration risk arises as a result of the concentration of financial instruments within the same category, geographical location, asset type or industry sector, as applicable. The table below is a summary of

the Fund's concentration risk by carrying value as a percentage of net assets:

	Percentage of net assets (%)	
	June 30, 2018	December 31, 2017
Canadian Equity Funds	15.3	15.3
Fixed Income Funds	69.0	68.9
Foreign Equity Funds	15.2	15.3

Fair Value Classification (note 2)

The tables below illustrate the classification of the Fund's financial instruments within the fair value hierarchy.

	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
June 30, 2018				
Underlying funds	193,014,836	–	–	193,014,836
	193,014,836	–	–	193,014,836

	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
December 31, 2017				
Underlying funds	150,673,944	–	–	150,673,944
	150,673,944	–	–	150,673,944

Transfers between levels

During the periods ended June 30, 2018 and December 31, 2017, there were no significant transfers between Level 1 and Level 2.

Offsetting of financial assets and liabilities (note 2)

As at June 30, 2018 and December 31, 2017, the Fund did not enter into any agreement whereby the financial instruments were eligible for offset.

Scotia Aria Conservative Pay Portfolio (Unaudited – Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

Interest in Underlying Funds (note 2)

The following tables present the percentage of the Underlying Funds owned by the Fund.

Underlying Fund	June 30, 2018	
	Carrying value of the Underlying Fund (\$)	Ownership percentage in Underlying Fund (%)
1832 AM North American Preferred Share LP Series I	13,528,927	4.8
Scotia Total Return Bond LP Series I	40,032,268	3.8
Scotia Global Dividend Fund Series I	13,260,282	1.6
Scotia Private High Yield Income Pool Series I	13,397,078	1.3
Scotia Private American Core-Plus Bond Pool Series I	6,742,973	0.8
Scotia Private Canadian Corporate Bond Pool Series I	39,871,081	0.7
Scotia Private International Equity Pool Series I	7,358,017	0.6
Dynamic Small Business Fund Series O	5,941,658	0.5
Scotia U.S. Dividend Growers LP Series I	2,879,243	0.5
Dynamic Dividend Advantage Fund Series O	2,965,236	0.4
Scotia Private Options Income Pool Series I	3,947,308	0.4
Dynamic Global Infrastructure Fund Series O	2,013,825	0.2
CI Cambridge Canadian Equity Corporate Class, Class I	6,902,886	0.1
Scotia Canadian Dividend Fund Series I	13,837,135	0.1
PIMCO Monthly Income Fund (Canada) Class I	20,336,919	0.1
	193,014,836	

Comparison of net asset value and net assets per unit (note 2)

As at June 30, 2018 or December 31, 2017, there were no differences between the net asset value per unit and the net assets per unit for any series of the Fund.

Underlying Fund	December 31, 2017	
	Carrying value of the Underlying Fund (\$)	Ownership percentage in Underlying Fund (%)
1832 AM North American Preferred Share LP Series I	10,558,264	3.9
Scotia Total Return Bond LP Series I	31,209,198	3.0
Scotia Global Dividend Fund Series I	10,394,410	1.3
Scotia Private High Yield Income Pool Series I	10,415,571	0.8
Scotia Private American Core-Plus Bond Pool Series I	5,220,953	0.6
Scotia Private Canadian Corporate Bond Pool Series I	31,267,637	0.5
Scotia Private International Equity Pool Series I	5,779,404	0.5
Dynamic Small Business Fund Series O	4,628,533	0.4
Scotia Private Options Income Pool Series I	3,087,361	0.4
Scotia U.S. Dividend Growers LP Series I	2,302,376	0.4
Dynamic Dividend Advantage Fund Series O	2,310,611	0.3
CI Cambridge Canadian Equity Corporate Class, Class I	5,389,361	0.1
Scotia Canadian Dividend Fund Series I	10,781,885	0.1
PIMCO Monthly Income Fund (Canada) Class I	15,774,660	0.1
Dynamic Global Infrastructure Fund Series O	1,553,720	0.1
	150,673,944	

The accompanying notes are an integral part of the financial statements.

Scotia Aria Moderate Build Portfolio (Unaudited)

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	June 30, 2018	December 31, 2017
ASSETS		
Current assets		
Financial assets at fair value through profit or loss (note 2)		
Non-derivative financial assets	182,762,248	128,770,155
Cash	1,712,921	974,334
Subscriptions receivable	1,043,245	472,014
Accrued investment income and other	1,299	1,484
	<u>185,519,713</u>	<u>130,217,987</u>
LIABILITIES		
Current liabilities		
Management fee payable	220,999	–
Payable for securities purchased	1,214,000	664,000
Redemptions payable	44,635	158,075
Accrued expenses	16,368	–
Distributions payable	–	2,434
	<u>1,496,002</u>	<u>824,509</u>
Net assets attributable to holders of redeemable units	<u>184,023,711</u>	<u>129,393,478</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Premium Series	184,023,711	129,393,478
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Premium Series	10.95	10.86

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended June 30 (note 1),

(in dollars except average units)	2018	2017
INCOME		
Net gain (loss) on financial assets and liabilities at fair value through profit or loss		
Dividends	163,552	90,967
Interest for distribution purposes	1,530,127	810,778
Net realized gain (loss) on non-derivative financial assets	558,163	356,088
Change in unrealized gain (loss) on non-derivative financial assets	361,292	1,903,737
Net gain (loss) on financial assets and liabilities at fair value through profit or loss	2,613,134	3,161,570
Other income	2,624	23
Total income (loss), net	<u>2,615,758</u>	<u>3,161,593</u>
EXPENSES		
Management fees (note 5)	1,093,511	589,809
Fixed administration fees (note 6)	78,108	41,950
Independent Review Committee fees	587	576
Foreign withholding taxes/tax reclaims	–	(47)
Other fund costs	628	224
Harmonized Sales Tax/Goods and Services Tax	120,091	63,887
Total expenses	<u>1,292,925</u>	<u>696,399</u>
Increase (decrease) in net assets attributable to holders of redeemable units from operations	<u>1,322,833</u>	<u>2,465,194</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A	–	1,398,032
Premium Series	1,322,833	1,067,162
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT[†]		
Series A	–	0.27
Premium Series	0.09	0.39
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series A	–	5,222,477
Premium Series	14,424,653	2,741,356

[†] The increase (decrease) in net assets attributable to holders of redeemable units from operations per unit is calculated by dividing the increase (decrease) in net assets attributable to holders of redeemable units from operations per series by the weighted average number of units per series.

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the periods ended June 30 (note 1),

(in dollars)	2018	2017
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series A	–	38,967,968
Premium Series	129,393,478	23,439,366
	<u>129,393,478</u>	<u>62,407,334</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A	–	1,398,032
Premium Series	1,322,833	1,067,162
	<u>1,322,833</u>	<u>2,465,194</u>
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A	–	31,094,914
Premium Series	66,161,571	12,134,481
Reinvested distributions		
Series A	–	(81)
Payments on redemption		
Series A	–	(2,605,620)
Premium Series	(12,854,171)	(2,281,134)
	<u>53,307,400</u>	<u>38,342,560</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A	–	29,887,245
Premium Series	54,630,233	10,920,509
	<u>54,630,233</u>	<u>40,807,754</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series A	–	68,855,213
Premium Series	184,023,711	34,359,875
	<u>184,023,711</u>	<u>103,215,088</u>

STATEMENTS OF CASH FLOWS

For the periods ended June 30 (note 1),

(in dollars)	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	1,322,833	2,465,194
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(558,163)	(356,088)
Change in unrealized (gain) loss on non-derivative financial assets	(361,292)	(1,903,737)
Non-cash transactions	(1,686,063)	(898,985)
Purchases of portfolio investments	(50,836,575)	(37,773,727)
Proceeds from sale of portfolio investments	–	205,000
Accrued investment income and other	185	247
Accrued expenses and other payables	237,367	135,412
Net cash provided by (used in) operating activities	(51,881,708)	(38,126,684)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	65,590,340	42,375,958
Amounts paid on redemption of redeemable units	(12,967,611)	(4,395,820)
Distributions to unitholders of redeemable units	(2,434)	(5,167)
Net cash provided by (used in) financing activities	52,620,295	37,974,971
Net increase (decrease) in cash	738,587	(151,713)
Cash (bank overdraft), beginning of period	974,334	1,230,148
CASH (BANK OVERDRAFT), END OF PERIOD	<u>1,712,921</u>	<u>1,078,435</u>
Interest received, net of withholding taxes ⁽¹⁾	7,799	3,054

(1) Classified as operating items.

The accompanying notes are an integral part of the financial statements.

Scotia Aria Moderate Build Portfolio (Unaudited – Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at June 30, 2018

Issuer	Number of Units	Average Cost (\$)	Carrying Value (\$)
CANADIAN EQUITY FUNDS – 20.4%			
CI Cambridge Canadian Equity Corporate Class, Class I	871,274	18,312,717	18,724,108
Scotia Private Canadian All Cap Equity Pool Series I†	335,743	3,484,218	3,771,429
Scotia Private Canadian Mid Cap Pool Series I†	358,164	7,532,744	7,506,248
Scotia Private Canadian Small Cap Pool Series I†	180,357	6,825,630	7,518,589
		<u>36,155,309</u>	<u>37,520,374</u>
FIXED INCOME FUNDS – 48.8%			
1832 AM North American Preferred Share LP Series I†	733,237	8,779,884	9,143,831
PIMCO Monthly Income Fund (Canada) Series I	977,032	13,921,545	13,668,190
Scotia Canadian Income Fund Series I†	1,004,175	13,602,971	13,319,377
Scotia Private American Core-Plus Bond Pool Series I†	969,421	9,227,318	8,901,225
Scotia Private Canadian Corporate Bond Pool Series I†	2,129,431	22,833,495	22,509,999
Scotia Private High Yield Income Pool Series I†	2,563,857	23,575,533	22,287,869
		<u>91,940,746</u>	<u>89,830,491</u>
FOREIGN EQUITY FUNDS – 30.1%			
1832 AM Global Completion LP Series I†	356,864	5,318,247	5,543,636
Scotia Global Growth Fund Series I†	159,853	11,071,656	13,863,863
Scotia Private Emerging Markets Pool Series I†	487,386	5,331,835	5,638,321
Scotia Private Global Real Estate Pool Series I†	296,765	5,499,019	5,675,623
Scotia Private International Equity Pool Series I†	800,261	10,698,162	11,177,882
Scotia Private U.S. Mid Cap Value Pool Series I†	137,246	2,402,148	2,768,252
Scotia U.S. Dividend Growers LP Series I†	596,875	9,703,292	10,743,806
		<u>50,024,359</u>	<u>55,411,383</u>
TOTAL INVESTMENT PORTFOLIO		<u><u>178,120,414</u></u>	<u><u>182,762,248</u></u>
OTHER ASSETS, LESS LIABILITIES – 0.7%			<u>1,261,463</u>
NET ASSETS – 100.0%			<u><u>184,023,711</u></u>

† These securities are investments in related parties (note 10).

Scotia Aria Moderate Build Portfolio (Unaudited – Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

The Fund (note 1)

The Fund invests primarily in a diversified mix of mutual funds, equity securities and/or fixed income securities located anywhere in the world and aims to achieve moderate long term capital appreciation with a secondary focus on income generation using a balanced approach to investing with a neutral asset mix of equity and fixed income securities.

The Fund invests primarily in funds managed by the Manager and/or by the third party investment managers (the “Underlying Funds”). To ensure the Fund’s composition meets the investment objectives of the Fund, the portfolio advisor monitors the Underlying Funds on an ongoing basis and rebalances the Fund’s assets among the Underlying Funds.

Risk associated with financial instruments (note 4)

Interest rate risk

The Fund could be exposed to indirect interest rate risk to the extent that the Underlying Funds held financial instruments that were subject to interest rate risk.

Currency risk

The Fund could be exposed to indirect currency risk to the extent that the Underlying Funds held financial instruments that were denominated in a currency other than its functional currency.

Price risk

Price risk is the risk that the carrying value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) caused by factors specific to a security, its issuer or all factors affecting a market or a market segment. Exposure to price risk is mainly in equities, underlying funds, derivatives and commodities, as applicable. As at June 30, 2018, approximately 99.3% (December 31, 2017 – 99.5%) of the Fund’s net assets were exposed to price risk. If prices of these instruments had decreased or increased by 10%, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by approximately \$18,276,225 (December 31, 2017 – \$12,877,016). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Credit risk

The Fund could be exposed to indirect credit risk to the extent that the Underlying Funds invested in bonds and debentures, derivatives, money market instruments or preferred shares.

Concentration risk

Concentration risk arises as a result of the concentration of financial instruments within the same category, geographical location, asset type or industry sector, as applicable. The table below is a summary of

the Fund’s concentration risk by carrying value as a percentage of net assets:

	Percentage of net assets (%)	
	June 30, 2018	December 31, 2017
Canadian Equity Funds	20.4	20.4
Fixed Income Funds	48.8	48.2
Foreign Equity Funds	30.1	30.9

Fair Value Classification (note 2)

The tables below illustrate the classification of the Fund’s financial instruments within the fair value hierarchy.

	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
June 30, 2018				
Underlying funds	182,762,248	–	–	182,762,248
	182,762,248	–	–	182,762,248

	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
December 31, 2017				
Underlying funds	128,770,155	–	–	128,770,155
	128,770,155	–	–	128,770,155

Transfers between levels

During the periods ended June 30, 2018 and December 31, 2017, there were no significant transfers between Level 1 and Level 2.

Offsetting of financial assets and liabilities (note 2)

As at June 30, 2018 and December 31, 2017, the Fund did not enter into any agreement whereby the financial instruments were eligible for offset.

Scotia Aria Moderate Build Portfolio (Unaudited – Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

Interest in Underlying Funds (note 2)

The following tables present the percentage of the Underlying Funds owned by the Fund.

Underlying Fund	June 30, 2018	
	Carrying value of the Underlying Fund (\$)	Ownership percentage in Underlying Fund (%)
Scotia Private Canadian Mid Cap Pool Series I	7,506,248	6.0
1832 AM North American Preferred Share LP Series I	9,143,831	3.3
Scotia Private U.S. Mid Cap Value Pool Series I	2,768,252	2.4
Scotia Private High Yield Income Pool Series I	22,287,869	2.2
Scotia Private Global Real Estate Pool Series I	5,675,623	1.8
Scotia U.S. Dividend Growers LP Series I	10,743,806	1.8
Scotia Private Emerging Markets Pool Series I	5,638,321	1.7
1832 AM Global Completion LP Series I	5,543,636	1.2
Scotia Global Growth Fund Series I	13,863,863	1.2
Scotia Private American Core-Plus Bond Pool Series I	8,901,225	1.1
Scotia Private Canadian All Cap Equity Pool Series I	3,771,429	0.9
Scotia Private Canadian Small Cap Pool Series I	7,518,589	0.9
Scotia Private International Equity Pool Series I	11,177,882	0.9
CI Cambridge Canadian Equity Corporate Class, Class I	18,724,108	0.4
Scotia Private Canadian Corporate Bond Pool Series I	22,509,999	0.4
Scotia Canadian Income Fund Series I	13,319,377	0.2
PIMCO Monthly Income Fund (Canada) Class I	13,668,190	0.1
	182,762,248	

Underlying Fund	December 31, 2017	
	Carrying value of the Underlying Fund (\$)	Ownership percentage in Underlying Fund (%)
Scotia Private Canadian Mid Cap Pool Series I	5,315,798	5.0
1832 AM North American Preferred Share LP Series I	6,252,959	2.3
Scotia Private U.S. Mid Cap Value Pool Series I	1,994,541	2.1
Scotia Private Emerging Markets Pool Series I	4,031,290	1.3
Scotia U.S. Dividend Growers LP Series I	7,965,295	1.3
Scotia Private High Yield Income Pool Series I	15,516,332	1.2
Scotia Private Global Real Estate Pool Series I	4,014,302	1.1
Scotia Global Growth Fund Series I	9,989,425	0.9
1832 AM Global Completion LP Series I	3,999,457	0.8
Scotia Private Canadian All Cap Equity Pool Series I	2,648,965	0.7
Scotia Private Canadian Small Cap Pool Series I	5,302,295	0.7
Scotia Private American Core-Plus Bond Pool Series I	6,245,504	0.7
Scotia Private International Equity Pool Series I	7,992,713	0.6
CI Cambridge Canadian Equity Corporate Class, Class I	13,190,069	0.3
Scotia Private Canadian Corporate Bond Pool Series I	15,587,382	0.3
Scotia Canadian Income Fund Series I	9,331,592	0.2
PIMCO Monthly Income Fund (Canada) Class I	9,392,236	0.1
	128,770,155	

Comparison of net asset value and net assets per unit (note 2)

As at June 30, 2018 or December 31, 2017, there were no differences between the net asset value per unit and the net assets per unit for any series of the Fund.

Scotia Aria Moderate Defend Portfolio (Unaudited)

(formerly, Scotia Aria Moderate Core Portfolio)

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	June 30, 2018	December 31, 2017
ASSETS		
Current assets		
Financial assets at fair value through profit or loss (note 2)		
Non-derivative financial assets	463,892,875	362,415,657
Cash	4,038,358	2,180,431
Subscriptions receivable	1,590,250	1,326,353
Accrued investment income and other	3,131	1,888
	<u>469,524,614</u>	<u>365,924,329</u>
LIABILITIES		
Current liabilities		
Management fee payable	562,248	–
Payable for securities purchased	1,568,200	803,000
Redemptions payable	344,602	555,712
Accrued expenses	40,754	7
Distributions payable	135,570	79,729
	<u>2,651,374</u>	<u>1,438,448</u>
Net assets attributable to holders of redeemable units	<u>466,873,240</u>	<u>364,485,881</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Premium Series	431,743,339	331,874,710
Premium T Series	12,975,152	12,445,532
Premium TH Series	18,398,322	17,125,145
Premium TL Series	3,756,427	3,040,494
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Premium Series	10.58	10.54
Premium T Series	14.37	14.62
Premium TH Series	13.34	13.70
Premium TL Series	15.42	15.52

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended June 30 (note 1),

(in dollars except average units)	2018	2017
INCOME		
Net gain (loss) on financial assets and liabilities at fair value through profit or loss		
Dividends	1,139,325	591,164
Interest for distribution purposes	3,643,577	3,357,944
Net realized gain (loss) on non-derivative financial assets	911,000	1,025,020
Change in unrealized gain (loss) on non-derivative financial assets	35,707	806,882
Net gain (loss) on financial assets and liabilities at fair value through profit or loss	<u>5,729,609</u>	<u>5,781,010</u>
Other income	3,574	534
Total income (loss), net	<u>5,733,183</u>	<u>5,781,544</u>
EXPENSES		
Management fees (note 5)	2,888,869	1,816,240
Fixed administration fees and operating expense (note 6)	206,348	129,189
Independent Review Committee fees	587	576
Foreign withholding taxes/tax reclaims	–	(173)
Other fund costs	1,811	523
Harmonized Sales Tax/Goods and Services Tax	315,688	196,167
Total expenses	<u>3,413,303</u>	<u>2,142,522</u>
Expenses absorbed by the Manager	–	(378)
Net expenses	<u>3,413,303</u>	<u>2,142,144</u>
Increase (decrease) in net assets attributable to holders of redeemable units from operations	<u>2,319,880</u>	<u>3,639,400</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A	–	1,691,275
Series T	–	35,863
Series TH	–	62,403
Series TL	–	7,475
Premium Series	2,170,090	1,566,909
Premium T Series	70,105	106,985
Premium TH Series	64,156	156,838
Premium TL Series	15,529	11,652
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT[†]		
Series A	–	0.13
Series T	–	0.18
Series TH	–	0.19
Series TL	–	0.24
Premium Series	0.06	0.17
Premium T Series	0.08	0.21
Premium TH Series	0.05	0.20
Premium TL Series	0.07	0.16
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series A	–	12,861,637
Series T	–	196,099
Series TH	–	331,104
Series TL	–	31,753
Premium Series	36,283,275	9,423,536
Premium T Series	916,085	514,799
Premium TH Series	1,321,215	777,409
Premium TL Series	217,500	73,786

[†] The increase (decrease) in net assets attributable to holders of redeemable units from operations per unit is calculated by dividing the increase (decrease) in net assets attributable to holders of redeemable units from operations per series by the weighted average number of units per series.

The accompanying notes are an integral part of the financial statements.

Scotia Aria Moderate Defend Portfolio (Unaudited – Continued)

(formerly, Scotia Aria Moderate Core Portfolio)

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the periods ended June 30 (note 1),

(in dollars)	2018	2017
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series A	–	97,473,460
Series T	–	2,294,447
Series TH	–	3,976,815
Series TL	–	455,469
Premium Series	331,874,710	83,117,285
Premium T Series	12,445,532	5,751,113
Premium TH Series	17,125,145	9,545,904
Premium TL Series	3,040,494	624,622
	<u>364,485,881</u>	<u>203,239,115</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A	–	1,691,275
Series T	–	35,863
Series TH	–	62,403
Series TL	–	7,475
Premium Series	2,170,090	1,566,909
Premium T Series	70,105	106,985
Premium TH Series	64,156	156,838
Premium TL Series	15,529	11,652
	<u>2,319,880</u>	<u>3,639,400</u>
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net investment income		
Series T	–	(10,967)
Series TH	–	(16,874)
Series TL	–	(2,665)
Premium T Series	(72,688)	(27,925)
Premium TH Series	(81,121)	(80,149)
Premium TL Series	(27,867)	(10,712)
From net realized gains on investments		
Series T	–	(3,979)
Series TH	–	(6,140)
Series TL	–	(716)
Premium T Series	–	(9,727)
Premium TH Series	–	(17,498)
Premium TL Series	–	(1,735)
From return of capital		
Series T	–	(46,174)
Series TH	–	(120,287)
Series TL	–	(1,390)
Premium T Series	(202,222)	(121,669)
Premium TH Series	(468,589)	(237,066)
Premium TL Series	(6,360)	–
	<u>(858,847)</u>	<u>(715,673)</u>
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A	–	72,943,531
Series T	–	1,611,761
Series TH	–	1,713,071
Series TL	–	55,550
Premium Series	131,659,109	35,847,067
Premium T Series	2,634,632	3,623,359
Premium TH Series	3,789,086	3,228,591
Premium TL Series	1,075,658	1,117,964
Reinvested distributions		
Series A	–	(143)
Series T	–	24,510
Series TH	–	28,755
Series TL	–	1,309
Premium T Series	77,351	66,051
Premium TH Series	76,638	31,119
Premium TL Series	17,815	9,200

(in dollars)	2018	2017
Payments on redemption		
Series A	–	(7,883,549)
Series T	–	(281,969)
Series TH	–	(220,090)
Premium Series	(33,960,570)	(8,054,625)
Premium T Series	(1,977,558)	(489,630)
Premium TH Series	(2,106,993)	(412,807)
Premium TL Series	(358,842)	(1,050)
	<u>100,926,326</u>	<u>102,957,975</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A	–	66,751,114
Series T	–	1,329,045
Series TH	–	1,440,838
Series TL	–	59,563
Premium Series	99,868,629	29,359,351
Premium T Series	529,620	3,147,444
Premium TH Series	1,273,177	2,669,028
Premium TL Series	715,933	1,125,319
	<u>102,387,359</u>	<u>105,881,702</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series A	–	164,224,574
Series T	–	3,623,492
Series TH	–	5,417,653
Series TL	–	515,032
Premium Series	431,743,339	112,476,636
Premium T Series	12,975,152	8,898,557
Premium TH Series	18,398,322	12,214,932
Premium TL Series	3,756,427	1,749,941
	<u>466,873,240</u>	<u>309,120,817</u>

STATEMENTS OF CASH FLOWS

For the periods ended June 30 (note 1),

(in dollars)	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	2,319,880	3,639,400
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(911,000)	(1,025,020)
Change in unrealized (gain) loss on non-derivative financial assets	(35,707)	(806,882)
Non-cash transactions	(4,762,929)	(3,942,937)
Purchases of portfolio investments	(95,302,381)	(99,250,016)
Proceeds from sale of portfolio investments	300,000	120,000
Accrued investment income and other	(1,243)	(279,596)
Accrued expenses and other payables	602,995	403,737
Net cash provided by (used in) operating activities	<u>(97,790,385)</u>	<u>(101,141,314)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	138,525,444	118,576,957
Amounts paid on redemption of redeemable units	(38,245,930)	(15,177,486)
Distributions to unitholders of redeemable units	(631,202)	(538,532)
Net cash provided by (used in) financing activities	<u>99,648,312</u>	<u>102,860,939</u>
Net increase (decrease) in cash	1,857,927	1,719,625
Cash (bank overdraft), beginning of period	2,180,431	1,538,365
CASH (BANK OVERDRAFT), END OF PERIOD	<u>4,038,358</u>	<u>3,257,990</u>
Interest received, net of withholding taxes ⁽¹⁾	18,729	6,209

(1) Classified as operating items.

The accompanying notes are an integral part of the financial statements.

Scotia Aria Moderate Defend Portfolio (Unaudited – Continued) (formerly, Scotia Aria Moderate Core Portfolio)

SCHEDULE OF INVESTMENT PORTFOLIO

As at June 30, 2018

Issuer	Number of Units	Average Cost (\$)	Carrying Value (\$)
CANADIAN EQUITY FUNDS – 27.5%			
CI Cambridge Canadian Equity Corporate Class, Class I	1,211,964	25,192,339	26,045,718
Dynamic Small Business Fund Series O†	1,038,606	17,927,538	19,048,043
Scotia Canadian Dividend Fund Series I†	1,034,382	60,227,630	64,215,478
Scotia Private Canadian All Cap Equity Pool Series I†	1,698,356	17,518,764	19,077,806
		<u>120,866,271</u>	<u>128,387,045</u>
FIXED INCOME FUNDS – 53.6%			
CI Signature Corporate Bond Corporate Class, Class I	2,340,550	25,162,912	24,963,365
Dynamic Canadian Bond Fund Series O†	7,348,572	38,625,919	37,551,201
PIMCO Monthly Income Fund (Canada) Series I	2,710,770	38,679,724	37,922,312
Scotia Floating Rate Income Fund Series I†	6,330,435	62,641,949	62,294,011
Scotia Private Canadian Corporate Bond Pool Series I†	3,548,355	38,376,299	37,509,307
Scotia Total Return Bond LP Series I†	4,120,628	50,544,055	49,831,163
		<u>254,030,858</u>	<u>250,071,359</u>
FOREIGN EQUITY FUNDS – 18.3%			
Dynamic Global Infrastructure Fund Series O†	415,175	8,325,304	8,415,596
Scotia Global Low Volatility Equity LP Series I†	2,058,372	32,093,520	34,263,873
Scotia Private International Equity Pool Series I†	1,532,434	20,476,753	21,404,731
Scotia Private Options Income Pool Series I†	1,248,369	12,799,263	13,119,733
Scotia U.S. Low Volatility Equity LP Series I†	521,088	7,871,132	8,230,538
		<u>81,565,972</u>	<u>85,434,471</u>
TOTAL INVESTMENT PORTFOLIO		<u>456,463,101</u>	<u>463,892,875</u>
OTHER ASSETS, LESS LIABILITIES – 0.6%			<u>2,980,365</u>
NET ASSETS – 100.0%			<u>466,873,240</u>

† These securities are investments in related parties (note 10).

Scotia Aria Moderate Defend Portfolio (Unaudited – Continued)

(formerly Scotia Aria Moderate Core Portfolio)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

The Fund (note 1)

The Fund invests primarily in a diversified mix of mutual funds, equity securities and/or fixed income securities located anywhere in the world and aims to achieve moderate long term capital appreciation using a balanced approach to investing through investments that the portfolio advisor assesses to be less volatile than that of broad markets, with a neutral asset mix of equity and fixed income securities.

The Fund invests primarily in funds managed by the Manager and/or by the third party investment managers (the “Underlying Funds”). To ensure the Fund’s composition meets the investment objectives of the Fund, the portfolio advisor monitors the Underlying Funds on an ongoing basis and rebalances the Fund’s assets among the Underlying Funds.

Risk associated with financial instruments (note 4)

Interest rate risk

The Fund could be exposed to indirect interest rate risk to the extent that the Underlying Funds held financial instruments that were subject to interest rate risk.

Currency risk

The Fund could be exposed to indirect currency risk to the extent that the Underlying Funds held financial instruments that were denominated in a currency other than its functional currency.

Price risk

Price risk is the risk that the carrying value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) caused by factors specific to a security, its issuer or all factors affecting a market or a market segment. Exposure to price risk is mainly in equities, underlying funds, derivatives and commodities, as applicable. As at June 30, 2018, approximately 99.4% (December 31, 2017 – 99.4%) of the Fund’s net assets were exposed to price risk. If prices of these instruments had decreased or increased by 10%, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by approximately \$46,389,288 (December 31, 2017 – \$36,241,566). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Credit risk

The Fund could be exposed to indirect credit risk to the extent that the Underlying Funds invested in bonds and debentures, derivatives, money market instruments or preferred shares.

Concentration risk

Concentration risk arises as a result of the concentration of financial instruments within the same category, geographical location, asset type or industry sector, as applicable. The table below is a summary of

the Fund’s concentration risk by carrying value as a percentage of net assets:

	Percentage of net assets (%)	
	June 30, 2018	December 31, 2017
Canadian Equity Funds	27.5	27.5
Fixed Income Funds	53.6	53.5
Foreign Equity Funds	18.3	18.4

Fair Value Classification (note 2)

The tables below illustrate the classification of the Fund’s financial instruments within the fair value hierarchy.

June 30, 2018	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Underlying funds	463,892,875	–	–	463,892,875
	463,892,875	–	–	463,892,875

December 31, 2017	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Underlying funds	362,415,657	–	–	362,415,657
	362,415,657	–	–	362,415,657

Transfers between levels

During the periods ended June 30, 2018 and December 31, 2017, there were no significant transfers between Level 1 and Level 2.

Offsetting of financial assets and liabilities (note 2)

As at June 30, 2018 and December 31, 2017, the Fund did not enter into any agreement whereby the financial instruments were eligible for offset.

Scotia Aria Moderate Defend Portfolio (Unaudited – Continued)

(formerly Scotia Aria Moderate Core Portfolio)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

Interest in Underlying Funds (note 2)

The following tables present the percentage of the Underlying Funds owned by the Fund.

Underlying Fund	June 30, 2018	
	Carrying value of the Underlying Fund (\$)	Ownership percentage in Underlying Fund (%)
Scotia Total Return Bond LP Series I	49,831,163	4.8
Scotia Floating Rate Income Fund Series I	62,294,011	4.7
Scotia Private Canadian All Cap Equity Pool Series I	19,077,806	4.6
Scotia Global Low Volatility Equity LP Series I	34,263,873	3.3
Dynamic Canadian Bond Fund Series O	37,551,201	2.7
Scotia Private International Equity Pool Series I	21,404,731	1.7
Dynamic Small Business Fund Series O	19,048,043	1.5
Scotia Private Options Income Pool Series I	13,119,733	1.5
CI Signature Corporate Bond Corporate Class, Class I	24,963,365	0.8
Scotia U.S. Low Volatility Equity LP Series I	8,230,538	0.8
Scotia Canadian Dividend Fund Series I	64,215,478	0.7
Dynamic Global Infrastructure Fund Series O	8,415,596	0.7
Scotia Private Canadian Corporate Bond Pool Series I	37,509,307	0.6
CI Cambridge Canadian Equity Corporate Class, Class I	26,045,718	0.5
PIMCO Monthly Income Fund (Canada) Class I	37,922,312	0.2
	463,892,875	

Underlying Fund	December 31, 2017	
	Carrying value of the Underlying Fund (\$)	Ownership percentage in Underlying Fund (%)
Scotia Private Canadian All Cap Equity Pool Series I	14,892,511	3.8
Scotia Total Return Bond LP Series I	39,007,010	3.8
Scotia Floating Rate Income Fund Series I	48,856,461	3.7
Scotia Global Low Volatility Equity LP Series I	26,973,124	2.6
Dynamic Canadian Bond Fund Series O	29,255,551	2.1
Dynamic Small Business Fund Series O	14,870,697	1.3
Scotia Private International Equity Pool Series I	16,739,277	1.3
Scotia Private Options Income Pool Series I	10,254,674	1.2
CI Signature Corporate Bond Corporate Class, Class I	19,528,257	0.6
Dynamic Global Infrastructure Fund Series O	6,562,120	0.6
Scotia U.S. Low Volatility Equity LP Series I	6,495,872	0.6
Scotia Canadian Dividend Fund Series I	49,969,159	0.5
Scotia Private Canadian Corporate Bond Pool Series I	29,235,621	0.5
CI Cambridge Canadian Equity Corporate Class, Class I	20,339,412	0.4
PIMCO Monthly Income Fund (Canada) Class I	29,435,911	0.2
	362,415,657	

Comparison of net asset value and net assets per unit (note 2)

As at June 30, 2018 or December 31, 2017, there were no differences between the net asset value per unit and the net assets per unit for any series of the Fund.

The accompanying notes are an integral part of the financial statements.

Scotia Aria Moderate Pay Portfolio (Unaudited)

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	June 30, 2018	December 31, 2017
ASSETS		
Current assets		
Financial assets at fair value through profit or loss (note 2)		
Non-derivative financial assets	204,804,926	160,275,589
Cash	1,293,308	510,744
Subscriptions receivable	499,610	1,068,257
Accrued investment income and other	1,483	923
	<u>206,599,327</u>	<u>161,855,513</u>
LIABILITIES		
Current liabilities		
Management fee payable	248,332	–
Payable for securities purchased	130,000	–
Redemptions payable	247,040	531,050
Accrued expenses	18,325	–
Distributions payable	181,830	131,639
	<u>825,527</u>	<u>662,689</u>
Net assets attributable to holders of redeemable units	<u>205,773,800</u>	<u>161,192,824</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Premium Series	149,180,540	111,353,633
Premium T Series	21,364,509	17,245,838
Premium TH Series	26,792,032	23,873,650
Premium TL Series	8,436,719	8,719,703
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Premium Series	10.64	10.63
Premium T Series	14.64	14.93
Premium TH Series	13.65	14.06
Premium TL Series	15.36	15.50

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended June 30 (note 1),

(in dollars except average units)	2018	2017
INCOME		
Net gain (loss) on financial assets and liabilities at fair value through profit or loss		
Dividends	356,840	220,679
Interest for distribution purposes	1,763,963	1,163,240
Net realized gain (loss) on non-derivative financial assets	331,965	431,502
Change in unrealized gain (loss) on non-derivative financial assets	(543,008)	2,657,603
Net gain (loss) on financial assets and liabilities at fair value through profit or loss	1,909,760	4,473,024
Other income	4,016	4,093
Total income (loss), net	<u>1,913,776</u>	<u>4,477,117</u>
EXPENSES		
Management fees (note 5)	1,272,718	790,094
Fixed administration fees and operating expense (note 6)	90,908	56,198
Independent Review Committee fees	587	576
Interest expense and bank overdraft charges	–	2
Foreign withholding taxes/tax reclaims	–	(95)
Other fund costs	476	355
Harmonized Sales Tax/Goods and Services Tax	141,483	85,345
Total expenses	1,506,172	932,475
Expenses absorbed by the Manager	–	(1,309)
Net expenses	<u>1,506,172</u>	<u>931,166</u>
Increase (decrease) in net assets attributable to holders of redeemable units from operations	<u>407,604</u>	<u>3,545,951</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A	–	1,294,126
Series T	–	126,960
Series TH	–	191,132
Series TL	–	48,338
Premium Series	338,456	874,368
Premium T Series	42,869	371,398
Premium TH Series	8,869	482,758
Premium TL Series	17,410	156,871
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT[†]		
Series A	–	0.31
Series T	–	0.49
Series TH	–	0.47
Series TL	–	0.50
Premium Series	0.03	0.32
Premium T Series	0.03	0.52
Premium TH Series	0.00	0.50
Premium TL Series	0.03	0.51
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series A	–	4,212,816
Series T	–	257,148
Series TH	–	410,754
Series TL	–	97,326
Premium Series	12,264,689	2,770,971
Premium T Series	1,348,018	710,104
Premium TH Series	1,810,600	961,104
Premium TL Series	536,881	310,279

[†] The increase (decrease) in net assets attributable to holders of redeemable units from operations per unit is calculated by dividing the increase (decrease) in net assets attributable to holders of redeemable units from operations per series by the weighted average number of units per series.

The accompanying notes are an integral part of the financial statements.

Scotia Aria Moderate Pay Portfolio (Unaudited – Continued)

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the periods ended June 30 (note 1),

(in dollars)	2018	2017
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series A	–	32,887,002
Series T	–	3,089,883
Series TH	–	4,962,696
Series TL	–	1,250,996
Premium Series	111,353,633	23,909,534
Premium T Series	17,245,838	10,059,761
Premium TH Series	23,873,650	12,600,690
Premium TL Series	8,719,703	3,739,776
	<u>161,192,824</u>	<u>92,500,338</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A	–	1,294,126
Series T	–	126,960
Series TH	–	191,132
Series TL	–	48,338
Premium Series	338,456	874,368
Premium T Series	42,869	371,398
Premium TH Series	8,869	482,758
Premium TL Series	17,410	156,871
	<u>407,604</u>	<u>3,545,951</u>
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net investment income		
Series T	–	(27,389)
Series TH	–	(47,931)
Series TL	–	(7,453)
Premium T Series	(116,016)	(75,759)
Premium TH Series	(149,576)	(118,346)
Premium TL Series	(57,696)	(30,177)
From net realized gains on investments		
Series T	–	(25,768)
Series TH	–	(40,429)
Series TL	–	(7,246)
Premium T Series	–	(66,701)
Premium TH Series	–	(94,874)
Premium TL Series	–	(18,164)
From return of capital		
Series T	–	(26,688)
Series TH	–	(88,690)
Premium T Series	(293,751)	(70,513)
Premium TH Series	(624,200)	(203,899)
Premium TL Series	(23,102)	–
	<u>(1,264,341)</u>	<u>(950,027)</u>
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A	–	22,635,592
Series T	–	1,975,325
Series TH	–	2,174,505
Series TL	–	477,950
Premium Series	51,156,591	10,802,054
Premium T Series	5,649,457	3,492,856
Premium TH Series	6,486,295	3,533,609
Premium TL Series	1,489,944	1,797,575
Reinvested distributions		
Series T	–	37,271
Series TH	–	44,008
Series TL	–	3,162
Premium Series	(10,091)	–
Premium T Series	68,531	29,964
Premium TH Series	101,821	21,252
Premium TL Series	22,154	16,613
Payments on redemption		
Series A	–	(3,462,190)
Series T	–	(765,149)
Series TH	–	(600,337)
Series TL	–	(3,500)
Premium Series	(13,658,049)	(1,637,015)
Premium T Series	(1,232,419)	(2,421,957)
Premium TH Series	(2,904,827)	(186,912)
Premium TL Series	(1,731,694)	(6,686)
	<u>45,437,713</u>	<u>37,957,990</u>

(in dollars)	2018	2017
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A	–	20,467,528
Series T	–	1,294,562
Series TH	–	1,632,258
Series TL	–	511,251
Premium Series	37,826,907	10,039,407
Premium T Series	4,118,671	1,259,288
Premium TH Series	2,918,382	3,433,588
Premium TL Series	(282,984)	1,916,032
	<u>44,580,976</u>	<u>40,553,914</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series A	–	53,354,530
Series T	–	4,384,445
Series TH	–	6,594,954
Series TL	–	1,762,247
Premium Series	149,180,540	33,948,941
Premium T Series	21,364,509	11,319,049
Premium TH Series	26,792,032	16,034,278
Premium TL Series	8,436,719	5,655,808
	<u>205,773,800</u>	<u>133,054,252</u>

STATEMENTS OF CASH FLOWS

For the periods ended June 30 (note 1),

(in dollars)	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	407,604	3,545,951
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(331,965)	(431,502)
Change in unrealized (gain) loss on non-derivative financial assets	543,008	(2,657,603)
Non-cash transactions	(2,112,113)	(1,381,107)
Purchases of portfolio investments	(42,987,268)	(35,527,001)
Proceeds from sale of portfolio investments	489,000	1,063,700
Accrued investment income and other	(560)	(81,639)
Accrued expenses and other payables	266,657	168,830
Net cash provided by (used in) operating activities	<u>(43,725,637)</u>	<u>(35,300,371)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	64,207,357	45,110,137
Amounts paid on redemption of redeemable units	(18,667,422)	(8,631,676)
Distributions to unitholders of redeemable units	(1,031,734)	(853,014)
Net cash provided by (used in) financing activities	<u>44,508,201</u>	<u>35,625,447</u>
Net increase (decrease) in cash	782,564	325,076
Cash (bank overdraft), beginning of period	510,744	916,448
CASH (BANK OVERDRAFT), END OF PERIOD	<u>1,293,308</u>	<u>1,241,524</u>
Interest paid ⁽¹⁾	–	2
Interest received, net of withholding taxes ⁽¹⁾	8,132	3,012

⁽¹⁾ Classified as operating items.

The accompanying notes are an integral part of the financial statements.

Scotia Aria Moderate Pay Portfolio (Unaudited – Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at June 30, 2018

Issuer	Number of Units	Average Cost (\$)	Carrying Value (\$)
CANADIAN EQUITY FUNDS – 25.5%			
CI Cambridge Canadian Equity Corporate Class, Class I	485,687	10,072,959	10,437,648
Dynamic Dividend Advantage Fund Series O†	1,047,156	7,942,876	7,895,555
Dynamic Small Business Fund Series O†	576,609	10,110,228	10,575,005
Scotia Canadian Dividend Fund Series I†	253,578	14,661,861	15,742,406
Scotia Private Canadian All Cap Equity Pool Series I†	704,863	7,292,050	7,917,797
		<u>50,079,974</u>	<u>52,568,411</u>
FIXED INCOME FUNDS – 48.8%			
1832 AM North American Preferred Share LP Series I†	809,458	9,612,672	10,094,345
PIMCO Monthly Income Fund (Canada) Series I	1,437,530	20,537,388	20,110,329
Scotia Private American Core-Plus Bond Pool Series I†	558,373	5,325,554	5,126,983
Scotia Private Canadian Corporate Bond Pool Series I†	2,826,302	30,392,374	29,876,558
Scotia Private High Yield Income Pool Series I†	1,738,904	16,035,749	15,116,464
Scotia Total Return Bond LP Series I†	1,653,991	20,396,531	20,001,884
		<u>102,300,268</u>	<u>100,326,563</u>
FOREIGN EQUITY FUNDS – 25.2%			
Dynamic Global Infrastructure Fund Series O†	130,286	2,407,665	2,640,893
Scotia Global Dividend Fund Series I†	1,264,851	21,462,065	20,809,709
Scotia Private International Equity Pool Series I†	928,056	12,350,944	12,962,905
Scotia Private Options Income Pool Series I†	745,469	7,650,904	7,834,507
Scotia Private Real Estate Income Pool Series I†	220,797	2,482,523	2,636,846
Scotia U.S. Dividend Growers LP Series I†	279,170	4,514,905	5,025,092
		<u>50,869,006</u>	<u>51,909,952</u>
TOTAL INVESTMENT PORTFOLIO		<u><u>203,249,248</u></u>	<u><u>204,804,926</u></u>
OTHER ASSETS, LESS LIABILITIES – 0.5%			<u>968,874</u>
NET ASSETS – 100.0%			<u><u>205,773,800</u></u>

† These securities are investments in related parties (note 10).

Scotia Aria Moderate Pay Portfolio (Unaudited – Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

The Fund (note 1)

The Fund invests primarily in a diversified mix of mutual funds, equity securities and/or fixed income securities located anywhere in the world and aims to generate income and moderate long term capital appreciation using a balanced approach to investing through a neutral mix of investments in income producing equity and fixed income securities.

The Fund invests primarily in funds managed by the Manager and/or by the third party investment managers (the “Underlying Funds”). To ensure the Fund’s composition meets the investment objectives of the Fund, the portfolio advisor monitors the Underlying Funds on an ongoing basis and rebalances the Fund’s assets among the Underlying Funds.

Risk associated with financial instruments (note 4)

Interest rate risk

The Fund could be exposed to indirect interest rate risk to the extent that the Underlying Funds held financial instruments that were subject to interest rate risk.

Currency risk

The Fund could be exposed to indirect currency risk to the extent that the Underlying Funds held financial instruments that were denominated in a currency other than its functional currency.

Price risk

Price risk is the risk that the carrying value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) caused by factors specific to a security, its issuer or all factors affecting a market or a market segment. Exposure to price risk is mainly in equities, underlying funds, derivatives and commodities, as applicable. As at June 30, 2018, approximately 99.5% (December 31, 2017 – 99.4%) of the Fund’s net assets were exposed to price risk. If prices of these instruments had decreased or increased by 10%, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by approximately \$20,480,493 (December 31, 2017 – \$16,027,559). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Credit risk

The Fund could be exposed to indirect credit risk to the extent that the Underlying Funds invested in bonds and debentures, derivatives, money market instruments or preferred shares.

Concentration risk

Concentration risk arises as a result of the concentration of financial instruments within the same category, geographical location, asset type or industry sector, as applicable. The table below is a summary of

the Fund’s concentration risk by carrying value as a percentage of net assets:

	Percentage of net assets (%)	
	June 30, 2018	December 31, 2017
Canadian Equity Funds	25.5	25.6
Fixed Income Funds	48.8	48.7
Foreign Equity Funds	25.2	25.1

Fair Value Classification (note 2)

The tables below illustrate the classification of the Fund’s financial instruments within the fair value hierarchy.

	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
June 30, 2018				
Underlying funds	204,804,926	–	–	204,804,926
	204,804,926	–	–	204,804,926

	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
December 31, 2017				
Underlying funds	160,275,589	–	–	160,275,589
	160,275,589	–	–	160,275,589

Transfers between levels

During the periods ended June 30, 2018 and December 31, 2017, there were no significant transfers between Level 1 and Level 2.

Offsetting of financial assets and liabilities (note 2)

As at June 30, 2018 and December 31, 2017, the Fund did not enter into any agreement whereby the financial instruments were eligible for offset.

Scotia Aria Moderate Pay Portfolio (Unaudited – Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

Interest in Underlying Funds (note 2)

The following tables present the percentage of the Underlying Funds owned by the Fund.

Underlying Fund	June 30, 2018	
	Carrying value of the Underlying Fund (\$)	Ownership percentage in Underlying Fund (%)
1832 AM North American Preferred Share LP Series I	10,094,345	3.6
Scotia Global Dividend Fund Series I	20,809,709	2.5
Scotia Private Canadian All Cap Equity Pool Series I	7,917,797	1.9
Scotia Total Return Bond LP Series I	20,001,884	1.9
Scotia Private High Yield Income Pool Series I	15,116,464	1.5
Dynamic Dividend Advantage Fund Series O	7,895,555	1.1
Scotia Private International Equity Pool Series I	12,962,905	1.0
Scotia Private Options Income Pool Series I	7,834,507	0.9
Dynamic Small Business Fund Series O	10,575,005	0.8
Scotia U.S. Dividend Growers LP Series I	5,025,092	0.8
Scotia Private Real Estate Income Pool Series I	2,636,846	0.7
Scotia Private American Core-Plus Bond Pool Series I	5,126,983	0.6
Scotia Private Canadian Corporate Bond Pool Series I	29,876,558	0.5
CI Cambridge Canadian Equity Corporate Class, Class I	10,437,648	0.2
Scotia Canadian Dividend Fund Series I	15,742,406	0.2
Dynamic Global Infrastructure Fund Series O	2,640,893	0.2
PIMCO Monthly Income Fund (Canada) Class I	20,110,329	0.1
	204,804,926	

Underlying Fund	December 31, 2017	
	Carrying value of the Underlying Fund (\$)	Ownership percentage in Underlying Fund (%)
1832 AM North American Preferred Share LP Series I	7,940,937	2.9
Scotia Global Dividend Fund Series I	16,175,294	2.1
Scotia Private Canadian All Cap Equity Pool Series I	6,210,986	1.6
Scotia Total Return Bond LP Series I	15,626,401	1.5
Scotia Private High Yield Income Pool Series I	11,777,444	0.9
Dynamic Dividend Advantage Fund Series O	6,174,568	0.8
Scotia Private International Equity Pool Series I	10,099,466	0.8
Dynamic Small Business Fund Series O	8,281,199	0.7
Scotia Private Options Income Pool Series I	6,092,674	0.7
Scotia U.S. Dividend Growers LP Series I	4,010,548	0.7
Scotia Private Real Estate Income Pool Series I	2,057,742	0.6
Scotia Private American Core-Plus Bond Pool Series I	3,929,764	0.5
Scotia Private Canadian Corporate Bond Pool Series I	23,512,141	0.4
CI Cambridge Canadian Equity Corporate Class, Class I	8,218,866	0.2
Dynamic Global Infrastructure Fund Series O	2,041,702	0.2
Scotia Canadian Dividend Fund Series I	12,360,665	0.1
PIMCO Monthly Income Fund (Canada) Class I	15,765,192	0.1
	160,275,589	

Comparison of net asset value and net assets per unit (note 2)

As at June 30, 2018 or December 31, 2017, there were no differences between the net asset value per unit and the net assets per unit for any series of the Fund.

Scotia Aria Progressive Build Portfolio (Unaudited)

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	June 30, 2018	December 31, 2017
ASSETS		
Current assets		
Financial assets at fair value through profit or loss (note 2)		
Non-derivative financial assets	274,119,339	168,034,655
Cash	2,558,158	1,513,048
Subscriptions receivable	1,535,830	595,138
Accrued investment income and other	2,292	1,140
	<u>278,215,619</u>	<u>170,143,981</u>
LIABILITIES		
Current liabilities		
Management fee payable	378,138	–
Payable for securities purchased	1,121,100	954,000
Redemptions payable	199,619	40,190
Accrued expenses	24,219	–
Distributions payable	–	2,863
	<u>1,723,076</u>	<u>997,053</u>
Net assets attributable to holders of redeemable units	<u>276,492,543</u>	<u>169,146,928</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Premium Series	<u>276,492,543</u>	<u>169,146,928</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Premium Series	<u>11.58</u>	<u>11.44</u>

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended June 30 (note 1),

(in dollars except average units)	2018	2017
INCOME		
Net gain (loss) on financial assets and liabilities at fair value through profit or loss		
Dividends	260,244	99,020
Interest for distribution purposes	1,125,853	520,403
Net realized gain (loss) on non-derivative financial assets	1,198,368	454,645
Change in unrealized gain (loss) on non-derivative financial assets	2,245,276	3,953,267
Net gain (loss) on financial assets and liabilities at fair value through profit or loss	4,829,741	5,027,335
Other income	6,718	66
Total income (loss), net	<u>4,836,459</u>	<u>5,027,401</u>
EXPENSES		
Management fees (note 5)	1,793,571	891,833
Fixed administration fees (note 6)	112,098	55,657
Independent Review Committee fees	587	576
Foreign withholding taxes/tax reclaims	–	(32)
Other fund costs	1,038	408
Harmonized Sales Tax/Goods and Services Tax	189,424	97,381
Total expenses	<u>2,096,718</u>	<u>1,045,823</u>
Increase (decrease) in net assets attributable to holders of redeemable units from operations	<u>2,739,741</u>	<u>3,981,578</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A	–	2,593,270
Premium Series	<u>2,739,741</u>	<u>1,388,308</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT[†]		
Series A	–	0.38
Premium Series	<u>0.14</u>	<u>0.41</u>
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series A	–	6,826,253
Premium Series	<u>19,610,284</u>	<u>3,349,320</u>

[†] The increase (decrease) in net assets attributable to holders of redeemable units from operations per unit is calculated by dividing the increase (decrease) in net assets attributable to holders of redeemable units from operations per series by the weighted average number of units per series.

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the periods ended June 30 (note 1),

(in dollars)	2018	2017
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series A	–	53,623,561
Premium Series	<u>169,146,928</u>	<u>28,474,203</u>
	<u>169,146,928</u>	<u>82,097,764</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A	–	2,593,270
Premium Series	<u>2,739,741</u>	<u>1,388,308</u>
	<u>2,739,741</u>	<u>3,981,578</u>
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A	–	39,863,086
Premium Series	<u>118,584,809</u>	<u>15,586,008</u>
Payments on redemption		
Series A	–	(3,572,336)
Premium Series	<u>(13,978,935)</u>	<u>(2,302,161)</u>
	<u>104,605,874</u>	<u>49,574,597</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A	–	38,884,020
Premium Series	<u>107,345,615</u>	<u>14,672,155</u>
	<u>107,345,615</u>	<u>53,556,175</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series A	–	92,507,581
Premium Series	<u>276,492,543</u>	<u>43,146,358</u>
	<u>276,492,543</u>	<u>135,653,939</u>

STATEMENTS OF CASH FLOWS

For the periods ended June 30 (note 1),

(in dollars)	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	2,739,741	3,981,578
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(1,198,368)	(454,645)
Change in unrealized (gain) loss on non-derivative financial assets	(2,245,276)	(3,953,267)
Non-cash transactions	(1,372,265)	(615,934)
Purchases of portfolio investments	(101,101,675)	(49,330,970)
Proceeds from sale of portfolio investments	–	75,000
Accrued investment income and other	(1,152)	141
Accrued expenses and other payables	402,357	204,319
Net cash provided by (used in) operating activities	<u>(102,776,638)</u>	<u>(50,093,778)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	117,644,117	55,725,130
Amounts paid on redemption of redeemable units	(13,819,506)	(5,720,420)
Distributions to unitholders of redeemable units	(2,863)	(9,357)
Net cash provided by (used in) financing activities	<u>103,821,748</u>	<u>49,995,353</u>
Net increase (decrease) in cash	1,045,110	(98,425)
Cash (bank overdraft), beginning of period	1,513,048	1,378,087
CASH (BANK OVERDRAFT), END OF PERIOD	<u>2,558,158</u>	<u>1,279,662</u>
Interest received, net of withholding taxes ⁽¹⁾	12,681	3,659

⁽¹⁾ Classified as operating items.

The accompanying notes are an integral part of the financial statements.

Scotia Aria Progressive Build Portfolio (Unaudited – Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at June 30, 2018

Issuer	Number of Units	Average Cost (\$)	Carrying Value (\$)
CANADIAN EQUITY FUNDS – 30.0%			
CI Cambridge Canadian Equity Corporate Class, Class I	1,922,375	40,626,120	41,312,801
Scotia Private Canadian All Cap Equity Pool Series I†	743,991	7,759,642	8,357,328
Scotia Private Canadian Mid Cap Pool Series I†	594,608	12,515,145	12,461,553
Scotia Private Canadian Small Cap Pool Series I†	497,791	19,072,479	20,751,505
		<u>79,973,386</u>	<u>82,883,187</u>
FIXED INCOME FUNDS – 24.6%			
1832 AM North American Preferred Share LP Series I†	816,937	9,840,876	10,187,608
PIMCO Monthly Income Fund (Canada) Series I	740,137	10,540,262	10,354,143
Scotia Canadian Income Fund Series I†	514,717	6,950,397	6,827,201
Scotia Private American Core-Plus Bond Pool Series I†	744,025	7,058,285	6,831,640
Scotia Private Canadian Corporate Bond Pool Series I†	1,276,784	13,696,386	13,496,752
Scotia Private High Yield Income Pool Series I†	2,322,205	21,249,292	20,187,162
		<u>69,335,498</u>	<u>67,884,506</u>
FOREIGN EQUITY FUNDS – 44.6%			
1832 AM Global Completion LP Series I†	798,099	11,918,727	12,397,911
Scotia Global Growth Fund Series I†	286,884	20,207,488	24,881,089
Scotia Private Emerging Markets Pool Series I†	1,623,981	18,200,622	18,787,024
Scotia Private Global Real Estate Pool Series I†	660,492	12,247,700	12,631,908
Scotia Private International Equity Pool Series I†	1,782,919	23,621,006	24,903,454
Scotia Private U.S. Mid Cap Value Pool Series I†	306,150	5,388,087	6,175,047
Scotia U.S. Dividend Growers LP Series I†	1,309,727	21,528,305	23,575,213
		<u>113,111,935</u>	<u>123,351,646</u>
TOTAL INVESTMENT PORTFOLIO		<u>262,420,819</u>	<u>274,119,339</u>
OTHER ASSETS, LESS LIABILITIES – 0.8%			<u>2,373,204</u>
NET ASSETS – 100.0%			<u>276,492,543</u>

† These securities are investments in related parties (note 10).

Scotia Aria Progressive Build Portfolio (Unaudited – Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

The Fund (note 1)

The Fund invests primarily in a diversified mix of mutual funds, equity securities and/or fixed income securities located anywhere in the world and aims to achieve long term capital appreciation with a secondary focus on income generation using a balanced approach to investing. The majority of the portfolio's assets will be held in equity securities.

The Fund invests primarily in funds managed by the Manager and/or by the third party investment managers (the "Underlying Funds"). To ensure the Fund's composition meets the investment objectives of the Fund, the portfolio advisor monitors the Underlying Funds on an ongoing basis and rebalances the Fund's assets among the Underlying Funds.

Risk associated with financial instruments (note 4)

Interest rate risk

The Fund could be exposed to indirect interest rate risk to the extent that the Underlying Funds held financial instruments that were subject to interest rate risk.

Currency risk

The Fund could be exposed to indirect currency risk to the extent that the Underlying Funds held financial instruments that were denominated in a currency other than its functional currency.

Price risk

Price risk is the risk that the carrying value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) caused by factors specific to a security, its issuer or all factors affecting a market or a market segment. Exposure to price risk is mainly in equities, underlying funds, derivatives and commodities, as applicable. As at June 30, 2018, approximately 99.2% (December 31, 2017 – 99.3%) of the Fund's net assets were exposed to price risk. If prices of these instruments had decreased or increased by 10%, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by approximately \$27,411,934 (December 31, 2017 – \$16,803,466). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Credit risk

The Fund could be exposed to indirect credit risk to the extent that the Underlying Funds invested in bonds and debentures, derivatives, money market instruments or preferred shares.

Concentration risk

Concentration risk arises as a result of the concentration of financial instruments within the same category, geographical location, asset type or industry sector, as applicable. The table below is a summary of

the Fund's concentration risk by carrying value as a percentage of net assets:

	Percentage of net assets (%)	
	June 30, 2018	December 31, 2017
Canadian Equity Funds	30.0	29.9
Fixed Income Funds	24.6	23.8
Foreign Equity Funds	44.6	45.6

Fair Value Classification (note 2)

The tables below illustrate the classification of the Fund's financial instruments within the fair value hierarchy.

June 30, 2018	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Underlying funds	274,119,339	–	–	274,119,339
	274,119,339	–	–	274,119,339

December 31, 2017	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Underlying funds	168,034,655	–	–	168,034,655
	168,034,655	–	–	168,034,655

Transfers between levels

During the periods ended June 30, 2018 and December 31, 2017, there were no significant transfers between Level 1 and Level 2.

Offsetting of financial assets and liabilities (note 2)

As at June 30, 2018 and December 31, 2017, the Fund did not enter into any agreement whereby the financial instruments were eligible for offset.

Scotia Aria Progressive Build Portfolio (Unaudited – Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

Interest in Underlying Funds (note 2)

The following tables present the percentage of the Underlying Funds owned by the Fund.

Underlying Fund	June 30, 2018	
	Carrying value of the Underlying Fund (\$)	Ownership percentage in Underlying Fund (%)
Scotia Private Canadian Mid Cap Pool Series I	12,461,553	10.0
Scotia Private Emerging Markets Pool Series I	18,787,024	5.7
Scotia Private U.S. Mid Cap Value Pool Series I	6,175,047	5.3
Scotia Private Global Real Estate Pool Series I	12,631,908	4.0
Scotia U.S. Dividend Growers LP Series I	23,575,213	3.9
1832 AM North American Preferred Share LP Series I	10,187,608	3.6
1832 AM Global Completion LP Series I	12,397,911	2.7
Scotia Private Canadian Small Cap Pool Series I	20,751,505	2.5
Scotia Global Growth Fund Series I	24,881,089	2.1
Scotia Private Canadian All Cap Equity Pool Series I	8,357,328	2.0
Scotia Private High Yield Income Pool Series I	20,187,162	2.0
Scotia Private International Equity Pool Series I	24,903,454	2.0
CI Cambridge Canadian Equity Corporate Class, Class I	41,312,801	0.9
Scotia Private American Core-Plus Bond Pool Series I	6,831,640	0.8
Scotia Private Canadian Corporate Bond Pool Series I	13,496,752	0.2
PIMCO Monthly Income Fund (Canada) Class I	10,354,143	0.1
Scotia Canadian Income Fund Series I	6,827,201	0.1
	274,119,339	

Underlying Fund	December 31, 2017	
	Carrying value of the Underlying Fund (\$)	Ownership percentage in Underlying Fund (%)
Scotia Private Canadian Mid Cap Pool Series I	7,631,138	7.2
Scotia Private U.S. Mid Cap Value Pool Series I	3,844,833	4.0
Scotia Private Emerging Markets Pool Series I	11,687,945	3.7
Scotia U.S. Dividend Growers LP Series I	15,385,183	2.6
1832 AM North American Preferred Share LP Series I	6,065,138	2.2
Scotia Private Global Real Estate Pool Series I	7,763,490	2.2
Scotia Private Canadian Small Cap Pool Series I	12,671,482	1.6
1832 AM Global Completion LP Series I	7,735,267	1.6
Scotia Global Growth Fund Series I	15,431,164	1.4
Scotia Private Canadian All Cap Equity Pool Series I	5,045,215	1.3
Scotia Private International Equity Pool Series I	15,432,127	1.2
Scotia Private High Yield Income Pool Series I	12,043,961	0.9
CI Cambridge Canadian Equity Corporate Class, Class I	25,147,225	0.5
Scotia Private American Core-Plus Bond Pool Series I	4,037,505	0.5
Scotia Canadian Income Fund Series I	4,016,329	0.1
Scotia Private Canadian Corporate Bond Pool Series I	8,045,214	0.1
PIMCO Monthly Income Fund (Canada) Class I	6,051,439	0.0
	168,034,655	

Comparison of net asset value and net assets per unit (note 2)

As at June 30, 2018 or December 31, 2017, there were no differences between the net asset value per unit and the net assets per unit for any series of the Fund.

Scotia Aria Progressive Defend Portfolio (Unaudited)

(formerly, Scotia Aria Progressive Core Portfolio)

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	June 30, 2018	December 31, 2017
ASSETS		
Current assets		
Financial assets at fair value through profit or loss (note 2)		
Non-derivative financial assets	334,532,031	239,694,114
Cash	3,137,394	2,050,469
Subscriptions receivable	1,941,504	941,333
Accrued investment income and other	2,469	1,342
	<u>339,613,398</u>	<u>242,687,258</u>
LIABILITIES		
Current liabilities		
Management fee payable	460,495	–
Payable for securities purchased	1,952,000	1,110,100
Redemptions payable	143,846	82,807
Accrued expenses	29,368	–
Distributions payable	54,327	33,255
	<u>2,640,036</u>	<u>1,226,162</u>
Net assets attributable to holders of redeemable units	<u>336,973,362</u>	<u>241,461,096</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Premium Series	322,255,091	228,675,816
Premium T Series	7,384,634	4,735,983
Premium TH Series	6,829,533	7,451,922
Premium TL Series	504,104	597,375
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Premium Series	10.87	10.80
Premium T Series	14.15	14.55
Premium TH Series	13.04	13.56
Premium TL Series	15.52	15.74

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended June 30 (note 1),

(in dollars except average units)	2018	2017
INCOME		
Net gain (loss) on financial assets and liabilities at fair value through profit or loss		
Dividends	899,408	353,282
Interest for distribution purposes	1,884,628	2,018,531
Net realized gain (loss) on non-derivative financial assets	1,058,270	883,850
Change in unrealized gain (loss) on non-derivative financial assets	1,452,510	717,985
Net gain (loss) on financial assets and liabilities at fair value through profit or loss	5,294,816	3,973,648
Other income	3,233	8,288
Total income (loss), net	<u>5,298,049</u>	<u>3,981,936</u>
EXPENSES		
Management fees (note 5)	2,303,531	1,376,845
Fixed administration fees and operating expense (note 6)	143,971	85,928
Independent Review Committee fees	587	576
Foreign withholding taxes/tax reclaims	–	(73)
Other fund costs	1,363	650
Harmonized Sales Tax/Goods and Services Tax	244,948	148,102
Total expenses	<u>2,694,400</u>	<u>1,612,028</u>
Expenses absorbed by the Manager	–	(477)
Net expenses	<u>2,694,400</u>	<u>1,611,551</u>
Increase (decrease) in net assets attributable to holders of redeemable units from operations	<u>2,603,649</u>	<u>2,370,385</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A	–	1,408,645
Series T	–	11,676
Series TH	–	57,722
Series TL	–	4,280
Premium Series	2,610,164	813,299
Premium T Series	8,472	20,293
Premium TH Series	(14,062)	51,654
Premium TL Series	(925)	2,816
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT[†]		
Series A	–	0.14
Series T	–	0.13
Series TH	–	0.28
Series TL	–	0.28
Premium Series	0.10	0.15
Premium T Series	0.02	0.18
Premium TH Series	(0.03)	0.19
Premium TL Series	(0.03)	0.73
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series A	–	9,850,863
Series T	–	90,500
Series TH	–	205,298
Series TL	–	15,052
Premium Series	25,760,173	5,510,875
Premium T Series	358,014	110,725
Premium TH Series	543,501	277,769
Premium TL Series	31,759	3,845

[†] The increase (decrease) in net assets attributable to holders of redeemable units from operations per unit is calculated by dividing the increase (decrease) in net assets attributable to holders of redeemable units from operations per series by the weighted average number of units per series.

The accompanying notes are an integral part of the financial statements.

Scotia Aria Progressive Defend Portfolio (Unaudited – Continued)

(formerly, Scotia Aria Progressive Core Portfolio)

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the periods ended June 30 (note 1),

(in dollars)	2018	2017
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series A	–	76,596,843
Series T	–	1,083,665
Series TH	–	3,074,740
Series TL	–	230,938
Premium Series	228,675,816	46,784,245
Premium T Series	4,735,983	1,379,934
Premium TH Series	7,451,922	3,362,593
Premium TL Series	597,375	172,753
	<u>241,461,096</u>	<u>132,685,711</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A	–	1,408,645
Series T	–	11,676
Series TH	–	57,722
Series TL	–	4,280
Premium Series	2,610,164	813,299
Premium T Series	8,472	20,293
Premium TH Series	(14,062)	51,654
Premium TL Series	(925)	2,816
	<u>2,603,649</u>	<u>2,370,385</u>
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net investment income		
Series T	–	(3,971)
Series TH	–	(12,430)
Premium T Series	(26,497)	–
Premium TH Series	(37,662)	(13,042)
Premium TL Series	(2,300)	–
From net realized gains on investments		
Series T	–	(2,527)
Series TH	–	(5,711)
Series TL	–	(156)
Premium T Series	–	(2,347)
Premium TH Series	–	(6,943)
Premium TL Series	–	(46)
From return of capital		
Series T	–	(29,443)
Series TH	–	(88,593)
Series TL	–	(2,662)
Premium T Series	(116,495)	(40,802)
Premium TH Series	(238,324)	(128,496)
Premium TL Series	(3,514)	(513)
	<u>(424,792)</u>	<u>(337,682)</u>
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A	–	53,528,393
Series T	–	944,651
Series TH	–	306,090
Series TL	–	1,848
Premium Series	113,091,790	23,094,939
Premium T Series	3,642,764	1,098,300
Premium TH Series	2,152,450	1,614,743
Premium TL Series	96,547	–
Reinvested distributions		
Series T	–	9,348
Series TH	–	17,534
Series TL	–	262
Premium T Series	53,005	9,208
Premium TH Series	56,847	20,169
Premium TL Series	–	559

(in dollars)	2018	2017
Payments on redemption		
Series A	–	(5,623,302)
Series T	–	(142,088)
Series TH	–	(951,373)
Series TL	–	(10,003)
Premium Series	(22,122,679)	(3,044,633)
Premium T Series	(912,598)	(524,598)
Premium TH Series	(2,541,638)	(374,256)
Premium TL Series	(183,079)	(169,952)
	<u>93,333,409</u>	<u>69,805,839</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A	–	49,313,736
Series T	–	787,646
Series TH	–	(676,761)
Series TL	–	(6,431)
Premium Series	93,579,275	20,863,605
Premium T Series	2,648,651	560,054
Premium TH Series	(622,389)	1,163,829
Premium TL Series	(93,271)	(167,136)
	<u>95,512,266</u>	<u>71,838,542</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series A	–	125,910,579
Series T	–	1,871,311
Series TH	–	2,397,979
Series TL	–	224,507
Premium Series	322,255,091	67,647,850
Premium T Series	7,384,634	1,939,988
Premium TH Series	6,829,533	4,526,422
Premium TL Series	504,104	5,617
	<u>336,973,362</u>	<u>204,524,253</u>

STATEMENTS OF CASH FLOWS

For the periods ended June 30 (note 1),

(in dollars)	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	2,603,649	2,370,385
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(1,058,270)	(883,850)
Change in unrealized (gain) loss on non-derivative financial assets	(1,452,510)	(717,985)
Non-cash transactions	(2,768,597)	(2,366,829)
Purchases of portfolio investments	(89,166,638)	(68,330,624)
Proceeds from sale of portfolio investments	450,000	75,000
Accrued investment income and other	(1,127)	(213,602)
Accrued expenses and other payables	489,863	304,148
Net cash provided by (used in) operating activities	(90,903,630)	(69,763,357)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	117,886,188	80,724,458
Amounts paid on redemption of redeemable units	(25,601,765)	(10,387,827)
Distributions to unitholders of redeemable units	(293,868)	(277,993)
Net cash provided by (used in) financing activities	91,990,555	70,058,638
Net increase (decrease) in cash	1,086,925	295,281
Cash (bank overdraft), beginning of period	2,050,469	1,409,380
CASH (BANK OVERDRAFT), END OF PERIOD	<u>3,137,394</u>	<u>1,704,661</u>
Interest received, net of withholding taxes ⁽¹⁾	14,253	5,267

⁽¹⁾ Classified as operating items.

The accompanying notes are an integral part of the financial statements.

Scotia Aria Progressive Defend Portfolio (Unaudited – Continued) (formerly, Scotia Aria Progressive Core Portfolio)

SCHEDULE OF INVESTMENT PORTFOLIO

As at June 30, 2018

Issuer	Number of Units	Average Cost (\$)	Carrying Value (\$)
CANADIAN EQUITY FUNDS – 38.3%			
CI Cambridge Canadian Equity Corporate Class, Class I	1,494,592	31,183,480	32,119,528
Dynamic Small Business Fund Series O†	1,388,550	24,023,948	25,465,999
Scotia Canadian Dividend Fund Series I†	834,824	49,322,313	51,826,696
Scotia Private Canadian All Cap Equity Pool Series I†	1,737,261	17,992,574	19,514,822
		<u>122,522,315</u>	<u>128,927,045</u>
FIXED INCOME FUNDS – 34.1%			
CI Signature Corporate Bond Corporate Class, Class I	1,630,752	17,549,428	17,392,953
Dynamic Canadian Bond Fund Series O†	2,270,646	11,864,524	11,602,999
PIMCO Monthly Income Fund (Canada) Series I	1,224,042	17,466,577	17,123,730
Scotia Floating Rate Income Fund Series I†	2,904,930	28,757,571	28,585,671
Scotia Private Canadian Corporate Bond Pool Series I†	1,623,413	17,533,538	17,160,937
Scotia Total Return Bond LP Series I†	1,898,943	23,245,034	22,964,109
		<u>116,416,672</u>	<u>114,830,399</u>
FOREIGN EQUITY FUNDS – 26.9%			
Dynamic Global Infrastructure Fund Series O†	460,958	9,233,046	9,343,618
Scotia Global Low Volatility Equity LP Series I†	1,663,296	25,922,747	27,687,389
Scotia Private International Equity Pool Series I†	1,923,880	25,805,034	26,872,367
Scotia Private Options Income Pool Series I†	886,019	9,110,422	9,311,612
Scotia U.S. Low Volatility Equity LP Series I†	1,111,726	16,855,637	17,559,601
		<u>86,926,886</u>	<u>90,774,587</u>
TOTAL INVESTMENT PORTFOLIO		<u>325,865,873</u>	<u>334,532,031</u>
OTHER ASSETS, LESS LIABILITIES – 0.7%			<u>2,441,331</u>
NET ASSETS – 100.0%			<u><u>336,973,362</u></u>

† These securities are investments in related parties (note 10).

Scotia Aria Progressive Defend Portfolio (Unaudited – Continued) (formerly Scotia Aria Progressive Core Portfolio)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

The Fund (note 1)

The Fund invests primarily in a diversified mix of mutual funds, equity securities and/or fixed income securities located anywhere in the world and aims to achieve long term capital appreciation using a balanced approach to investing through investments that the portfolio advisor assesses to be less volatile than that of broad markets. The majority of the portfolio's assets will be held in equity securities.

The Fund invests primarily in funds managed by the Manager and/or by the third party investment managers (the "Underlying Funds"). To ensure the Fund's composition meets the investment objectives of the Fund, the portfolio advisor monitors the Underlying Funds on an ongoing basis and rebalances the Fund's assets among the Underlying Funds.

Risk associated with financial instruments (note 4)

Interest rate risk

The Fund could be exposed to indirect interest rate risk to the extent that the Underlying Funds held financial instruments that were subject to interest rate risk.

Currency risk

The Fund could be exposed to indirect currency risk to the extent that the Underlying Funds held financial instruments that were denominated in a currency other than its functional currency.

Price risk

Price risk is the risk that the carrying value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) caused by factors specific to a security, its issuer or all factors affecting a market or a market segment. Exposure to price risk is mainly in equities, underlying funds, derivatives and commodities, as applicable. As at June 30, 2018, approximately 99.3% (December 31, 2017 – 99.3%) of the Fund's net assets were exposed to price risk. If prices of these instruments had decreased or increased by 10%, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by approximately \$33,453,203 (December 31, 2017 – \$23,969,411). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Credit risk

The Fund could be exposed to indirect credit risk to the extent that the Underlying Funds invested in bonds and debentures, derivatives, money market instruments or preferred shares.

Concentration risk

Concentration risk arises as a result of the concentration of financial instruments within the same category, geographical location, asset

type or industry sector, as applicable. The table below is a summary of the Fund's concentration risk by carrying value as a percentage of net assets:

	Percentage of net assets (%)	
	June 30, 2018	December 31, 2017
Canadian Equity Funds	38.3	38.5
Fixed Income Funds	34.1	33.5
Foreign Equity Funds	26.9	27.3

Fair Value Classification (note 2)

The tables below illustrate the classification of the Fund's financial instruments within the fair value hierarchy.

	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
June 30, 2018				
Underlying funds	334,532,031	–	–	334,532,031
	334,532,031	–	–	334,532,031

	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
December 31, 2017				
Underlying funds	239,694,114	–	–	239,694,114
	239,694,114	–	–	239,694,114

Transfers between levels

During the periods ended June 30, 2018 and December 31, 2017, there were no significant transfers between Level 1 and Level 2.

Offsetting of financial assets and liabilities (note 2)

As at June 30, 2018 and December 31, 2017, the Fund did not enter into any agreement whereby the financial instruments were eligible for offset.

Scotia Aria Progressive Defend Portfolio (Unaudited – Continued) (formerly Scotia Aria Progressive Core Portfolio)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

Interest in Underlying Funds (note 2)

The following tables present the percentage of the Underlying Funds owned by the Fund.

Underlying Fund	June 30, 2018	
	Carrying value of the Underlying Fund (\$)	Ownership percentage in Underlying Fund (%)
Scotia Private Canadian All Cap Equity Pool Series I	19,514,822	4.7
Scotia Global Low Volatility Equity LP Series I	27,687,389	2.6
Scotia Floating Rate Income Fund Series I	28,585,671	2.2
Scotia Total Return Bond LP Series I	22,964,109	2.2
Scotia Private International Equity Pool Series I	26,872,367	2.1
Dynamic Small Business Fund Series O	25,465,999	2.0
Scotia U.S. Low Volatility Equity LP Series I	17,559,601	1.8
Scotia Private Options Income Pool Series I	9,311,612	1.0
Dynamic Canadian Bond Fund Series O	11,602,999	0.8
CI Cambridge Canadian Equity Corporate Class, Class I	32,119,528	0.7
Dynamic Global Infrastructure Fund Series O	9,343,618	0.7
CI Signature Corporate Bond Corporate Class, Class I	17,392,953	0.6
Scotia Canadian Dividend Fund Series I	51,826,696	0.5
Scotia Private Canadian Corporate Bond Pool Series I	17,160,937	0.3
PIMCO Monthly Income Fund (Canada) Class I	17,123,730	0.1
	334,532,031	

Comparison of net asset value and net assets per unit (note 2)

As at June 30, 2018 or December 31, 2017, there were no differences between the net asset value per unit and the net assets per unit for any series of the Fund.

Underlying Fund	December 31, 2017	
	Carrying value of the Underlying Fund (\$)	Ownership percentage in Underlying Fund (%)
Scotia Private Canadian All Cap Equity Pool Series I	14,104,907	3.6
Scotia Global Low Volatility Equity LP Series I	20,137,206	1.9
Dynamic Small Business Fund Series O	18,336,841	1.6
Scotia Floating Rate Income Fund Series I	20,290,881	1.6
Scotia Total Return Bond LP Series I	16,145,743	1.6
Scotia Private International Equity Pool Series I	19,530,386	1.5
Scotia U.S. Low Volatility Equity LP Series I	12,764,394	1.3
Scotia Private Options Income Pool Series I	6,738,170	0.8
Dynamic Canadian Bond Fund Series O	8,078,971	0.6
Dynamic Global Infrastructure Fund Series O	6,740,464	0.6
CI Cambridge Canadian Equity Corporate Class, Class I	23,157,484	0.5
Scotia Canadian Dividend Fund Series I	37,202,108	0.4
CI Signature Corporate Bond Corporate Class, Class I	12,119,359	0.4
Scotia Private Canadian Corporate Bond Pool Series I	12,143,033	0.2
PIMCO Monthly Income Fund (Canada) Class I	12,204,167	0.1
	239,694,114	

The accompanying notes are an integral part of the financial statements.

Scotia Aria Progressive Pay Portfolio (Unaudited)

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	June 30, 2018	December 31, 2017
ASSETS		
Current assets		
Financial assets at fair value through profit or loss (note 2)		
Non-derivative financial assets	71,526,374	51,584,896
Cash	768,051	435,501
Subscriptions receivable	390,353	145,400
Accrued investment income and other	820	524
	<u>72,685,598</u>	<u>52,166,321</u>
LIABILITIES		
Current liabilities		
Management fee payable	98,114	–
Payable for securities purchased	368,000	60,000
Redemptions payable	9,404	330
Accrued expenses	6,719	–
Distributions payable	93,350	54,005
	<u>575,587</u>	<u>114,335</u>
Net assets attributable to holders of redeemable units	<u>72,110,011</u>	<u>52,051,986</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Premium Series	52,684,307	36,486,472
Premium T Series	7,991,533	5,899,024
Premium TH Series	11,162,382	9,439,305
Premium TL Series	271,789	227,185
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Premium Series	10.98	10.93
Premium T Series	14.78	15.10
Premium TH Series	13.49	13.97
Premium TL Series	16.21	16.35

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended June 30 (note 1),

(in dollars except average units)	2018	2017
INCOME		
Net gain (loss) on financial assets and liabilities at fair value through profit or loss		
Dividends	106,048	58,367
Interest for distribution purposes	524,505	325,887
Net realized gain (loss) on non-derivative financial assets	147,465	148,312
Change in unrealized gain (loss) on non-derivative financial assets	89,021	1,036,233
Net gain (loss) on financial assets and liabilities at fair value through profit or loss	<u>867,039</u>	<u>1,568,799</u>
Other income	1,070	432
Total income (loss), net	<u>868,109</u>	<u>1,569,231</u>
EXPENSES		
Management fees (note 5)	479,876	272,122
Fixed administration fees and operating expense (note 6)	29,992	16,987
Independent Review Committee fees	587	576
Interest expense and bank overdraft charges	–	12
Foreign withholding taxes/tax reclaims	–	(18)
Other fund costs	141	94
Harmonized Sales Tax/Goods and Services Tax	53,540	31,610
Total expenses	<u>564,136</u>	<u>321,383</u>
Expenses absorbed by the Manager	–	(1,311)
Net expenses	<u>564,136</u>	<u>320,072</u>
Increase (decrease) in net assets attributable to holders of redeemable units from operations	<u>303,973</u>	<u>1,249,159</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A	–	540,205
Series T	–	53,092
Series TH	–	133,905
Series TL	–	10,008
Premium Series	239,288	182,206
Premium T Series	29,838	149,991
Premium TH Series	34,034	178,545
Premium TL Series	813	1,207
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT[†]		
Series A	–	0.43
Series T	–	0.68
Series TH	–	0.65
Series TL	–	0.71
Premium Series	0.06	0.21
Premium T Series	0.07	0.66
Premium TH Series	0.04	0.64
Premium TL Series	0.07	1.07
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series A	–	1,254,862
Series T	–	77,964
Series TH	–	207,156
Series TL	–	14,007
Premium Series	3,980,087	849,295
Premium T Series	425,095	227,246
Premium TH Series	766,887	280,406
Premium TL Series	12,331	1,126

[†] The increase (decrease) in net assets attributable to holders of redeemable units from operations per unit is calculated by dividing the increase (decrease) in net assets attributable to holders of redeemable units from operations per series by the weighted average number of units per series.

The accompanying notes are an integral part of the financial statements.

Scotia Aria Progressive Pay Portfolio (Unaudited – Continued)

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the periods ended June 30 (note 1),

(in dollars)	2018	2017
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series A	–	9,715,095
Series T	–	945,231
Series TH	–	3,034,272
Series TL	–	279,555
Premium Series	36,486,472	8,291,333
Premium T Series	5,899,024	2,678,518
Premium TH Series	9,439,305	4,143,885
Premium TL Series	227,185	35,490
	<u>52,051,986</u>	<u>29,123,379</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A	–	540,205
Series T	–	53,092
Series TH	–	133,905
Series TL	–	10,008
Premium Series	239,288	182,206
Premium T Series	29,838	149,991
Premium TH Series	34,034	178,545
Premium TL Series	813	1,207
	<u>303,973</u>	<u>1,249,159</u>
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net investment income		
Series T	–	(3,829)
Series TH	–	(16,971)
Premium T Series	(28,936)	(12,571)
Premium TH Series	(60,686)	(23,554)
Premium TL Series	(827)	–
From net realized gains on investments		
Series T	–	(8,181)
Series TH	–	(22,516)
Series TL	–	(1,013)
Premium T Series	–	(23,278)
Premium TH Series	–	(29,547)
Premium TL Series	–	(78)
From return of capital		
Series T	–	(18,195)
Series TH	–	(67,558)
Series TL	–	(1,565)
Premium T Series	(135,861)	(52,427)
Premium TH Series	(352,900)	(94,653)
Premium TL Series	(1,620)	(113)
	<u>(580,830)</u>	<u>(376,049)</u>
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A	–	7,548,299
Series T	–	344,452
Series TH	–	145,004
Series TL	–	792
Premium Series	19,032,520	3,000,112
Premium T Series	2,457,543	1,334,448
Premium TH Series	4,020,221	919,319
Premium TL Series	107,319	–
Reinvested distributions		
Series T	–	4,704
Series TH	–	14,289
Series TL	–	1,503
Premium T Series	16,805	543
Premium TH Series	40,852	19,492
Premium TL Series	77	191

(in dollars)	2018	2017
Payments on redemption		
Series A	–	(1,377,162)
Series T	–	(77,333)
Series TH	–	(526,227)
Series TL	–	(94,977)
Premium Series	(3,073,973)	(1,011,543)
Premium T Series	(246,880)	(267,677)
Premium TH Series	(1,958,444)	(1,103,364)
Premium TL Series	(61,158)	(30,825)
	<u>20,334,882</u>	<u>8,844,040</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A	–	6,711,342
Series T	–	294,710
Series TH	–	(340,074)
Series TL	–	(85,252)
Premium Series	16,197,835	2,170,775
Premium T Series	2,092,509	1,129,029
Premium TH Series	1,723,077	(133,762)
Premium TL Series	44,604	(29,618)
	<u>20,058,025</u>	<u>9,717,150</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series A	–	16,426,437
Series T	–	1,239,941
Series TH	–	2,694,198
Series TL	–	194,303
Premium Series	52,684,307	10,462,108
Premium T Series	7,991,533	3,807,547
Premium TH Series	11,162,382	4,010,123
Premium TL Series	271,789	5,872
	<u>72,110,011</u>	<u>38,840,529</u>

STATEMENTS OF CASH FLOWS

For the periods ended June 30 (note 1),

(in dollars)	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	303,973	1,249,159
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(147,465)	(148,312)
Change in unrealized (gain) loss on non-derivative financial assets	(89,021)	(1,036,233)
Non-cash transactions	(626,376)	(382,994)
Purchases of portfolio investments	(18,823,866)	(9,437,160)
Proceeds from sale of portfolio investments	53,250	1,479,572
Accrued investment income and other	(296)	(35,637)
Accrued expenses and other payables	104,833	56,663
Net cash provided by (used in) operating activities	<u>(19,224,968)</u>	<u>(8,254,942)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	25,268,098	11,958,904
Amounts paid on redemption of redeemable units	(5,226,829)	(3,601,766)
Distributions to unitholders of redeemable units	(483,751)	(337,789)
Net cash provided by (used in) financing activities	<u>19,557,518</u>	<u>8,019,349</u>
Net increase (decrease) in cash	332,550	(235,593)
Cash (bank overdraft), beginning of period	435,501	671,465
CASH (BANK OVERDRAFT), END OF PERIOD	<u>768,051</u>	<u>435,872</u>
Interest paid ⁽¹⁾	–	12
Interest received, net of withholding taxes ⁽¹⁾	3,880	1,335

⁽¹⁾ Classified as operating items.

The accompanying notes are an integral part of the financial statements.

Scotia Aria Progressive Pay Portfolio (Unaudited – Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at June 30, 2018

Issuer	Number of Units	Average Cost (\$)	Carrying Value (\$)
CANADIAN EQUITY FUNDS – 35.0%			
CI Cambridge Canadian Equity Corporate Class, Class I	234,278	4,888,477	5,034,754
Dynamic Dividend Advantage Fund Series O [†]	502,947	3,837,900	3,792,219
Dynamic Small Business Fund Series O [†]	342,412	6,100,569	6,279,831
Scotia Canadian Dividend Fund Series I [†]	81,238	4,761,368	5,043,326
Scotia Private Canadian All Cap Equity Pool Series I [†]	450,829	4,707,592	5,064,202
		<u>24,295,906</u>	<u>25,214,332</u>
FIXED INCOME FUNDS – 29.6%			
1832 AM North American Preferred Share LP Series I [†]	258,143	3,093,183	3,219,172
PIMCO Monthly Income Fund (Canada) Series I	378,857	5,418,465	5,300,016
Scotia Private American Core-Plus Bond Pool Series I [†]	233,607	2,224,462	2,144,976
Scotia Private Canadian Corporate Bond Pool Series I [†]	405,185	4,370,830	4,283,175
Scotia Private High Yield Income Pool Series I [†]	491,065	4,521,997	4,268,879
Scotia Total Return Bond LP Series I [†]	176,967	2,163,919	2,140,083
		<u>21,792,856</u>	<u>21,356,301</u>
FOREIGN EQUITY FUNDS – 34.6%			
Dynamic Global Infrastructure Fund Series O [†]	63,409	1,186,454	1,285,310
Scotia Global Dividend Fund Series I [†]	458,748	7,777,584	7,547,457
Scotia Private International Equity Pool Series I [†]	540,672	7,294,957	7,551,995
Scotia Private Options Income Pool Series I [†]	359,812	3,713,839	3,781,446
Scotia Private Real Estate Income Pool Series I [†]	105,099	1,186,642	1,255,129
Scotia U.S. Dividend Growers LP Series I [†]	196,355	3,205,981	3,534,404
		<u>24,365,457</u>	<u>24,955,741</u>
TOTAL INVESTMENT PORTFOLIO		<u><u>70,454,219</u></u>	<u><u>71,526,374</u></u>
OTHER ASSETS, LESS LIABILITIES – 0.8%			<u>583,637</u>
NET ASSETS – 100.0%			<u><u>72,110,011</u></u>

[†] These securities are investments in related parties (note 10).

Scotia Aria Progressive Pay Portfolio (Unaudited – Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

The Fund (note 1)

The Fund invests primarily in a diversified mix of mutual funds, equity securities and/or fixed income securities located anywhere in the world and aims to generate income and long term capital appreciation using a balanced approach to investing through investments in income producing equity and fixed income securities. The majority of the portfolio's assets will be held in equity securities.

The Fund invests primarily in funds managed by the Manager and/or by the third party investment managers (the "Underlying Funds"). To ensure the Fund's composition meets the investment objectives of the Fund, the portfolio advisor monitors the Underlying Funds on an ongoing basis and rebalances the Fund's assets among the Underlying Funds.

Risk associated with financial instruments (note 4)

Interest rate risk

The Fund could be exposed to indirect interest rate risk to the extent that the Underlying Funds held financial instruments that were subject to interest rate risk.

Currency risk

The Fund could be exposed to indirect currency risk to the extent that the Underlying Funds held financial instruments that were denominated in a currency other than its functional currency.

Price risk

Price risk is the risk that the carrying value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) caused by factors specific to a security, its issuer or all factors affecting a market or a market segment. Exposure to price risk is mainly in equities, underlying funds, derivatives and commodities, as applicable. As at June 30, 2018, approximately 99.2% (December 31, 2017 – 99.1%) of the Fund's net assets were exposed to price risk. If prices of these instruments had decreased or increased by 10%, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by approximately \$7,152,637 (December 31, 2017 – \$5,158,490). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Credit risk

The Fund could be exposed to indirect credit risk to the extent that the Underlying Funds invested in bonds and debentures, derivatives, money market instruments or preferred shares.

Concentration risk

Concentration risk arises as a result of the concentration of financial instruments within the same category, geographical location, asset type or industry sector, as applicable. The table below is a summary of

the Fund's concentration risk by carrying value as a percentage of net assets:

	Percentage of net assets (%)	
	June 30, 2018	December 31, 2017
Canadian Equity Funds	35.0	35.1
Fixed Income Funds	29.6	28.8
Foreign Equity Funds	34.6	35.2

Fair Value Classification (note 2)

The tables below illustrate the classification of the Fund's financial instruments within the fair value hierarchy.

	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
June 30, 2018				
Underlying funds	71,526,374	–	–	71,526,374
	71,526,374	–	–	71,526,374

	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
December 31, 2017				
Underlying funds	51,584,896	–	–	51,584,896
	51,584,896	–	–	51,584,896

Transfers between levels

During the periods ended June 30, 2018 and December 31, 2017, there were no significant transfers between Level 1 and Level 2.

Offsetting of financial assets and liabilities (note 2)

As at June 30, 2018 and December 31, 2017, the Fund did not enter into any agreement whereby the financial instruments were eligible for offset.

Scotia Aria Progressive Pay Portfolio (Unaudited – Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

Interest in Underlying Funds (note 2)

The following tables present the percentage of the Underlying Funds owned by the Fund.

Underlying Fund	June 30, 2018	
	Carrying value of the Underlying Fund (\$)	Ownership percentage in Underlying Fund (%)
Scotia Private Canadian All Cap Equity Pool Series I	5,064,202	1.2
1832 AM North American Preferred Share LP Series I	3,219,172	1.2
Scotia Global Dividend Fund Series I	7,547,457	0.9
Scotia Private International Equity Pool Series I	7,551,995	0.6
Scotia U.S. Dividend Growers LP Series I	3,534,404	0.6
Dynamic Dividend Advantage Fund Series O	3,792,219	0.5
Dynamic Small Business Fund Series O	6,279,831	0.5
Scotia Private High Yield Income Pool Series I	4,268,879	0.4
Scotia Private Options Income Pool Series I	3,781,446	0.4
Scotia Private American Core-Plus Bond Pool Series I	2,144,976	0.3
Scotia Private Real Estate Income Pool Series I	1,255,129	0.3
Scotia Total Return Bond LP Series I	2,140,083	0.2
CI Cambridge Canadian Equity Corporate Class, Class I	5,034,754	0.1
Scotia Canadian Dividend Fund Series I	5,043,326	0.1
Scotia Private Canadian Corporate Bond Pool Series I	4,283,175	0.1
Dynamic Global Infrastructure Fund Series O	1,285,310	0.1
PIMCO Monthly Income Fund (Canada) Class I	5,300,016	0.0
	71,526,374	

Underlying Fund	December 31, 2017	
	Carrying value of the Underlying Fund (\$)	Ownership percentage in Underlying Fund (%)
Scotia Private Canadian All Cap Equity Pool Series I	3,663,362	0.9
1832 AM North American Preferred Share LP Series I	2,258,675	0.8
Scotia Global Dividend Fund Series I	5,488,130	0.7
Scotia U.S. Dividend Growers LP Series I	2,735,488	0.5
Dynamic Small Business Fund Series O	4,568,453	0.4
Scotia Private International Equity Pool Series I	5,488,486	0.4
Dynamic Dividend Advantage Fund Series O	2,741,136	0.3
Scotia Private Options Income Pool Series I	2,758,659	0.3
Scotia Private Real Estate Income Pool Series I	930,020	0.3
Scotia Private American Core-Plus Bond Pool Series I	1,503,450	0.2
Scotia Private High Yield Income Pool Series I	2,992,227	0.2
CI Cambridge Canadian Equity Corporate Class, Class I	3,640,399	0.1
Scotia Private Canadian Corporate Bond Pool Series I	2,991,716	0.1
Scotia Total Return Bond LP Series I	1,492,597	0.1
Dynamic Global Infrastructure Fund Series O	927,971	0.1
Scotia Canadian Dividend Fund Series I	3,644,129	0.0
PIMCO Monthly Income Fund (Canada) Class I	3,759,998	0.0
	51,584,896	

Comparison of net asset value and net assets per unit (note 2)

As at June 30, 2018 or December 31, 2017, there were no differences between the net asset value per unit and the net assets per unit for any series of the Fund.

Scotia Conservative Government Bond Capital Yield Class (Unaudited)

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	June 30, 2018	December 31, 2017
ASSETS		
Current assets		
Financial assets at fair value through profit or loss (note 2)		
Non-derivative financial assets	3,371,751	4,799,345
Cash	5,679	1,956
Receivable for securities sold	999	–
Accrued investment income and other	3	1
	<u>3,378,432</u>	<u>4,801,302</u>
LIABILITIES		
Current liabilities		
Management fee payable	3,465	–
Redemptions payable	200	–
Accrued expenses	902	–
	<u>4,567</u>	<u>–</u>
Net assets attributable to holders of redeemable shares	<u>3,373,865</u>	<u>4,801,302</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES PER SERIES		
Series A	3,373,865	4,801,302
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES PER SHARE		
Series A	<u>9.61</u>	<u>9.66</u>

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended June 30 (note 1),

(in dollars except average units)	2018	2017
INCOME		
Net gain (loss) on financial assets and liabilities at fair value through profit or loss		
Interest for distribution purposes	52,230	86,024
Net realized gain (loss) on non-derivative financial assets	(59,388)	(7,472)
Change in unrealized gain (loss) on non-derivative financial assets	10,581	(37,451)
Net gain (loss) on financial assets and liabilities at fair value through profit or loss	<u>3,423</u>	<u>41,101</u>
Total income (loss), net	<u>3,423</u>	<u>41,101</u>
EXPENSES		
Management fees (note 5)	22,340	36,242
Fixed administration fees (note 6)	2,031	3,295
Independent Review Committee fees	587	576
Interest expense and bank overdraft charges	363	114
Harmonized Sales Tax/Goods and Services Tax	2,966	4,673
Total expenses	<u>28,287</u>	<u>44,900</u>
Increase (decrease) in net assets attributable to holders of redeemable shares from operations	<u>(24,864)</u>	<u>(3,799)</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES FROM OPERATIONS PER SERIES		
Series A	<u>(24,864)</u>	<u>(3,799)</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES FROM OPERATIONS PER SHARE[†]		
Series A	<u>(0.06)</u>	<u>(0.01)</u>
WEIGHTED AVERAGE NUMBER OF SHARES PER SERIES		
Series A	422,998	678,505

[†] The increase (decrease) in net assets attributable to holders of redeemable shares from operations per share is calculated by dividing the increase (decrease) in net assets attributable to holders of redeemable shares from operations per series by the weighted average number of shares per series.

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the periods ended June 30 (note 1),

(in dollars)	2018	2017
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES, BEGINNING OF PERIOD		
Series A	4,801,302	6,890,970
	<u>4,801,302</u>	<u>6,890,970</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES FROM OPERATIONS		
Series A	(24,864)	(3,799)
	<u>(24,864)</u>	<u>(3,799)</u>
REDEEMABLE SHARE TRANSACTIONS		
Payments on redemption		
Series A	(1,402,573)	(653,456)
	<u>(1,402,573)</u>	<u>(653,456)</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES		
Series A	(1,427,437)	(657,255)
	<u>(1,427,437)</u>	<u>(657,255)</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES, END OF PERIOD		
Series A	3,373,865	6,233,715
	<u>3,373,865</u>	<u>6,233,715</u>

STATEMENTS OF CASH FLOWS

For the periods ended June 30 (note 1),

(in dollars)	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable shares	(24,864)	(3,799)
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	59,388	7,472
Change in unrealized (gain) loss on non-derivative financial assets	(10,581)	37,451
Non-cash transactions	(52,213)	(86,015)
Purchases of portfolio investments	–	(51,999)
Proceeds from sale of portfolio investments	1,430,001	751,001
Accrued investment income and other	(2)	(1)
Accrued expenses and other payables	4,367	7,309
Net cash provided by (used in) operating activities	<u>1,406,096</u>	<u>661,419</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Amounts paid on redemption of redeemable shares	(1,402,373)	(653,256)
Net cash provided by (used in) financing activities	<u>(1,402,373)</u>	<u>(653,256)</u>
Net increase (decrease) in cash	3,723	8,163
Cash (bank overdraft), beginning of period	1,956	427
CASH (BANK OVERDRAFT), END OF PERIOD	<u>5,679</u>	<u>8,590</u>
Interest paid ⁽¹⁾	363	114
Interest received, net of withholding taxes ⁽¹⁾	16	8

⁽¹⁾ Classified as operating items.

The accompanying notes are an integral part of the financial statements.

Scotia Conservative Government Bond Capital Yield Class (Unaudited – Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at June 30, 2018

<u>Issuer</u>	<u>Number of Units</u>	<u>Average Cost (\$)</u>	<u>Carrying Value (\$)</u>
FIXED INCOME FUNDS – 99.9%			
Scotia Private Short-Mid Government Bond Pool Series I†	332,045	3,517,114	3,371,751
TOTAL INVESTMENT PORTFOLIO		<u>3,517,114</u>	<u>3,371,751</u>
OTHER ASSETS, LESS LIABILITIES – 0.1%			<u>2,114</u>
NET ASSETS – 100.0%			<u><u>3,373,865</u></u>

† These securities are investments in related parties (note 10).

Scotia Conservative Government Bond Capital Yield Class (Unaudited – Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

The Fund (note 1)

The Fund's objective is to provide income and modest capital gains by primarily providing exposure to bonds and treasury bills issued or guaranteed by Canadian federal, provincial and municipal governments or agency of such governments, and money market instruments of Canadian issuers, including commercial paper, bankers' acceptances, asset-backed or mortgage-backed securities and guaranteed investment certificates.

The Fund will obtain such exposure in one or more of the following ways, in any combination:

- by investing directly in such fixed income securities; and
- by investing in units of Scotia Private Short-Mid Government Bond Pool (the "underlying fund")

The Fund invests in Scotia Private Short-Mid Government Bond Pool Series I (the "Underlying Fund"). The significant risk exposures of the Underlying Fund and the Fund's sensitivities to these exposures are indicated below.

Risks associated with financial instruments (note 4)

Interest rate risk

The table below summarizes the Underlying Fund's exposure to interest rate risk by the remaining term to maturity of the Fund's portfolio, excluding preferred shares, cash and overdrafts, as applicable.

Interest rate exposure	June 30, 2018 (\$)	December 31, 2017 (\$)
Less than 1 year	628,604	141,348
1-3 years	1,214,976	1,623,761
3-5 years	596,722	590,449
5-10 years	953,715	2,420,784
> 10 years	-	9,552,684
	3,394,017	14,329,026

As at June 30, 2018, had the prevailing interest rates increased or decreased by 0.25%, assuming a parallel shift in the yield curve and all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by \$31,896 or approximately 0.9% (December 31, 2017 – \$53,388 or approximately 1.1%).

Currency risk

The Underlying Fund did not have significant currency risk exposure as at June 30, 2018 or December 31, 2017.

Price risk

The Underlying Fund did not have significant price risk exposure to equities, derivatives or commodities as at June 30, 2018 or December 31, 2017.

Credit risk

The table below summarizes the credit ratings of bonds and debentures, money market instruments and preferred shares held by the Underlying Fund, as applicable.

	June 30, 2018		December 31, 2017	
	Percentage of total credit rated instruments (%)	Percentage of net assets (%)	Percentage of total credit rated instruments (%)	Percentage of net assets (%)
Credit ratings				
AAA	50.7	51.1	51.0	50.7
AA	18.2	18.3	19.5	19.4
A	31.1	31.3	29.4	29.4
BB	-	-	0.1	-
	100.0	100.7	100.0	99.5

Concentration risk

Concentration risk arises as a result of the concentration of financial instruments within the same category, geographical location, asset type or industry sector, as applicable. The table below is a summary of the Underlying Fund's concentration risk by carrying value as a percentage of net assets:

	Percentage of net assets (%)	
	June 30, 2018	December 31, 2017
Corporate Bonds	12.4	8.4
Federal Bonds	51.1	50.7
Provincial Bonds	37.2	40.4

Fair Value Classification (note 2)

The tables below illustrate the classification of the Fund's financial instruments within the fair value hierarchy.

June 30, 2018	Level 1	Level 2	Level 3	Total
	(\$)	(\$)	(\$)	(\$)
Underlying funds	3,371,751	-	-	3,371,751
	3,371,751	-	-	3,371,751

December 31, 2017	Level 1	Level 2	Level 3	Total
	(\$)	(\$)	(\$)	(\$)
Underlying funds	4,799,345	-	-	4,799,345
	4,799,345	-	-	4,799,345

Transfers between levels

During the periods ended June 30, 2018 and December 31, 2017, there were no significant transfers between Level 1 and Level 2.

Offsetting of financial assets and liabilities (note 2)

As at June 30, 2018 and December 31, 2017, the Fund did not enter into any agreement whereby the financial instruments were eligible for offset.

Scotia Conservative Government Bond Capital Yield Class (Unaudited – Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

Interest in Underlying Funds (note 2)

The following tables present the percentage of the Underlying Funds owned by the Fund.

Underlying Fund	June 30, 2018	
	Carrying value of the Underlying Fund (\$)	Ownership percentage in Underlying Fund (%)
Scotia Private Short-Mid Government Bond Pool Series I	3,371,751	0.5
	3,371,751	

Underlying Fund	December 31, 2017	
	Carrying value of the Underlying Fund (\$)	Ownership percentage in Underlying Fund (%)
Scotia Private Short-Mid Government Bond Pool Series I	4,799,345	0.6
	4,799,345	

Comparison of net asset value per unit and net assets per unit (note 2)

As at June 30, 2018 or December 31, 2017, there were no differences between the net asset value per unit and the net assets per unit for any series of the Fund.

Scotia Fixed Income Blend Class (Unaudited)

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	June 30, 2018	December 31, 2017
ASSETS		
Current assets		
Financial assets at fair value through profit or loss (note 2)		
Non-derivative financial assets	1,097,110	1,306,560
Cash	4,705	4,347
Accrued investment income and other	3	4
	<u>1,101,818</u>	<u>1,310,911</u>
LIABILITIES		
Current liabilities		
Management fee payable	1,074	–
Accrued expenses	685	–
	<u>1,759</u>	<u>–</u>
Net assets attributable to holders of redeemable shares	<u>1,100,059</u>	<u>1,310,911</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES PER SERIES		
Series A	<u>1,100,059</u>	<u>1,310,911</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES PER SHARE		
Series A	<u>9.99</u>	<u>10.04</u>

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended June 30 (note 1),

(in dollars except average units)	2018	2017
INCOME		
Net gain (loss) on financial assets and liabilities at fair value through profit or loss		
Dividends	70	277
Interest for distribution purposes	21,186	25,020
Net realized gain (loss) on non-derivative financial assets	(6,794)	(316)
Change in unrealized gain (loss) on non-derivative financial assets	(11,493)	5,729
Net gain (loss) on financial assets and liabilities at fair value through profit or loss	<u>2,969</u>	<u>30,710</u>
Total income (loss), net	<u>2,969</u>	<u>30,710</u>
EXPENSES		
Management fees (note 5)	6,438	7,836
Fixed administration fees (note 6)	585	708
Independent Review Committee fees	587	576
Interest expense and bank overdraft charges	40	8
Harmonized Sales Tax/Goods and Services Tax	808	973
Total expenses	<u>8,458</u>	<u>10,101</u>
Increase (decrease) in net assets attributable to holders of redeemable shares from operations	<u>(5,489)</u>	<u>20,609</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES FROM OPERATIONS PER SERIES		
Series A	<u>(5,489)</u>	<u>20,609</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES FROM OPERATIONS PER SHARE[†]		
Series A	<u>(0.05)</u>	<u>0.15</u>
WEIGHTED AVERAGE NUMBER OF SHARES PER SERIES		
Series A	117,299	141,560

[†] The increase (decrease) in net assets attributable to holders of redeemable shares from operations per share is calculated by dividing the increase (decrease) in net assets attributable to holders of redeemable shares from operations per series by the weighted average number of shares per series.

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the periods ended June 30 (note 1),

(in dollars)	2018	2017
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES, BEGINNING OF PERIOD		
Series A	1,310,911	1,458,666
	<u>1,310,911</u>	<u>1,458,666</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES FROM OPERATIONS		
Series A	(5,489)	20,609
	<u>(5,489)</u>	<u>20,609</u>
REDEEMABLE SHARE TRANSACTIONS		
Payments on redemption		
Series A	(205,363)	(115,233)
	<u>(205,363)</u>	<u>(115,233)</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES		
Series A	(210,852)	(94,624)
	<u>(210,852)</u>	<u>(94,624)</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES, END OF PERIOD		
Series A	1,100,059	1,364,042
	<u>1,100,059</u>	<u>1,364,042</u>

STATEMENTS OF CASH FLOWS

For the periods ended June 30 (note 1),

(in dollars)	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable shares	(5,489)	20,609
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	6,794	316
Change in unrealized (gain) loss on non-derivative financial assets	11,493	(5,729)
Non-cash transactions	(21,237)	(25,285)
Proceeds from sale of portfolio investments	212,400	112,601
Accrued investment income and other	1	–
Accrued expenses and other payables	1,759	2,056
Net cash provided by (used in) operating activities	<u>205,721</u>	<u>104,568</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Amounts paid on redemption of redeemable shares	(205,363)	(101,209)
Net cash provided by (used in) financing activities	<u>(205,363)</u>	<u>(101,209)</u>
Net increase (decrease) in cash	358	3,359
Cash (bank overdraft), beginning of period	4,347	2,152
CASH (BANK OVERDRAFT), END OF PERIOD	<u>4,705</u>	<u>5,511</u>
Interest paid ⁽¹⁾	40	8
Interest received, net of withholding taxes ⁽¹⁾	20	12

⁽¹⁾ Classified as operating items.

The accompanying notes are an integral part of the financial statements.

Scotia Fixed Income Blend Class (Unaudited – Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at June 30, 2018

Issuer	Number of Units	Average Cost (\$)	Carrying Value (\$)
FIXED INCOME FUNDS – 99.7%			
Scotia Canadian Income Fund Series I†	41,359	568,432	548,591
Scotia Private American Core-Plus Bond Pool Series I†	11,942	112,715	109,654
Scotia Private Canadian Corporate Bond Pool Series I†	15,521	168,144	164,072
Scotia Private High Yield Income Pool Series I†	12,599	119,133	109,522
Scotia Private Short-Mid Government Bond Pool Series I†	16,276	172,411	165,271
		1,140,835	1,097,110
TOTAL INVESTMENT PORTFOLIO		1,140,835	1,097,110
OTHER ASSETS, LESS LIABILITIES – 0.3%			2,949
NET ASSETS – 100.0%			1,100,059

† These securities are investments in related parties (note 10).

Scotia Fixed Income Blend Class (Unaudited – Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

The Fund (note 1)

The Fund's objective is to provide income and modest capital gains by investing primarily in fixed income securities.

The Fund will obtain such exposure in one or more of the following ways, in any combination:

- by investing directly in such fixed income securities; and
- by investing in units of mutual funds managed by us and/or other mutual fund managers that invest in fixed income securities.

The Fund invests primarily in funds managed by the Manager and/or by the third party investment managers (the "Underlying Funds"). To ensure the Fund's composition meets the investment objectives of the Fund, the portfolio advisor monitors the Underlying Funds on an ongoing basis and rebalances the Fund's assets among the Underlying Funds.

Risk associated with financial instruments (note 4)

Interest rate risk

The Fund could be exposed to indirect interest rate risk to the extent that the Underlying Funds held financial instruments that were subject to interest rate risk.

Currency risk

The Fund could be exposed to indirect currency risk to the extent that the Underlying Funds held financial instruments that were denominated in a currency other than its functional currency.

Price risk

Price risk is the risk that the carrying value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) caused by factors specific to a security, its issuer or all factors affecting a market or a market segment. Exposure to price risk is mainly in equities, underlying funds, derivatives and commodities, as applicable. As at June 30, 2018, approximately 99.7% (December 31, 2017 – 99.7%) of the Fund's net assets were exposed to price risk. If prices of these instruments had decreased or increased by 10%, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by approximately \$109,711 (December 31, 2017 – \$130,656). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Credit risk

The Fund could be exposed to indirect credit risk to the extent that the Underlying Funds invested in bonds and debentures, derivatives, money market instruments or preferred shares.

Concentration risk

Concentration risk arises as a result of the concentration of financial instruments within the same category, geographical location, asset

type or industry sector, as applicable. The table below is a summary of the Fund's concentration risk by carrying value as a percentage of net assets:

	Percentage of net assets (%)	
	June 30, 2018	December 31, 2017
Fixed Income Funds	99.7	99.7

Fair Value Classification (note 2)

The tables below illustrate the classification of the Fund's financial instruments within the fair value hierarchy.

June 30, 2018	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Underlying funds	1,097,110	–	–	1,097,110
	1,097,110	–	–	1,097,110

December 31, 2017	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Underlying funds	1,306,560	–	–	1,306,560
	1,306,560	–	–	1,306,560

Transfers between levels

During the periods ended June 30, 2018 and December 31, 2017, there were no significant transfers between Level 1 and Level 2.

Offsetting of financial assets and liabilities (note 2)

As at June 30, 2018 and December 31, 2017, the Fund did not enter into any agreement whereby the financial instruments were eligible for offset.

Interest in Underlying Funds (note 2)

The following tables present the percentage of the Underlying Funds owned by the Fund.

Underlying Fund	June 30, 2018	
	Carrying value of the Underlying Fund (\$)	Ownership percentage in Underlying Fund (%)
Scotia Canadian Income Fund Series I	548,591	0.0
Scotia Private American Core-Plus Bond Pool Series I	109,654	0.0
Scotia Private Canadian Corporate Bond Pool Series I	164,072	0.0
Scotia Private High Yield Income Pool Series I	109,522	0.0
Scotia Private Short-Mid Government Bond Pool Series I	165,271	0.0
	1,097,110	

Scotia Fixed Income Blend Class (Unaudited – Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

Underlying Fund	December 31, 2017	
	Carrying value of the Underlying Fund (\$)	Ownership percentage in Underlying Fund (%)
Scotia Canadian Income Fund Series I	650,542	0.0
Scotia Private American Core-Plus Bond Pool Series I	131,545	0.0
Scotia Private Canadian Corporate Bond Pool Series I	196,579	0.0
Scotia Private High Yield Income Pool Series I	131,165	0.0
Scotia Private Short-Mid Government Bond Pool Series I	196,729	0.0
	1,306,560	

Comparison of net asset value and net assets per unit (note 2)

As at June 30, 2018 or December 31, 2017, there were no differences between the net asset value per unit and the net assets per unit for any series of the Fund.

Scotia Canadian Dividend Class (Unaudited)

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	June 30, 2018	December 31, 2017
ASSETS		
Current assets		
Financial assets at fair value through profit or loss (note 2)		
Non-derivative financial assets	128,537,457	135,758,926
Cash	104,393	342,959
Receivable for securities sold	1,453,000	–
Subscriptions receivable	268,883	84,485
Accrued investment income and other	99	175
	<u>130,363,832</u>	<u>136,186,545</u>
LIABILITIES		
Current liabilities		
Management fee payable	170,192	–
Payable for securities purchased	–	359,000
Redemptions payable	2,180,235	16,669
Accrued expenses	11,933	–
Distributions payable	4,573	64,610
	<u>2,366,933</u>	<u>440,279</u>
Net assets attributable to holders of redeemable shares	<u>127,996,899</u>	<u>135,746,266</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES PER SERIES		
Series A	<u>127,996,899</u>	<u>135,746,266</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES PER SHARE		
Series A	<u>14.79</u>	<u>14.87</u>

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended June 30 (note 1),

(in dollars except average units)	2018	2017
INCOME		
Net gain (loss) on financial assets and liabilities at fair value through profit or loss		
Dividends	1,727,559	1,744,551
Interest for distribution purposes	579	355
Net realized gain (loss) on non-derivative financial assets	2,271,360	1,429,315
Change in unrealized gain (loss) on non-derivative financial assets	(3,731,382)	3,986,705
Net gain (loss) on financial assets and liabilities at fair value through profit or loss	<u>268,116</u>	<u>7,160,926</u>
Other income	729	180
Total income (loss), net	<u>268,845</u>	<u>7,161,106</u>
EXPENSES		
Management fees (note 5)	969,658	892,486
Fixed administration fees (note 6)	64,644	59,499
Independent Review Committee fees	587	576
Interest expense and bank overdraft charges	843	523
Harmonized Sales Tax/Goods and Services Tax	107,774	99,673
Total expenses	<u>1,143,506</u>	<u>1,052,757</u>
Increase (decrease) in net assets attributable to holders of redeemable shares from operations	<u>(874,661)</u>	<u>6,108,349</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES FROM OPERATIONS PER SERIES		
Series A	<u>(874,661)</u>	<u>6,108,349</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES FROM OPERATIONS PER SHARE[†]		
Series A	<u>(0.10)</u>	<u>0.72</u>
WEIGHTED AVERAGE NUMBER OF SHARES PER SERIES		
Series A	<u>8,905,025</u>	<u>8,427,882</u>

[†] The increase (decrease) in net assets attributable to holders of redeemable shares from operations per share is calculated by dividing the increase (decrease) in net assets attributable to holders of redeemable shares from operations per series by the weighted average number of shares per series.

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the periods ended June 30 (note 1),

(in dollars)	2018	2017
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES, BEGINNING OF PERIOD		
Series A	135,746,266	112,969,027
	<u>135,746,266</u>	<u>112,969,027</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES FROM OPERATIONS		
Series A	(874,661)	6,108,349
	<u>(874,661)</u>	<u>6,108,349</u>
REDEEMABLE SHARE TRANSACTIONS		
Proceeds from issue		
Series A	11,423,003	18,399,589
Payments on redemption		
Series A	(18,297,709)	(13,975,029)
	<u>(6,874,706)</u>	<u>4,424,560</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES		
Series A	<u>(7,749,367)</u>	<u>10,532,909</u>
	<u>(7,749,367)</u>	<u>10,532,909</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES, END OF PERIOD		
Series A	127,996,899	123,501,936
	<u>127,996,899</u>	<u>123,501,936</u>

STATEMENTS OF CASH FLOWS

For the periods ended June 30 (note 1),

(in dollars)	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable shares		
	(874,661)	6,108,349
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(2,271,360)	(1,429,315)
Change in unrealized (gain) loss on non-derivative financial assets	3,731,382	(3,986,705)
Non-cash transactions	(1,727,559)	(1,744,551)
Purchases of portfolio investments	(5,351,000)	(9,175,020)
Proceeds from sale of portfolio investments	11,028,006	7,521,000
Accrued investment income and other	76	14
Accrued expenses and other payables	182,125	173,986
Net cash provided by (used in) operating activities	<u>4,717,009</u>	<u>(2,532,242)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable shares		
	11,238,605	16,933,818
Amounts paid on redemption of redeemable shares		
	(16,134,143)	(13,841,142)
Distributions to shareholders of redeemable shares		
	(60,037)	(54,255)
Net cash provided by (used in) financing activities	<u>(4,955,575)</u>	<u>3,038,421</u>
Net increase (decrease) in cash		
	(238,566)	506,179
Cash (bank overdraft), beginning of period		
	342,959	177,458
CASH (BANK OVERDRAFT), END OF PERIOD	<u>104,393</u>	<u>683,637</u>
Interest paid ⁽¹⁾		
	843	523
Interest received, net of withholding taxes ⁽¹⁾		
	657	368

⁽¹⁾ Classified as operating items.

The accompanying notes are an integral part of the financial statements.

Scotia Canadian Dividend Class (Unaudited – Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at June 30, 2018

<u>Issuer</u>	<u>Number of Units</u>	<u>Average Cost (\$)</u>	<u>Carrying Value (\$)</u>
CANADIAN EQUITY FUNDS – 100.4%			
Scotia Canadian Dividend Fund Series I [†]	2,070,480	104,537,245	128,537,457
TOTAL INVESTMENT PORTFOLIO		<u>104,537,245</u>	<u>128,537,457</u>
OTHER ASSETS, LESS LIABILITIES – (0.4%)			<u>(540,558)</u>
NET ASSETS – 100.0%			<u>127,996,899</u>

[†] These securities are investments in related parties (note 10).

The accompanying notes are an integral part of the financial statements.

Scotia Canadian Dividend Class (Unaudited – Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

The Fund (note 1)

The Fund's objective is to achieve a high level of dividend income with some potential for long-term total investment return, consisting of dividend income and long-term capital growth. It invests primarily in dividend-paying common shares and preferred shares of Canadian companies.

The Fund invests in Scotia Canadian Dividend Fund Series I (the "Underlying Fund"). The significant risk exposures of the Underlying Fund and the Fund's sensitivities to these exposures are indicated below.

Risks associated with financial instruments (note 4)

Interest rate risk

The majority of the Fund's financial instruments were non-interest bearing as at June 30, 2018 and December 31, 2017. Accordingly, the Fund is not directly subject to significant risk due to fluctuations in the prevailing levels of market interest rates.

Currency risk

The Underlying Fund's exposure to currency risk is summarized in the tables below. Amounts shown are based on the carrying value of monetary and non-monetary assets and liabilities of the Underlying Fund net of currency contracts, as applicable.

Currency	June 30, 2018			
	Gross currency exposure (\$)	Currency contracts (\$)	Net exposure (\$)	Percentage of net assets (%)
US Dollar	44,409,082	(32,459,745)	11,949,337	9.3
	44,409,082	(32,459,745)	11,949,337	9.3

Currency	December 31, 2017			
	Gross currency exposure (\$)	Currency contracts (\$)	Net exposure (\$)	Percentage of net assets (%)
US Dollar	48,986,708	(34,688,429)	14,298,279	10.5
Total	48,986,708	(34,688,429)	14,298,279	10.5

If the Canadian dollar strengthened or weakened by 10% in relation to all other currencies, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by \$1,194,934 or 0.9% (December 31, 2017 – \$1,429,828 or 1.1%). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Price risk

Price risk is the risk that the carrying value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) caused by factors specific to a security, its issuer or all factors affecting a market or a market segment. Exposure to price risk is mainly in equities, underlying funds, derivatives and commodities, as applicable. As at June 30, 2018, approximately 90.1% (December 31, 2017 – 90.1%) of

the Underlying Fund's net assets were exposed to price risk. If prices of these instruments had decreased or increased by 10%, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by approximately \$11,578,048 (December 31, 2017 – \$12,240,445). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Credit risk

The Underlying Fund had no significant exposure to bonds and debentures, money market instruments or preferred shares as at June 30, 2018 or December 31, 2017.

Concentration risk

Concentration risk arises as a result of the concentration of exposures within the same category, geographical location, asset type or industry sector, as applicable. The table below is a summary of the Underlying Fund's concentration risk:

	Percentage of net assets (%)	
	June 30, 2018	December 31, 2017
Consumer Discretionary	3.9	5.6
Consumer Staples	8.4	8.0
Energy	13.7	11.0
Financials	22.5	22.0
Health Care	8.9	7.5
Industrials	7.7	8.5
Information Technology	8.8	8.0
Materials	1.0	1.4
Real Estate	3.5	3.3
Telecommunication Services	5.4	7.9
Utilities	6.2	6.9

Fair Value Classification (note 2)

The tables below illustrate the classification of the Fund's financial instruments within the fair value hierarchy.

June 30, 2018	Level 1	Level 2	Level 3	Total
	(\$)	(\$)	(\$)	(\$)
Underlying funds	128,537,457	–	–	128,537,457
	128,537,457	–	–	128,537,457

December 31, 2017	Level 1	Level 2	Level 3	Total
	(\$)	(\$)	(\$)	(\$)
Underlying funds	135,758,926	–	–	135,758,926
	135,758,926	–	–	135,758,926

Transfers between levels

During the periods ended June 30, 2018 and December 31, 2017, there were no significant transfers between Level 1 and Level 2.

Offsetting of financial assets and liabilities (note 2)

As at June 30, 2018 and December 31, 2017, the Fund did not enter into any agreement whereby the financial instruments were eligible for offset.

Scotia Canadian Dividend Class (Unaudited – Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

Interest in Underlying Funds (note 2)

The following tables present the percentage of the Underlying Funds owned by the Fund.

Underlying Fund	June 30, 2018	
	Carrying value of the Underlying Fund (\$)	Ownership percentage in Underlying Fund (%)
Scotia Canadian Dividend Fund Series I	128,537,457	1.3
	128,537,457	

Underlying Fund	December 31, 2017	
	Carrying value of the Underlying Fund (\$)	Ownership percentage in Underlying Fund (%)
Scotia Canadian Dividend Fund Series I	135,758,926	1.4
	135,758,926	

Comparison of net asset value per unit and net assets per unit (note 2)

As at June 30, 2018 or December 31, 2017, there were no differences between the net asset value per unit and the net assets per unit for any series of the Fund.

Scotia Canadian Equity Blend Class (Unaudited)

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	June 30, 2018	December 31, 2017
ASSETS		
Current assets		
Financial assets at fair value through profit or loss (note 2)		
Non-derivative financial assets	2,025,664	2,110,122
Cash	24,489	–
Receivable for securities sold	–	37,200
Subscriptions receivable	350	1,100
Accrued investment income and other	24	11
	<u>2,050,527</u>	<u>2,148,433</u>
LIABILITIES		
Current liabilities		
Bank overdraft	–	31,067
Management fee payable	3,015	–
Redemptions payable	2,965	–
Accrued expenses	845	–
Distributions payable	–	259
	<u>6,825</u>	<u>31,326</u>
Net assets attributable to holders of redeemable shares	<u>2,043,702</u>	<u>2,117,107</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES PER SERIES		
Series A	<u>2,043,702</u>	<u>2,117,107</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES PER SHARE		
Series A	<u>14.78</u>	<u>14.86</u>

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended June 30 (note 1),

(in dollars except average units)	2018	2017
INCOME		
Net gain (loss) on financial assets and liabilities at fair value through profit or loss		
Dividends	3,892	4,569
Interest for distribution purposes	18,043	16,729
Net realized gain (loss) on non-derivative financial assets	47,839	59,033
Change in unrealized gain (loss) on non-derivative financial assets	(64,051)	(9,345)
Net gain (loss) on financial assets and liabilities at fair value through profit or loss	<u>5,723</u>	<u>70,986</u>
Other income	70	13
Total income (loss), net	<u>5,793</u>	<u>70,999</u>
EXPENSES		
Management fees (note 5)	17,680	18,971
Fixed administration fees (note 6)	1,515	1,622
Independent Review Committee fees	587	576
Interest expense and bank overdraft charges	32	25
Harmonized Sales Tax/Goods and Services Tax	2,110	2,240
Total expenses	<u>21,924</u>	<u>23,434</u>
Increase (decrease) in net assets attributable to holders of redeemable shares from operations	<u>(16,131)</u>	<u>47,565</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES FROM OPERATIONS PER SERIES		
Series A	<u>(16,131)</u>	<u>47,565</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES FROM OPERATIONS PER SHARE[†]		
Series A	<u>(0.12)</u>	<u>0.31</u>
WEIGHTED AVERAGE NUMBER OF SHARES PER SERIES		
Series A	138,816	151,267

[†] The increase (decrease) in net assets attributable to holders of redeemable shares from operations per share is calculated by dividing the increase (decrease) in net assets attributable to holders of redeemable shares from operations per series by the weighted average number of shares per series.

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the periods ended June 30 (note 1),

(in dollars)	2018	2017
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES, BEGINNING OF PERIOD		
Series A	2,117,107	2,081,203
	<u>2,117,107</u>	<u>2,081,203</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES FROM OPERATIONS		
Series A	(16,131)	47,565
	<u>(16,131)</u>	<u>47,565</u>
REDEEMABLE SHARE TRANSACTIONS		
Proceeds from issue		
Series A	251,534	209,390
Payments on redemption		
Series A	(308,808)	(325,100)
	<u>(57,274)</u>	<u>(115,710)</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES		
Series A	(73,405)	(68,145)
	<u>(73,405)</u>	<u>(68,145)</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES, END OF PERIOD		
Series A	2,043,702	2,013,058
	<u>2,043,702</u>	<u>2,013,058</u>

STATEMENTS OF CASH FLOWS

For the periods ended June 30 (note 1),

(in dollars)	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable shares	(16,131)	47,565
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(47,839)	(59,033)
Change in unrealized (gain) loss on non-derivative financial assets	64,051	9,345
Non-cash transactions	(21,856)	(21,254)
Purchases of portfolio investments	(186,598)	(126,499)
Proceeds from sale of portfolio investments	313,900	243,110
Accrued investment income and other	(13)	(2,400)
Accrued expenses and other payables	3,860	4,022
Net cash provided by (used in) operating activities	<u>109,374</u>	<u>94,856</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable shares	252,284	215,320
Amounts paid on redemption of redeemable shares	(305,843)	(305,097)
Distributions to shareholders of redeemable shares	(259)	(390)
Net cash provided by (used in) financing activities	<u>(53,818)</u>	<u>(90,167)</u>
Net increase (decrease) in cash	55,556	4,689
Cash (bank overdraft), beginning of period	(31,067)	8,671
CASH (BANK OVERDRAFT), END OF PERIOD	<u>24,489</u>	<u>13,360</u>
Interest paid ⁽¹⁾	32	25
Interest received, net of withholding taxes ⁽¹⁾	66	45

⁽¹⁾ Classified as operating items.

Scotia Canadian Equity Blend Class (Unaudited – Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at June 30, 2018

Issuer	Number of Units	Average Cost (\$)	Carrying Value (\$)
CANADIAN EQUITY FUNDS – 99.1%			
CI Cambridge Canadian Equity Corporate Class, Class I	28,053	533,237	602,881
Dynamic Dividend Advantage Fund Series O [†]	53,949	416,722	406,778
Dynamic Small Business Fund Series O [†]	22,191	358,784	406,991
Scotia Canadian Blue Chip Fund Series I [†]	10,219	352,252	406,025
Scotia Private Canadian Small Cap Pool Series I [†]	4,869	170,648	202,989
		1,831,643	2,025,664
TOTAL INVESTMENT PORTFOLIO		1,831,643	2,025,664
OTHER ASSETS, LESS LIABILITIES – 0.9%			18,038
NET ASSETS – 100.0%			2,043,702

[†] These securities are investments in related parties (note 10).

Scotia Canadian Equity Blend Class (Unaudited – Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

The Fund (note 1)

The Fund's objective is to provide long-term capital growth. It invests primarily in a mix of mutual funds managed by us and/or other mutual fund managers that invest in Canadian equity securities, and/or directly in Canadian equity securities.

The Fund invests primarily in funds managed by the Manager and/or by the third party investment managers (the "Underlying Funds"). To ensure the Fund's composition meets the investment objectives of the Fund, the portfolio advisor monitors the Underlying Funds on an ongoing basis and rebalances the Fund's assets among the Underlying Funds.

Risk associated with financial instruments (note 4)

Interest rate risk

The Fund could be exposed to indirect interest rate risk to the extent that the Underlying Funds held financial instruments that were subject to interest rate risk.

Currency risk

The Fund could be exposed to indirect currency risk to the extent that the Underlying Funds held financial instruments that were denominated in a currency other than its functional currency.

Price risk

Price risk is the risk that the carrying value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) caused by factors specific to a security, its issuer or all factors affecting a market or a market segment. Exposure to price risk is mainly in equities, underlying funds, derivatives and commodities, as applicable. As at June 30, 2018, approximately 99.1% (December 31, 2017 – 99.7%) of the Fund's net assets were exposed to price risk. If prices of these instruments had decreased or increased by 10%, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by approximately \$202,566 (December 31, 2017 – \$211,012). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Credit risk

The Fund could be exposed to indirect credit risk to the extent that the Underlying Funds invested in bonds and debentures, derivatives, money market instruments or preferred shares.

Concentration risk

Concentration risk arises as a result of the concentration of financial instruments within the same category, geographical location, asset type or industry sector, as applicable. The table below is a summary of the Fund's concentration risk by carrying value as a percentage of net assets:

	Percentage of net assets (%)	
	June 30, 2018	December 31, 2017
Canadian Equity Funds	99.1	99.7

Fair Value Classification (note 2)

The tables below illustrate the classification of the Fund's financial instruments within the fair value hierarchy.

June 30, 2018	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Underlying funds	2,025,664	–	–	2,025,664
	2,025,664	–	–	2,025,664

December 31, 2017	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Underlying funds	2,110,122	–	–	2,110,122
	2,110,122	–	–	2,110,122

Transfers between levels

During the periods ended June 30, 2018 and December 31, 2017, there were no significant transfers between Level 1 and Level 2.

Offsetting of financial assets and liabilities (note 2)

As at June 30, 2018 and December 31, 2017, the Fund did not enter into any agreement whereby the financial instruments were eligible for offset.

Interest in Underlying Funds (note 2)

The following tables present the percentage of the Underlying Funds owned by the Fund.

Underlying Fund	June 30, 2018	
	Carrying value of the Underlying Fund (\$)	Ownership percentage in Underlying Fund (%)
Dynamic Dividend Advantage Fund Series O	406,778	0.1
Scotia Canadian Blue Chip Fund Series I	406,025	0.1
CI Cambridge Canadian Equity Corporate Class, Class I	602,881	0.0
Dynamic Small Business Fund Series O	406,991	0.0
Scotia Private Canadian Small Cap Pool Series I	202,989	0.0
	2,025,664	

Underlying Fund	December 31, 2017	
	Carrying value of the Underlying Fund (\$)	Ownership percentage in Underlying Fund (%)
Dynamic Dividend Advantage Fund Series O	421,866	0.1
Scotia Canadian Blue Chip Fund Series I	421,856	0.1
CI Cambridge Canadian Equity Corporate Class, Class I	631,172	0.0
Dynamic Small Business Fund Series O	423,091	0.0
Scotia Private Canadian Small Cap Pool Series I	212,137	0.0
	2,110,122	

Comparison of net asset value and net assets per unit (note 2)

As at June 30, 2018 or December 31, 2017, there were no differences between the net asset value per unit and the net assets per unit for any series of the Fund.

The accompanying notes are an integral part of the financial statements.

Scotia U.S. Equity Blend Class (Unaudited)

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	June 30, 2018	December 31, 2017
ASSETS		
Current assets		
Financial assets at fair value through profit or loss (note 2)		
Non-derivative financial assets	6,692,666	5,190,484
Cash	65,451	31,807
Subscriptions receivable	3,075	1,225
Accrued investment income and other	86	33
	<u>6,761,278</u>	<u>5,223,549</u>
LIABILITIES		
Current liabilities		
Management fee payable	10,237	–
Redemptions payable	–	15,539
Accrued expenses	1,757	–
	<u>11,994</u>	<u>15,539</u>
Net assets attributable to holders of redeemable shares	<u>6,749,284</u>	<u>5,208,010</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES PER SERIES		
Series A	6,749,284	5,208,010
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES PER SHARE		
Series A	<u>21.86</u>	<u>19.40</u>

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended June 30 (note 1),

(in dollars except average units)	2018	2017
INCOME		
Net gain (loss) on financial assets and liabilities at fair value through profit or loss		
Interest for distribution purposes	360	56
Net realized gain (loss) on non-derivative financial assets	104,385	83,620
Change in unrealized gain (loss) on non-derivative financial assets	678,397	277,239
Net gain (loss) on financial assets and liabilities at fair value through profit or loss	<u>783,142</u>	<u>360,915</u>
Other income	42	6
Total income (loss), net	<u>783,184</u>	<u>360,921</u>
EXPENSES		
Management fees (note 5)	54,079	45,620
Fixed administration fees (note 6)	6,180	5,182
Independent Review Committee fees	587	576
Interest expense and bank overdraft charges	36	82
Harmonized Sales Tax/Goods and Services Tax	6,189	4,994
Total expenses	<u>67,071</u>	<u>56,454</u>
Increase (decrease) in net assets attributable to holders of redeemable shares from operations	<u>716,113</u>	<u>304,467</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES FROM OPERATIONS PER SERIES		
Series A	716,113	304,467
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES FROM OPERATIONS PER SHARE[†]		
Series A	<u>2.39</u>	<u>1.05</u>
WEIGHTED AVERAGE NUMBER OF SHARES PER SERIES		
Series A	299,797	289,671

[†] The increase (decrease) in net assets attributable to holders of redeemable shares from operations per share is calculated by dividing the increase (decrease) in net assets attributable to holders of redeemable shares from operations per series by the weighted average number of shares per series.

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the periods ended June 30 (note 1),

(in dollars)	2018	2017
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES, BEGINNING OF PERIOD		
Series A	5,208,010	5,559,669
	<u>5,208,010</u>	<u>5,559,669</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES FROM OPERATIONS		
Series A	716,113	304,467
	<u>716,113</u>	<u>304,467</u>
REDEEMABLE SHARE TRANSACTIONS		
Proceeds from issue		
Series A	1,336,772	373,672
Payments on redemption		
Series A	(511,611)	(1,237,304)
	<u>825,161</u>	<u>(863,632)</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES		
Series A	1,541,274	(559,165)
	<u>1,541,274</u>	<u>(559,165)</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES, END OF PERIOD		
Series A	6,749,284	5,000,504
	<u>6,749,284</u>	<u>5,000,504</u>

STATEMENTS OF CASH FLOWS

For the periods ended June 30 (note 1),

(in dollars)	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable shares	716,113	304,467
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(104,385)	(83,620)
Change in unrealized (gain) loss on non-derivative financial assets	(678,397)	(277,239)
Purchases of portfolio investments	(1,093,400)	(96,300)
Proceeds from sale of portfolio investments	374,000	1,038,250
Accrued investment income and other	(53)	(3)
Accrued expenses and other payables	11,994	9,299
Net cash provided by (used in) operating activities	<u>(774,128)</u>	<u>894,854</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable shares	1,334,922	383,497
Amounts paid on redemption of redeemable shares	(527,150)	(1,237,304)
Net cash provided by (used in) financing activities	<u>807,772</u>	<u>(853,807)</u>
Net increase (decrease) in cash	33,644	41,047
Cash (bank overdraft), beginning of period	31,807	(17,235)
CASH (BANK OVERDRAFT), END OF PERIOD	<u>65,451</u>	<u>23,812</u>
Interest paid ⁽¹⁾	36	82
Interest received, net of withholding taxes ⁽¹⁾	306	50

⁽¹⁾ Classified as operating items.

Scotia U.S. Equity Blend Class (Unaudited – Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at June 30, 2018

Issuer	Number of Units	Average Cost (\$)	Carrying Value (\$)
FOREIGN EQUITY FUNDS – 99.2%			
Dynamic Power American Growth Fund Series O†	34,162	590,502	985,240
Scotia Private U.S. Large Cap Growth Pool Series I†	88,302	1,550,710	2,362,820
Scotia Private U.S. Value Pool Series I†	136,602	2,194,672	2,342,774
Scotia U.S. Opportunities Fund Series I†	56,964	855,931	1,001,832
		5,191,815	6,692,666
TOTAL INVESTMENT PORTFOLIO		5,191,815	6,692,666
OTHER ASSETS, LESS LIABILITIES – 0.8%			56,618
NET ASSETS – 100.0%			6,749,284

† These securities are investments in related parties (note 10).

Scotia U.S. Equity Blend Class (Unaudited – Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

The Fund (note 1)

The Fund's investment objective is to provide long-term capital growth. It invests primarily in a mix of mutual funds managed by us and/or other mutual fund managers that invest in U.S. equity securities, and/or directly in U.S. equity securities.

The Fund invests primarily in funds managed by the Manager and/or by the third party investment managers (the "Underlying Funds"). To ensure the Fund's composition meets the investment objectives of the Fund, the portfolio advisor monitors the Underlying Funds on an ongoing basis and rebalances the Fund's assets among the Underlying Funds.

Risk associated with financial instruments (note 4)

Interest rate risk

The Fund could be exposed to indirect interest rate risk to the extent that the Underlying Funds held financial instruments that were subject to interest rate risk.

Currency risk

The Fund could be exposed to indirect currency risk to the extent that the Underlying Funds held financial instruments that were denominated in a currency other than its functional currency.

Price risk

Price risk is the risk that the carrying value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) caused by factors specific to a security, its issuer or all factors affecting a market or a market segment. Exposure to price risk is mainly in equities, underlying funds, derivatives and commodities, as applicable. As at June 30, 2018, approximately 99.2% (December 31, 2017 – 99.7%) of the Fund's net assets were exposed to price risk. If prices of these instruments had decreased or increased by 10%, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by approximately \$669,267 (December 31, 2017 – \$519,049). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Credit risk

The Fund could be exposed to indirect credit risk to the extent that the Underlying Funds invested in bonds and debentures, derivatives, money market instruments or preferred shares.

Concentration risk

Concentration risk arises as a result of the concentration of financial instruments within the same category, geographical location, asset type or industry sector, as applicable. The table below is a summary of the Fund's concentration risk by carrying value as a percentage of net assets:

	Percentage of net assets (%)	
	June 30, 2018	December 31, 2017
Foreign Equity Funds	99.2	99.7

Fair Value Classification (note 2)

The tables below illustrate the classification of the Fund's financial instruments within the fair value hierarchy.

June 30, 2018	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Underlying funds	6,692,666	–	–	6,692,666
	6,692,666	–	–	6,692,666

December 31, 2017	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Underlying funds	5,190,484	–	–	5,190,484
	5,190,484	–	–	5,190,484

Transfers between levels

During the periods ended June 30, 2018 and December 31, 2017, there were no significant transfers between Level 1 and Level 2.

Offsetting of financial assets and liabilities (note 2)

As at June 30, 2018 and December 31, 2017, the Fund did not enter into any agreement whereby the financial instruments were eligible for offset.

Interest in Underlying Funds (note 2)

The following tables present the percentage of the Underlying Funds owned by the Fund.

Underlying Fund	June 30, 2018	
	Carrying value of the Underlying Fund (\$)	Ownership percentage in Underlying Fund (%)
Scotia U.S. Opportunities Fund Series I	1,001,832	3.7
Scotia Private U.S. Value Pool Series I	2,342,774	1.8
Scotia Private U.S. Large Cap Growth Pool Series I	2,362,820	0.7
Dynamic Power American Growth Fund Series O	985,240	0.1
	6,692,666	

Underlying Fund	December 31, 2017	
	Carrying value of the Underlying Fund (\$)	Ownership percentage in Underlying Fund (%)
Scotia U.S. Opportunities Fund Series I	780,764	2.9
Scotia Private U.S. Value Pool Series I	1,849,671	1.5
Scotia Private U.S. Large Cap Growth Pool Series I	1,773,137	0.6
Dynamic Power American Growth Fund Series O	786,912	0.1
	5,190,484	

Comparison of net asset value and net assets per unit (note 2)

As at June 30, 2018 or December 31, 2017, there were no differences between the net asset value per unit and the net assets per unit for any series of the Fund.

The accompanying notes are an integral part of the financial statements.

Scotia Global Dividend Class (Unaudited)

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	June 30, 2018	December 31, 2017
ASSETS		
Current assets		
Financial assets at fair value through profit or loss (note 2)		
Non-derivative financial assets	21,149,207	22,170,120
Cash	35,150	–
Receivable for securities sold	21,000	15,000
Subscriptions receivable	1,898	1,448
Accrued investment income and other	29	28
	<u>21,207,284</u>	<u>22,186,596</u>
LIABILITIES		
Current liabilities		
Bank overdraft	–	12,368
Management fee payable	28,354	–
Redemptions payable	29,367	1,000
Accrued expenses	6,257	–
Distributions payable	–	1,790
	<u>63,978</u>	<u>15,158</u>
Net assets attributable to holders of redeemable shares	<u>21,143,306</u>	<u>22,171,438</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES PER SERIES		
Series A	<u>21,143,306</u>	<u>22,171,438</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES PER SHARE		
Series A	<u>18.93</u>	<u>18.84</u>

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended June 30 (note 1),

(in dollars except average units)	2018	2017
INCOME		
Net gain (loss) on financial assets and liabilities at fair value through profit or loss		
Interest for distribution purposes	123	43
Net realized gain (loss) on non-derivative financial assets	90,716	278,611
Change in unrealized gain (loss) on non-derivative financial assets	<u>208,375</u>	<u>1,662,471</u>
Net gain (loss) on financial assets and liabilities at fair value through profit or loss	299,214	1,941,125
Other income	509	113
Total income (loss), net	<u>299,723</u>	<u>1,941,238</u>
EXPENSES		
Management fees (note 5)	160,847	163,516
Fixed administration fees (note 6)	32,169	32,183
Independent Review Committee fees	587	576
Interest expense and bank overdraft charges	203	217
Harmonized Sales Tax/Goods and Services Tax	19,591	20,098
Total expenses	<u>213,397</u>	<u>216,590</u>
Increase (decrease) in net assets attributable to holders of redeemable shares from operations	<u>86,326</u>	<u>1,724,648</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES FROM OPERATIONS PER SERIES		
Series A	<u>86,326</u>	<u>1,724,648</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES FROM OPERATIONS PER SHARE[†]		
Series A	<u>0.08</u>	<u>1.45</u>
WEIGHTED AVERAGE NUMBER OF SHARES PER SERIES		
Series A	1,143,226	1,188,136

[†] The increase (decrease) in net assets attributable to holders of redeemable shares from operations per share is calculated by dividing the increase (decrease) in net assets attributable to holders of redeemable shares from operations per series by the weighted average number of shares per series.

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the periods ended June 30 (note 1),

(in dollars)	2018	2017
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES, BEGINNING OF PERIOD		
Series A	22,171,438	21,041,459
	<u>22,171,438</u>	<u>21,041,459</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES FROM OPERATIONS		
Series A	86,326	1,724,648
	<u>86,326</u>	<u>1,724,648</u>
REDEEMABLE SHARE TRANSACTIONS		
Proceeds from issue		
Series A	1,471,188	1,577,005
Payments on redemption		
Series A	(2,585,646)	(2,622,018)
	<u>(1,114,458)</u>	<u>(1,045,013)</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES		
Series A	(1,028,132)	679,635
	<u>(1,028,132)</u>	<u>679,635</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES, END OF PERIOD		
Series A	21,143,306	21,721,094
	<u>21,143,306</u>	<u>21,721,094</u>

STATEMENTS OF CASH FLOWS

For the periods ended June 30 (note 1),

(in dollars)	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable shares		
	86,326	1,724,648
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(90,716)	(278,611)
Change in unrealized (gain) loss on non-derivative financial assets	(208,375)	(1,662,471)
Purchases of portfolio investments	(1,126,999)	(1,053,995)
Proceeds from sale of portfolio investments	2,441,003	2,341,000
Accrued investment income and other	(1)	(7)
Accrued expenses and other payables	34,611	35,332
Net cash provided by (used in) operating activities	<u>1,135,849</u>	<u>1,105,896</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable shares		
	1,470,738	1,558,120
Amounts paid on redemption of redeemable shares		
	(2,557,279)	(2,617,018)
Distributions to shareholders of redeemable shares		
	(1,790)	(1,038)
Net cash provided by (used in) financing activities	<u>(1,088,331)</u>	<u>(1,059,936)</u>
Net increase (decrease) in cash	47,518	45,960
Cash (bank overdraft), beginning of period	(12,368)	(5,459)
CASH (BANK OVERDRAFT), END OF PERIOD	<u>35,150</u>	<u>40,501</u>
Interest paid ⁽¹⁾	203	217
Interest received, net of withholding taxes ⁽¹⁾	124	36

⁽¹⁾ Classified as operating items.

The accompanying notes are an integral part of the financial statements.

Scotia Global Dividend Class (Unaudited – Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at June 30, 2018

<u>Issuer</u>	<u>Number of Units</u>	<u>Average Cost (\$)</u>	<u>Carrying Value (\$)</u>
FOREIGN EQUITY FUNDS – 100.0%			
Scotia Global Dividend Fund Series I [†]	1,285,486	20,112,557	21,149,207
TOTAL INVESTMENT PORTFOLIO		<u>20,112,557</u>	21,149,207
OTHER ASSETS, LESS LIABILITIES – 0.0%			<u>(5,901)</u>
NET ASSETS – 100.0%			<u>21,143,306</u>

[†] These securities are investments in related parties (note 10).

The accompanying notes are an integral part of the financial statements.

Scotia Global Dividend Class (Unaudited – Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

The Fund (note 1)

The Fund aims to achieve high total investment return. It invests primarily in equity securities of companies anywhere in the world that pays, or may be expected to pay, dividends as well as in other types of securities that may be expected to distribute income.

The Fund invests in Scotia Global Dividend Fund Series I (the “Underlying Fund”). The significant risk exposures of the Underlying Fund and the Fund’s sensitivities to these exposures are indicated below.

Risks associated with financial instruments (note 4)

Interest rate risk

The majority of the Fund’s financial instruments were non-interest bearing as at June 30, 2018 and December 31, 2017. Accordingly, the Fund is not directly subject to significant risk due to fluctuations in the prevailing levels of market interest rates.

Currency risk

The Underlying Fund’s exposure to currency risk is summarized in the tables below. Amounts shown are based on the carrying value of monetary and non-monetary assets and liabilities of the Underlying Fund net of currency contracts, as applicable.

June 30, 2018				
Currency	Gross currency exposure (\$)	Currency contracts (\$)	Net exposure (\$)	Percentage of net assets (%)
British Pound	1,524,722	(523,186)	1,001,537	4.7
Danish Krone	182,447	–	182,447	0.9
European Euro	3,727,150	(768,357)	2,958,792	14.0
Hong Kong Dollar	416,694	–	416,694	2.0
Japanese Yen	732,362	(181,880)	550,482	2.6
Swedish Krona	305,014	–	305,014	1.4
Swiss Franc	396,860	(149,458)	247,402	1.2
US Dollar	11,351,994	(2,249,132)	9,102,861	43.1
	18,637,243	(3,872,013)	14,765,229	69.9

December 31, 2017				
Currency	Gross currency exposure (\$)	Currency contracts (\$)	Net exposure (\$)	Percentage of net assets (%)
British Pound	2,947,599	(1,449,027)	1,498,572	6.8
Danish Krone	233,221	–	233,221	1.1
European Euro	3,252,320	(996,940)	2,255,379	10.2
Hong Kong Dollar	420,261	–	420,261	1.9
Japanese Yen	816,039	(208,449)	607,590	2.7
Swedish Krona	466,306	–	466,306	2.1
Swiss Franc	313,017	(111,537)	201,480	0.9
US Dollar	10,558,464	(2,564,671)	7,993,794	36.1
	19,007,227	(5,330,624)	13,676,603	61.8

If the Canadian dollar strengthened or weakened by 10% in relation to all other currencies, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively by \$1,476,523 or 7.0% (December 31, 2017 – \$1,367,660 or 6.2%). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Price risk

Price risk is the risk that the carrying value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) caused by factors specific to a security, its issuer or all factors affecting a market or a market segment. Exposure to price risk is mainly in equities, underlying funds, derivatives and commodities, as applicable. As at June 30, 2018, approximately 91.5% (December 31, 2017 – 92.1%) of the Underlying Fund’s net assets were exposed to price risk. If prices of these instruments had decreased or increased by 10%, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by approximately \$1,936,366 (December 31, 2017 – \$2,041,223). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Credit risk

The Underlying Fund had no significant exposure to bonds and debentures, money market instruments or preferred shares as at June 30, 2018 or December 31, 2017.

Concentration risk

Concentration risk arises as a result of the concentration of exposures within the same category, geographical location, asset type or industry sector, as applicable. The table below is a summary of the Underlying Fund’s concentration risk:

	Percentage of net assets (%)	
	June 30, 2018	December 31, 2017
Belgium	2.5	2.0
Canada	5.2	7.0
Denmark	0.8	1.1
France	3.8	2.7
Germany	6.2	5.4
Hong Kong	1.9	1.9
Japan	3.4	3.6
Netherlands	3.0	2.0
Spain	2.0	2.6
Sweden	1.4	2.1
Switzerland	1.8	1.4
United Kingdom	6.8	13.1
United States	52.7	47.2

Fair Value Classification (note 2)

The tables below illustrate the classification of the Fund’s financial instruments within the fair value hierarchy.

June 30, 2018	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Underlying funds	21,149,207	–	–	21,149,207
	21,149,207	–	–	21,149,207

December 31, 2017	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Underlying funds	22,170,120	–	–	22,170,120
	22,170,120	–	–	22,170,120

Scotia Global Dividend Class (Unaudited – Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

Transfers between levels

During the periods ended June 30, 2018 and December 31, 2017, there were no significant transfers between Level 1 and Level 2.

Offsetting of financial assets and liabilities (note 2)

As at June 30, 2018 and December 31, 2017, the Fund did not enter into any agreement whereby the financial instruments were eligible for offset.

Interest in Underlying Funds (note 2)

The following tables present the percentage of the Underlying Funds owned by the Fund.

Underlying Fund	June 30, 2018	
	Carrying value of the Underlying Fund (\$)	Ownership percentage in Underlying Fund (%)
Scotia Global Dividend Fund Series I	22,170,120	2.5
	22,170,120	

Underlying Fund	December 31, 2017	
	Carrying value of the Underlying Fund (\$)	Ownership percentage in Underlying Fund (%)
Scotia Global Dividend Fund Series I	22,170,120	2.8
	22,170,120	

Comparison of net asset value per unit and net assets per unit (note 2)

As at June 30, 2018 or December 31, 2017, there were no differences between the net asset value per unit and the net assets per unit for any series of the Fund.

Scotia International Equity Blend Class (Unaudited)

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	June 30, 2018	December 31, 2017
ASSETS		
Current assets		
Financial assets at fair value through profit or loss (note 2)		
Non-derivative financial assets	767,119	763,750
Cash	9,373	2,676
Subscriptions receivable	250	315
Accrued investment income and other	7	2
	<u>776,749</u>	<u>766,743</u>
LIABILITIES		
Current liabilities		
Management fee payable	1,173	—
Accrued expenses	788	—
	<u>1,961</u>	<u>—</u>
Net assets attributable to holders of redeemable shares	<u>774,788</u>	<u>766,743</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES PER SERIES		
Series A	<u>774,788</u>	<u>766,743</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES PER SHARE		
Series A	<u>15.28</u>	<u>15.25</u>

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended June 30 (note 1),

(in dollars except average units)	2018	2017
INCOME		
Net gain (loss) on financial assets and liabilities at fair value through profit or loss		
Interest for distribution purposes	41	10
Net realized gain (loss) on non-derivative financial assets	9,717	4,142
Change in unrealized gain (loss) on non-derivative financial assets	2,152	74,295
Net gain (loss) on financial assets and liabilities at fair value through profit or loss	11,910	78,447
Other income	—	5
Total income (loss), net	<u>11,910</u>	<u>78,452</u>
EXPENSES		
Management fees (note 5)	6,539	6,090
Fixed administration fees (note 6)	1,122	1,037
Independent Review Committee fees	587	576
Interest expense and bank overdraft charges	5	2
Harmonized Sales Tax/Goods and Services Tax	832	820
Total expenses	<u>9,085</u>	<u>8,525</u>
Increase (decrease) in net assets attributable to holders of redeemable shares from operations	<u>2,825</u>	<u>69,927</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES FROM OPERATIONS PER SERIES		
Series A	<u>2,825</u>	<u>69,927</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES FROM OPERATIONS PER SHARE[†]		
Series A	<u>0.06</u>	<u>1.41</u>
WEIGHTED AVERAGE NUMBER OF SHARES PER SERIES		
Series A	48,209	49,733

[†] The increase (decrease) in net assets attributable to holders of redeemable shares from operations per share is calculated by dividing the increase (decrease) in net assets attributable to holders of redeemable shares from operations per series by the weighted average number of shares per series.

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the periods ended June 30 (note 1),

(in dollars)	2018	2017
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES, BEGINNING OF PERIOD		
Series A	766,743	631,444
	<u>766,743</u>	<u>631,444</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES FROM OPERATIONS		
Series A	2,825	69,927
	<u>2,825</u>	<u>69,927</u>
REDEEMABLE SHARE TRANSACTIONS		
Proceeds from issue		
Series A	70,063	88,382
Payments on redemption		
Series A	(64,843)	(55,867)
	<u>5,220</u>	<u>32,515</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES		
Series A	8,045	102,442
	<u>8,045</u>	<u>102,442</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES, END OF PERIOD		
Series A	774,788	733,886
	<u>774,788</u>	<u>733,886</u>

STATEMENTS OF CASH FLOWS

For the periods ended June 30 (note 1),

(in dollars)	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable shares	2,825	69,927
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(9,717)	(4,142)
Change in unrealized (gain) loss on non-derivative financial assets	(2,152)	(74,295)
Purchases of portfolio investments	(46,200)	(60,050)
Proceeds from sale of portfolio investments	54,700	35,301
Accrued investment income and other	(5)	—
Accrued expenses and other payables	1,961	1,842
Net cash provided by (used in) operating activities	1,412	(31,417)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable shares	70,128	88,632
Amounts paid on redemption of redeemable shares	(64,843)	(55,867)
Distributions to shareholders of redeemable shares	—	(12)
Net cash provided by (used in) financing activities	5,285	32,753
Net increase (decrease) in cash	6,697	1,336
Cash (bank overdraft), beginning of period	2,676	6,070
CASH (BANK OVERDRAFT), END OF PERIOD	<u>9,373</u>	<u>7,406</u>
Interest paid ⁽¹⁾	5	2
Interest received, net of withholding taxes ⁽¹⁾	36	10

⁽¹⁾ Classified as operating items.

The accompanying notes are an integral part of the financial statements.

Scotia International Equity Blend Class (Unaudited – Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at June 30, 2018

Issuer	Number of Units	Average Cost (\$)	Carrying Value (\$)
FOREIGN EQUITY FUNDS – 99.0%			
Scotia International Value Fund Series I [†]	15,284	130,635	153,420
Scotia Private Emerging Markets Pool Series I [†]	6,514	64,913	75,362
Scotia Private International Equity Pool Series I [†]	32,991	411,328	460,815
Scotia Private International Small to Mid Cap Value Pool Series I [†]	2,105	51,431	77,522
TOTAL INVESTMENT PORTFOLIO		658,307	767,119
OTHER ASSETS, LESS LIABILITIES – 1.0%			7,669
NET ASSETS – 100.0%			774,788

[†] These securities are investments in related parties (note 10).

Scotia International Equity Blend Class (Unaudited – Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

The Fund (note 1)

The Fund's objective is to provide long-term capital growth. It invests primarily in a diversified mix of mutual funds managed by us and/or other mutual fund managers that invest in companies located outside of the U.S. and Canada, and/or directly in equity securities of companies that are located outside of the U.S. and Canada.

The Fund invests primarily in funds managed by the Manager and/or by the third party investment managers (the "Underlying Funds"). To ensure the Fund's composition meets the investment objectives of the Fund, the portfolio advisor monitors the Underlying Funds on an ongoing basis and rebalances the Fund's assets among the Underlying Funds.

Risk associated with financial instruments (note 4)

Interest rate risk

The Fund could be exposed to indirect interest rate risk to the extent that the Underlying Funds held financial instruments that were subject to interest rate risk.

Currency risk

The Fund could be exposed to indirect currency risk to the extent that the Underlying Funds held financial instruments that were denominated in a currency other than its functional currency.

Price risk

Price risk is the risk that the carrying value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) caused by factors specific to a security, its issuer or all factors affecting a market or a market segment. Exposure to price risk is mainly in equities, underlying funds, derivatives and commodities, as applicable. As at June 30, 2018, approximately 99.0% (December 31, 2017 – 99.6%) of the Fund's net assets were exposed to price risk. If prices of these instruments had decreased or increased by 10%, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by approximately \$76,712 (December 31, 2017 – \$76,375). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Credit risk

The Fund could be exposed to indirect credit risk to the extent that the Underlying Funds invested in bonds and debentures, derivatives, money market instruments or preferred shares.

Concentration risk

Concentration risk arises as a result of the concentration of financial instruments within the same category, geographical location, asset type or industry sector, as applicable. The table below is a summary of the Fund's concentration risk by carrying value as a percentage of net assets:

	Percentage of net assets (%)	
	June 30, 2018	December 31, 2017
Foreign Equity Funds	99.0	99.6

Fair Value Classification (note 2)

The tables below illustrate the classification of the Fund's financial instruments within the fair value hierarchy.

June 30, 2018	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Underlying funds	767,119	–	–	767,119
	767,119	–	–	767,119

December 31, 2017	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Underlying funds	763,750	–	–	763,750
	763,750	–	–	763,750

Transfers between levels

During the periods ended June 30, 2018 and December 31, 2017, there were no significant transfers between Level 1 and Level 2.

Offsetting of financial assets and liabilities (note 2)

As at June 30, 2018 and December 31, 2017, the Fund did not enter into any agreement whereby the financial instruments were eligible for offset.

Interest in Underlying Funds (note 2)

The following tables present the percentage of the Underlying Funds owned by the Fund.

Underlying Fund	June 30, 2018	
	Carrying value of the Underlying Fund (\$)	Ownership percentage in Underlying Fund (%)
Scotia International Value Fund Series I	153,420	1.5
Scotia Private International Small to Mid Cap Value Pool Series I	77,522	0.1
Scotia Private Emerging Markets Pool Series I	75,362	0.0
Scotia Private International Equity Pool Series I	460,815	0.0
	767,119	

Underlying Fund	December 31, 2017	
	Carrying value of the Underlying Fund (\$)	Ownership percentage in Underlying Fund (%)
Scotia International Value Fund Series I	151,438	1.5
Scotia Private International Small to Mid Cap Value Pool Series I	77,346	0.1
Scotia Private Emerging Markets Pool Series I	74,973	0.0
Scotia Private International Equity Pool Series I	459,993	0.0
	763,750	

Comparison of net asset value and net assets per unit (note 2)

As at June 30, 2018 or December 31, 2017, there were no differences between the net asset value per unit and the net assets per unit for any series of the Fund.

The accompanying notes are an integral part of the financial statements.

Scotia INNOVA Income Portfolio Class (Unaudited)

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	June 30, 2018	December 31, 2017
ASSETS		
Current assets		
Financial assets at fair value through profit or loss (note 2)		
Non-derivative financial assets	147,419,955	160,780,624
Cash	158,898	202,346
Receivable for securities sold	275,600	292,300
Accrued investment income and other	418	187
	<u>147,854,871</u>	<u>161,275,457</u>
LIABILITIES		
Current liabilities		
Management fee payable	209,444	–
Redemptions payable	60,907	26,000
Accrued expenses	13,677	–
Distributions payable	–	17,527
	<u>284,028</u>	<u>43,527</u>
Net assets attributable to holders of redeemable shares	<u>147,570,843</u>	<u>161,231,930</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES PER SERIES		
Series A	147,570,843	161,231,930
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES PER SHARE		
Series A	11.53	11.49

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended June 30 (note 1),

(in dollars except average units)	2018	2017
INCOME		
Net gain (loss) on financial assets and liabilities at fair value through profit or loss		
Dividends	144,514	171,712
Interest for distribution purposes	1,181,055	1,228,188
Net realized gain (loss) on non-derivative financial assets	1,041,546	1,306,085
Change in unrealized gain (loss) on non-derivative financial assets	(426,368)	3,062,731
Net gain (loss) on financial assets and liabilities at fair value through profit or loss	<u>1,940,747</u>	<u>5,768,716</u>
Total income (loss), net	<u>1,940,747</u>	<u>5,768,716</u>
EXPENSES		
Management fees (note 5)	1,225,699	1,408,133
Fixed administration fees (note 6)	76,606	88,008
Independent Review Committee fees	587	576
Interest expense and bank overdraft charges	125	78
Other fund costs	874	1,100
Harmonized Sales Tax/Goods and Services Tax	138,826	158,591
Total expenses	<u>1,442,717</u>	<u>1,656,486</u>
Increase (decrease) in net assets attributable to holders of redeemable shares from operations	<u>498,030</u>	<u>4,112,230</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES FROM OPERATIONS PER SERIES		
Series A	498,030	4,112,230
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES FROM OPERATIONS PER SHARE[†]		
Series A	0.04	0.26
WEIGHTED AVERAGE NUMBER OF SHARES PER SERIES		
Series A	13,388,666	15,631,621

[†] The increase (decrease) in net assets attributable to holders of redeemable shares from operations per share is calculated by dividing the increase (decrease) in net assets attributable to holders of redeemable shares from operations per series by the weighted average number of shares per series.

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the periods ended June 30 (note 1),

(in dollars)	2018	2017
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES, BEGINNING OF PERIOD		
Series A	161,231,930	180,793,722
	<u>161,231,930</u>	<u>180,793,722</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES FROM OPERATIONS		
Series A	498,030	4,112,230
	<u>498,030</u>	<u>4,112,230</u>
REDEEMABLE SHARE TRANSACTIONS		
Payments on redemption		
Series A	(14,159,117)	(14,146,635)
	<u>(14,159,117)</u>	<u>(14,146,635)</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES		
Series A	(13,661,087)	(10,034,405)
	<u>(13,661,087)</u>	<u>(10,034,405)</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES, END OF PERIOD		
Series A	147,570,843	170,759,317
	<u>147,570,843</u>	<u>170,759,317</u>

STATEMENTS OF CASH FLOWS

For the periods ended June 30 (note 1),

(in dollars)	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable shares	498,030	4,112,230
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(1,041,546)	(1,306,085)
Change in unrealized (gain) loss on non-derivative financial assets	426,368	(3,062,731)
Non-cash transactions	(1,323,026)	(1,398,842)
Purchases of portfolio investments	874	(498,899)
Proceeds from sale of portfolio investments	15,314,699	15,833,755
Accrued investment income and other	(231)	(66)
Accrued expenses and other payables	223,121	260,569
Net cash provided by (used in) operating activities	<u>14,098,289</u>	<u>13,939,931</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Amounts paid on redemption of redeemable shares	(14,124,210)	(13,679,331)
Distributions to shareholders of redeemable shares	(17,527)	(21,654)
Net cash provided by (used in) financing activities	<u>(14,141,737)</u>	<u>(13,700,985)</u>
Net increase (decrease) in cash	(43,448)	238,946
Cash (bank overdraft), beginning of period	202,346	458,872
CASH (BANK OVERDRAFT), END OF PERIOD	<u>158,898</u>	<u>697,818</u>
Interest paid ⁽¹⁾	125	78
Interest received, net of withholding taxes ⁽¹⁾	2,313	991

⁽¹⁾ Classified as operating items.

The accompanying notes are an integral part of the financial statements.

Scotia INNOVA Income Portfolio Class (Unaudited – Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at June 30, 2018

Issuer	Number of Units	Average Cost (\$)	Carrying Value (\$)
BALANCED FUNDS – 10.1%			
1832 AM Tactical Asset Allocation LP Series I†	1,167,561	12,129,349	14,866,434
CANADIAN EQUITY FUNDS – 10.0%			
1832 AM Canadian Dividend LP Series I†	213,572	2,181,767	2,207,697
Scotia Canadian Dividend Fund Series I†	167,127	7,276,526	10,375,409
Scotia Private Canadian Equity Pool Series I†	52,617	628,153	734,293
Scotia Private Canadian Small Cap Pool Series I†	35,464	1,141,656	1,478,399
		<u>11,228,102</u>	<u>14,795,798</u>
FIXED INCOME FUNDS – 64.9%			
1832 AM Canadian Preferred Share LP Series I†	745,658	8,090,338	8,803,611
Scotia Canadian Income Fund Series I†	833,747	11,398,307	11,058,819
Scotia Floating Rate Income Fund Series I†	2,103,832	21,095,891	20,702,546
Scotia Private American Core-Plus Bond Pool Series I†	482,556	4,605,212	4,430,830
Scotia Private Canadian Corporate Bond Pool Series I†	2,295,581	24,869,693	24,266,360
Scotia Private Short-Mid Government Bond Pool Series I†	1,018,888	10,793,215	10,346,298
Scotia Total Return Bond LP Series I†	1,342,572	16,272,908	16,235,859
		<u>97,125,564</u>	<u>95,844,323</u>
FOREIGN EQUITY FUNDS – 14.8%			
1832 AM Global Completion LP Series I†	259,091	3,355,145	4,024,793
Scotia Global Low Volatility Equity LP Series I†	527,858	6,681,769	8,786,785
Scotia Private International Equity Pool Series I†	207,406	2,166,590	2,897,006
Scotia Private Options Income Pool Series I†	313,600	3,161,009	3,295,776
Scotia U.S. Low Volatility Equity LP Series I†	184,176	2,683,260	2,909,040
		<u>18,047,773</u>	<u>21,913,400</u>
TOTAL INVESTMENT PORTFOLIO		<u>138,530,788</u>	<u>147,419,955</u>
OTHER ASSETS, LESS LIABILITIES – 0.2%			<u>150,888</u>
NET ASSETS – 100.0%			<u><u>147,570,843</u></u>

† These securities are investments in related parties (note 10).

Scotia INNOVA Income Portfolio Class (Unaudited – Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

The Fund (note 1)

The Fund's objective is to achieve a balance of income and long term capital appreciation, with a significant bias towards income. It invests primarily in a diversified mix of mutual funds, and/or equity securities and/or fixed income securities located anywhere in the world.

The Fund invests primarily in funds managed by the Manager and/or by the third party investment managers (the "Underlying Funds"). To ensure the Fund's composition meets the investment objectives of the Fund, the portfolio advisor monitors the Underlying Funds on an ongoing basis and rebalances the Fund's assets among the Underlying Funds.

Risk associated with financial instruments (note 4)

Interest rate risk

The Fund could be exposed to indirect interest rate risk to the extent that the Underlying Funds held financial instruments that were subject to interest rate risk.

Currency risk

The Fund could be exposed to indirect currency risk to the extent that the Underlying Funds held financial instruments that were denominated in a currency other than its functional currency.

Price risk

Price risk is the risk that the carrying value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) caused by factors specific to a security, its issuer or all factors affecting a market or a market segment. Exposure to price risk is mainly in equities, underlying funds, derivatives and commodities, as applicable. As at June 30, 2018, approximately 99.8% (December 31, 2017 – 99.7%) of the Fund's net assets were exposed to price risk. If prices of these instruments had decreased or increased by 10%, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by approximately \$14,741,996 (December 31, 2017 – \$16,078,062). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Credit risk

The Fund could be exposed to indirect credit risk to the extent that the Underlying Funds invested in bonds and debentures, derivatives, money market instruments or preferred shares.

Concentration risk

Concentration risk arises as a result of the concentration of financial instruments within the same category, geographical location, asset type or industry sector, as applicable. The table below is a summary of

the Fund's concentration risk by carrying value as a percentage of net assets:

	Percentage of net assets (%)	
	June 30, 2018	December 31, 2017
Balanced Funds	10.1	10.0
Canadian Equity Funds	10.0	10.0
Fixed Income Funds	64.9	64.9
Foreign Equity Funds	14.8	14.8

Fair Value Classification (note 2)

The tables below illustrate the classification of the Fund's financial instruments within the fair value hierarchy.

	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
June 30, 2018				
Underlying funds	147,419,955	–	–	147,419,955
	147,419,955	–	–	147,419,955

	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
December 31, 2017				
Underlying funds	160,780,624	–	–	160,780,624
	160,780,624	–	–	160,780,624

Transfers between levels

During the periods ended June 30, 2018 and December 31, 2017, there were no significant transfers between Level 1 and Level 2.

Offsetting of financial assets and liabilities (note 2)

As at June 30, 2018 and December 31, 2017, the Fund did not enter into any agreement whereby the financial instruments were eligible for offset.

Scotia INNOVA Income Portfolio Class (Unaudited – Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

Interest in Underlying Funds (note 2)

The following tables present the percentage of the Underlying Funds owned by the Fund.

Underlying Fund	June 30, 2018	
	Carrying value of the Underlying Fund (\$)	Ownership percentage in Underlying Fund (%)
1832 AM Tactical Asset Allocation LP Series I	14,866,434	8.3
1832 AM Canadian Preferred Share LP Series I	8,803,611	6.6
Scotia Floating Rate Income Fund Series I	20,702,546	1.6
Scotia Total Return Bond LP Series I	16,235,859	1.6
Scotia Private Short-Mid Government Bond Pool Series I	10,346,298	1.4
1832 AM Global Completion LP Series I	4,024,793	0.9
Scotia Global Low Volatility Equity LP Series I	8,786,785	0.8
Scotia Private American Core-Plus Bond Pool Series I	4,430,830	0.5
1832 AM Canadian Dividend LP Series I	2,207,697	0.4
Scotia Private Canadian Corporate Bond Pool Series I	24,266,360	0.4
Scotia Private Options Income Pool Series I	3,295,776	0.4
Scotia U.S. Low Volatility Equity LP Series I	2,909,040	0.3
Scotia Private Canadian Small Cap Pool Series I	1,478,399	0.2
Scotia Canadian Income Fund Series I	11,058,819	0.2
Scotia Private International Equity Pool Series I	2,897,006	0.2
Scotia Canadian Dividend Fund Series I	10,375,409	0.1
Scotia Private Canadian Equity Pool Series I	734,293	0.1
	147,419,955	

Underlying Fund	December 31, 2017	
	Carrying value of the Underlying Fund (\$)	Ownership percentage in Underlying Fund (%)
1832 AM Tactical Asset Allocation LP Series I	16,055,705	8.4
1832 AM Canadian Preferred Share LP Series I	9,714,463	7.0
Scotia Floating Rate Income Fund Series I	22,558,448	1.7
Scotia Total Return Bond LP Series I	17,668,369	1.7
Scotia Private Short-Mid Government Bond Pool Series I	11,261,320	1.4
1832 AM Global Completion LP Series I	4,379,489	0.9
Scotia Global Low Volatility Equity LP Series I	9,582,377	0.9
Scotia Private American Core-Plus Bond Pool Series I	4,827,606	0.6
1832 AM Canadian Dividend LP Series I	2,417,293	0.4
Scotia Private Canadian Corporate Bond Pool Series I	26,609,245	0.4
Scotia Private Options Income Pool Series I	3,618,807	0.4
Scotia Private International Equity Pool Series I	3,190,256	0.3
Scotia U.S. Low Volatility Equity LP Series I	3,158,836	0.3
Scotia Private Canadian Small Cap Pool Series I	1,619,137	0.2
Scotia Canadian Income Fund Series I	12,051,587	0.2
Scotia Canadian Dividend Fund Series I	11,261,378	0.1
Scotia Private Canadian Equity Pool Series I	806,308	0.1
	160,780,624	

Comparison of net asset value and net assets per unit (note 2)

As at June 30, 2018 or December 31, 2017, there were no differences between the net asset value per unit and the net assets per unit for any series of the Fund.

Scotia INNOVA Balanced Income Portfolio Class (Unaudited)

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	June 30, 2018	December 31, 2017
ASSETS		
Current assets		
Financial assets at fair value through profit or loss (note 2)		
Non-derivative financial assets	1,288,672,370	1,362,295,871
Cash	1,835,368	839,780
Receivable for securities sold	1,271,550	2,150,000
Subscriptions receivable	1,029,718	2,279,300
Accrued investment income and other	1,705	1,574
	<u>1,292,810,711</u>	<u>1,367,566,525</u>
LIABILITIES		
Current liabilities		
Management fee payable	1,948,930	–
Redemptions payable	1,332,928	3,473,045
Accrued expenses	115,230	–
Distributions payable	532,199	1,106,473
	<u>3,929,287</u>	<u>4,579,518</u>
Net assets attributable to holders of redeemable shares	<u>1,288,881,424</u>	<u>1,362,987,007</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES PER SERIES		
Series A	1,083,145,620	1,148,683,150
Series T	<u>205,735,804</u>	<u>214,303,857</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES PER SHARE		
Series A	12.33	12.27
Series T	<u>13.95</u>	<u>14.12</u>

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended June 30 (note 1),

(in dollars except average units)	2018	2017
INCOME		
Net gain (loss) on financial assets and liabilities at fair value through profit or loss		
Dividends	1,333,912	1,644,002
Interest for distribution purposes	8,900,817	8,401,861
Net realized gain (loss) on non-derivative financial assets	8,877,459	5,391,482
Change in unrealized gain (loss) on non-derivative financial assets	645,279	33,121,743
Net gain (loss) on financial assets and liabilities at fair value through profit or loss	<u>19,757,467</u>	<u>48,559,088</u>
Other income	1,619	3,229
Total income (loss), net	<u>19,759,086</u>	<u>48,562,317</u>
EXPENSES		
Management fees (note 5)	11,270,915	11,688,868
Fixed administration fees (note 6)	662,995	687,580
Independent Review Committee fees	587	576
Interest expense and bank overdraft charges	494	42
Other fund costs	8,443	11,797
Harmonized Sales Tax/Goods and Services Tax	1,265,119	1,311,767
Total expenses	<u>13,208,553</u>	<u>13,700,630</u>
Increase (decrease) in net assets attributable to holders of redeemable shares from operations	<u>6,550,533</u>	<u>34,861,687</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES FROM OPERATIONS PER SERIES		
Series A	4,641,519	30,532,026
Series T	<u>1,909,014</u>	<u>4,329,661</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES FROM OPERATIONS PER SHARE[†]		
Series A	0.05	0.31
Series T	<u>0.13</u>	<u>0.30</u>
WEIGHTED AVERAGE NUMBER OF SHARES PER SERIES		
Series A	91,238,720	97,869,578
Series T	<u>15,120,848</u>	<u>14,299,464</u>

[†] The increase (decrease) in net assets attributable to holders of redeemable shares from operations per share is calculated by dividing the increase (decrease) in net assets attributable to holders of redeemable shares from operations per series by the weighted average number of shares per series.

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the periods ended June 30 (note 1),

(in dollars)	2018	2017
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES, BEGINNING OF PERIOD		
Series A	1,148,683,150	1,166,301,239
Series T	<u>214,303,857</u>	<u>192,384,706</u>
	<u>1,362,987,007</u>	<u>1,358,685,945</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES FROM OPERATIONS		
Series A	4,641,519	30,532,026
Series T	<u>1,909,014</u>	<u>4,329,661</u>
	<u>6,550,533</u>	<u>34,861,687</u>
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE SHARES		
From return of capital		
Series T	(4,537,611)	(4,324,444)
	<u>(4,537,611)</u>	<u>(4,324,444)</u>
REDEEMABLE SHARE TRANSACTIONS		
Proceeds from issue		
Series A	67,616,152	108,221,187
Series T	<u>21,136,366</u>	<u>38,019,431</u>
Reinvested distributions		
Series T	1,304,090	1,322,697
Payments on redemption		
Series A	(137,795,201)	(135,805,211)
Series T	<u>(28,379,912)</u>	<u>(19,846,274)</u>
	<u>(76,118,505)</u>	<u>(8,088,170)</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES		
Series A	(65,537,530)	2,948,002
Series T	<u>(8,568,053)</u>	<u>19,501,071</u>
	<u>(74,105,583)</u>	<u>22,449,073</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES, END OF PERIOD		
Series A	1,083,145,620	1,169,249,241
Series T	<u>205,735,804</u>	<u>211,885,777</u>
	<u>1,288,881,424</u>	<u>1,381,135,018</u>

STATEMENTS OF CASH FLOWS

For the periods ended June 30 (note 1),

(in dollars)	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable shares	6,550,533	34,861,687
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(8,877,459)	(5,391,482)
Change in unrealized (gain) loss on non-derivative financial assets	(645,279)	(33,121,743)
Non-cash transactions	(10,222,976)	(10,033,048)
Purchases of portfolio investments	(491,557)	(17,575,053)
Proceeds from sale of portfolio investments	94,739,222	44,395,750
Accrued investment income and other	(131)	484
Accrued expenses and other payables	2,064,160	2,211,152
Net cash provided by (used in) operating activities	<u>83,116,513</u>	<u>15,347,747</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable shares	86,637,853	140,590,180
Amounts paid on redemption of redeemable shares	(164,950,984)	(150,624,548)
Distributions to shareholders of redeemable shares	<u>(3,807,794)</u>	<u>(3,520,230)</u>
Net cash provided by (used in) financing activities	<u>(82,120,925)</u>	<u>(13,554,598)</u>
Net increase (decrease) in cash	995,588	1,793,149
Cash (bank overdraft), beginning of period	839,780	6,760,606
CASH (BANK OVERDRAFT), END OF PERIOD	<u>1,835,368</u>	<u>8,553,755</u>
Interest paid ⁽¹⁾	494	42
Interest received, net of withholding taxes ⁽¹⁾	11,623	13,300

⁽¹⁾ Classified as operating items.

The accompanying notes are an integral part of the financial statements.

Scotia INNOVA Balanced Income Portfolio Class (Unaudited – Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at June 30, 2018

Issuer	Number of Units	Average Cost (\$)	Carrying Value (\$)
BALANCED FUNDS – 8.1%			
1832 AM Tactical Asset Allocation LP Series I [†]	8,163,298	85,847,092	103,942,452
CANADIAN EQUITY FUNDS – 15.1%			
1832 AM Canadian Dividend LP Series I [†]	3,741,922	37,551,018	38,680,248
Scotia Canadian Dividend Fund Series I [†]	1,618,474	79,056,305	100,476,484
Scotia Private Canadian Equity Pool Series I [†]	1,852,994	23,246,892	25,859,277
Scotia Private Canadian Small Cap Pool Series I [†]	697,399	23,292,031	29,072,609
		<u>163,146,246</u>	<u>194,088,618</u>
FIXED INCOME FUNDS – 52.1%			
1832 AM Canadian Preferred Share LP Series I [†]	6,584,742	71,258,564	77,742,759
Scotia Canadian Income Fund Series I [†]	6,834,459	93,441,532	90,652,260
Scotia Floating Rate Income Fund Series I [†]	8,550,512	85,444,709	84,140,462
Scotia Private American Core-Plus Bond Pool Series I [†]	5,644,447	53,578,519	51,827,313
Scotia Private Canadian Corporate Bond Pool Series I [†]	16,484,642	179,025,284	174,257,504
Scotia Private High Yield Income Pool Series I [†]	3,711,256	35,314,265	32,262,316
Scotia Private Short-Mid Government Bond Pool Series I [†]	6,357,071	67,315,015	64,552,881
Scotia Total Return Bond LP Series I [†]	8,022,157	98,768,546	97,012,747
		<u>684,146,434</u>	<u>672,448,242</u>
FOREIGN EQUITY FUNDS – 24.7%			
1832 AM Global Completion LP Series I [†]	2,679,253	36,981,638	41,620,324
Scotia Global Low Volatility Equity LP Series I [†]	4,811,771	64,340,352	80,097,227
Scotia Private International Equity Pool Series I [†]	4,084,500	48,690,098	57,051,473
Scotia Private Options Income Pool Series I [†]	2,747,582	27,588,390	28,875,717
Scotia U.S. Dividend Growers LP Series I [†]	2,070,035	27,564,135	37,260,833
Scotia U.S. Low Volatility Equity LP Series I [†]	4,639,946	68,036,089	73,287,484
		<u>273,200,702</u>	<u>318,193,058</u>
TOTAL INVESTMENT PORTFOLIO		<u>1,206,340,474</u>	<u>1,288,672,370</u>
OTHER ASSETS, LESS LIABILITIES – 0.0%			<u>209,054</u>
NET ASSETS – 100.0%			<u>1,288,881,424</u>

[†] These securities are investments in related parties (note 10).

Scotia INNOVA Balanced Income Portfolio Class (Unaudited – Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

The Fund (note 1)

The Fund's objective is to achieve a balance of income and long term capital appreciation, with a bias towards income. It invests primarily in a diversified mix of mutual funds, and/or equity securities and/or fixed income securities located anywhere in the world.

The Fund invests primarily in funds managed by the Manager and/or by the third party investment managers (the "Underlying Funds"). To ensure the Fund's composition meets the investment objectives of the Fund, the portfolio advisor monitors the Underlying Funds on an ongoing basis and rebalances the Fund's assets among the Underlying Funds.

Risk associated with financial instruments (note 4)

Interest rate risk

The Fund could be exposed to indirect interest rate risk to the extent that the Underlying Funds held financial instruments that were subject to interest rate risk.

Currency risk

The Fund could be exposed to indirect currency risk to the extent that the Underlying Funds held financial instruments that were denominated in a currency other than its functional currency.

Price risk

Price risk is the risk that the carrying value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) caused by factors specific to a security, its issuer or all factors affecting a market or a market segment. Exposure to price risk is mainly in equities, underlying funds, derivatives and commodities, as applicable. As at June 30, 2018, approximately 100.0% (December 31, 2017 – 99.9%) of the Fund's net assets were exposed to price risk. If prices of these instruments had decreased or increased by 10%, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by approximately \$128,867,237 (December 31, 2017 – \$136,229,587). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Credit risk

The Fund could be exposed to indirect credit risk to the extent that the Underlying Funds invested in bonds and debentures, derivatives, money market instruments or preferred shares.

Concentration risk

Concentration risk arises as a result of the concentration of financial instruments within the same category, geographical location, asset type or industry sector, as applicable. The table below is a summary of

the Fund's concentration risk by carrying value as a percentage of net assets:

	Percentage of net assets (%)	
	June 30, 2018	December 31, 2017
Balanced Funds	8.1	8.3
Canadian Equity Funds	15.1	15.1
Fixed Income Funds	52.1	51.5
Foreign Equity Funds	24.7	25.0

Fair Value Classification (note 2)

The tables below illustrate the classification of the Fund's financial instruments within the fair value hierarchy.

June 30, 2018	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Underlying funds	1,288,672,370	–	–	1,288,672,370
	1,288,672,370	–	–	1,288,672,370

December 31, 2017	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Underlying funds	1,362,295,871	–	–	1,362,295,871
	1,362,295,871	–	–	1,362,295,871

Transfers between levels

During the periods ended June 30, 2018 and December 31, 2017, there were no significant transfers between Level 1 and Level 2.

Offsetting of financial assets and liabilities (note 2)

As at June 30, 2018 and December 31, 2017, the Fund did not enter into any agreement whereby the financial instruments were eligible for offset.

Scotia INNOVA Balanced Income Portfolio Class (Unaudited – Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

Interest in Underlying Funds (note 2)

The following tables present the percentage of the Underlying Funds owned by the Fund.

Underlying Fund	June 30, 2018	
	Carrying value of the Underlying Fund (\$)	Ownership percentage in Underlying Fund (%)
1832 AM Canadian Preferred Share LP Series I	77,742,759	58.4
1832 AM Tactical Asset Allocation LP Series I	103,942,452	57.9
Scotia Total Return Bond LP Series I	97,012,747	9.3
1832 AM Global Completion LP Series I	41,620,324	8.9
Scotia Private Short-Mid Government Bond Pool Series I	64,552,881	8.6
Scotia Global Low Volatility Equity LP Series I	80,097,227	7.6
Scotia U.S. Low Volatility Equity LP Series I	73,287,484	7.4
1832 AM Canadian Dividend LP Series I	38,680,248	6.6
Scotia Floating Rate Income Fund Series I	84,140,462	6.3
Scotia U.S. Dividend Growers LP Series I	37,260,833	6.2
Scotia Private American Core-Plus Bond Pool Series I	51,827,313	6.1
Scotia Private International Equity Pool Series I	57,051,473	4.5
Scotia Private Canadian Equity Pool Series I	25,859,277	4.3
Scotia Private Canadian Small Cap Pool Series I	29,072,609	3.5
Scotia Private Options Income Pool Series I	28,875,717	3.2
Scotia Private High Yield Income Pool Series I	32,262,316	3.1
Scotia Private Canadian Corporate Bond Pool Series I	174,257,504	3.0
Scotia Canadian Income Fund Series I	90,652,260	1.5
Scotia Canadian Dividend Fund Series I	100,476,484	1.1
	1,288,672,370	

Underlying Fund	December 31, 2017	
	Carrying value of the Underlying Fund (\$)	Ownership percentage in Underlying Fund (%)
1832 AM Canadian Preferred Share LP Series I	81,908,903	59.1
1832 AM Tactical Asset Allocation LP Series I	113,174,918	59.0
Scotia Total Return Bond LP Series I	101,294,430	9.9
1832 AM Global Completion LP Series I	44,231,829	9.4
Scotia Private Short-Mid Government Bond Pool Series I	67,343,883	8.2
Scotia Global Low Volatility Equity LP Series I	85,560,451	8.2
Scotia U.S. Low Volatility Equity LP Series I	78,649,120	7.9
1832 AM Canadian Dividend LP Series I	41,190,042	6.8
Scotia U.S. Dividend Growers LP Series I	40,851,411	6.8
Scotia Floating Rate Income Fund Series I	87,583,141	6.7
Scotia Private American Core-Plus Bond Pool Series I	53,652,052	6.2
Scotia Private International Equity Pool Series I	61,071,194	4.8
Scotia Private Canadian Equity Pool Series I	27,395,265	4.5
Scotia Private Canadian Small Cap Pool Series I	31,147,319	3.9
Scotia Private Options Income Pool Series I	30,629,692	3.5
Scotia Private Canadian Corporate Bond Pool Series I	182,446,794	3.1
Scotia Private High Yield Income Pool Series I	33,582,752	2.6
Scotia Canadian Income Fund Series I	94,783,904	1.6
Scotia Canadian Dividend Fund Series I	105,798,771	1.1
	1,362,295,871	

Comparison of net asset value and net assets per unit (note 2)

As at June 30, 2018 or December 31, 2017, there were no differences between the net asset value per unit and the net assets per unit for any series of the Fund.

Scotia INNOVA Balanced Growth Portfolio Class (Unaudited)

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	June 30, 2018	December 31, 2017
ASSETS		
Current assets		
Financial assets at fair value through profit or loss (note 2)		
Non-derivative financial assets	1,026,927,212	1,040,585,003
Cash	3,414,629	2,180,374
Subscriptions receivable	951,294	874,338
Accrued investment income and other	2,499	1,899
	<u>1,031,295,634</u>	<u>1,043,641,614</u>
LIABILITIES		
Current liabilities		
Management fee payable	1,626,067	–
Redemptions payable	1,616,952	513,177
Accrued expenses	90,924	–
Distributions payable	790,413	1,254,367
	<u>4,124,356</u>	<u>1,767,544</u>
Net assets attributable to holders of redeemable shares	<u>1,027,171,278</u>	<u>1,041,874,070</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES PER SERIES		
Series A	786,072,551	805,412,031
Series T	<u>241,098,727</u>	<u>236,462,039</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES PER SHARE		
Series A	13.71	13.58
Series T	<u>14.17</u>	<u>14.48</u>

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended June 30 (note 1),

(in dollars except average units)	2018	2017
INCOME		
Net gain (loss) on financial assets and liabilities at fair value through profit or loss		
Dividends	1,113,254	1,297,448
Interest for distribution purposes	5,485,738	4,906,421
Net realized gain (loss) on non-derivative financial assets	6,152,569	4,415,218
Change in unrealized gain (loss) on non-derivative financial assets	<u>6,540,770</u>	<u>29,410,659</u>
Net gain (loss) on financial assets and liabilities at fair value through profit or loss	19,292,331	40,029,746
Other income	6,604	2,270
Total income (loss), net	<u>19,298,935</u>	<u>40,032,016</u>
EXPENSES		
Management fees (note 5)	9,221,425	9,060,647
Fixed administration fees (note 6)	512,301	503,369
Independent Review Committee fees	587	576
Interest expense and bank overdraft charges	139	278
Other fund costs	8,611	9,988
Harmonized Sales Tax/Goods and Services Tax	995,523	970,806
Total expenses	<u>10,738,586</u>	<u>10,545,664</u>
Increase (decrease) in net assets attributable to holders of redeemable shares from operations	<u>8,560,349</u>	<u>29,486,352</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES FROM OPERATIONS PER SERIES		
Series A	7,388,173	22,307,390
Series T	<u>1,172,176</u>	<u>7,178,962</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES FROM OPERATIONS PER SHARE[†]		
Series A	0.13	0.37
Series T	<u>0.07</u>	<u>0.49</u>
WEIGHTED AVERAGE NUMBER OF SHARES PER SERIES		
Series A	58,057,836	60,155,654
Series T	<u>16,744,378</u>	<u>14,794,356</u>

[†] The increase (decrease) in net assets attributable to holders of redeemable shares from operations per share is calculated by dividing the increase (decrease) in net assets attributable to holders of redeemable shares from operations per series by the weighted average number of shares per series.

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the periods ended June 30 (note 1),

(in dollars)	2018	2017
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES, BEGINNING OF PERIOD		
Series A	805,412,031	790,917,661
Series T	<u>236,462,039</u>	<u>203,991,303</u>
	<u>1,041,874,070</u>	<u>994,908,964</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES FROM OPERATIONS		
Series A	7,388,173	22,307,390
Series T	<u>1,172,176</u>	<u>7,178,962</u>
	<u>8,560,349</u>	<u>29,486,352</u>
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE SHARES		
From return of capital		
Series T	<u>(6,296,631)</u>	<u>(5,582,228)</u>
	<u>(6,296,631)</u>	<u>(5,582,228)</u>
REDEEMABLE SHARE TRANSACTIONS		
Proceeds from issue		
Series A	67,462,743	84,457,838
Series T	<u>34,374,228</u>	<u>44,674,669</u>
Reinvested distributions		
Series T	1,594,893	1,369,797
Payments on redemption		
Series A	<u>(94,190,396)</u>	<u>(102,351,564)</u>
Series T	<u>(26,207,978)</u>	<u>(31,295,501)</u>
	<u>(16,966,510)</u>	<u>(3,144,761)</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES		
Series A	(19,339,480)	4,413,664
Series T	<u>4,636,688</u>	<u>16,345,699</u>
	<u>(14,702,792)</u>	<u>20,759,363</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES, END OF PERIOD		
Series A	786,072,551	795,331,325
Series T	<u>241,098,727</u>	<u>220,337,002</u>
	<u>1,027,171,278</u>	<u>1,015,668,327</u>

STATEMENTS OF CASH FLOWS

For the periods ended June 30 (note 1),

(in dollars)	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable shares	8,560,349	29,486,352
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(6,152,569)	(4,415,218)
Change in unrealized (gain) loss on non-derivative financial assets	(6,540,770)	(29,410,659)
Non-cash transactions	(6,585,594)	(6,194,172)
Purchases of portfolio investments	(8,891,389)	(12,279,012)
Proceeds from sale of portfolio investments	41,828,113	32,539,999
Accrued investment income and other	(600)	535
Accrued expenses and other payables	1,716,991	1,713,994
Net cash provided by (used in) operating activities	<u>23,934,531</u>	<u>11,441,819</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable shares	99,847,125	119,131,851
Amounts paid on redemption of redeemable shares	<u>(117,381,709)</u>	<u>(124,526,109)</u>
Distributions to shareholders of redeemable shares	<u>(5,165,692)</u>	<u>(4,693,176)</u>
Net cash provided by (used in) financing activities	<u>(22,700,276)</u>	<u>(10,087,434)</u>
Net increase (decrease) in cash	1,234,255	1,354,385
Cash (bank overdraft), beginning of period	2,180,374	5,066,170
CASH (BANK OVERDRAFT), END OF PERIOD	<u>3,414,629</u>	<u>6,420,555</u>
Interest paid ⁽¹⁾	139	278
Interest received, net of withholding taxes ⁽¹⁾	<u>12,797</u>	<u>10,231</u>

⁽¹⁾ Classified as operating items.

The accompanying notes are an integral part of the financial statements.

Scotia INNOVA Balanced Growth Portfolio Class (Unaudited – Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at June 30, 2018

Issuer	Number of Units	Average Cost (\$)	Carrying Value (\$)
BALANCED FUNDS – 5.0%			
1832 AM Tactical Asset Allocation LP Series I [†]	4,043,992	42,660,521	51,491,747
CANADIAN EQUITY FUNDS – 22.7%			
1832 AM Canadian Dividend LP Series I [†]	4,027,175	40,542,857	41,628,911
1832 AM Canadian Growth LP Series I [†]	2,387,364	24,347,414	26,006,271
Scotia Canadian Dividend Fund Series I [†]	1,345,139	66,379,551	83,507,592
Scotia Private Canadian Equity Pool Series I [†]	2,502,480	31,429,356	34,923,107
Scotia Private Canadian Small Cap Pool Series I [†]	1,118,979	37,967,221	46,647,096
		<u>200,666,399</u>	<u>232,712,977</u>
FIXED INCOME FUNDS – 34.8%			
1832 AM Canadian Preferred Share LP Series I [†]	3,240,725	34,568,965	38,261,620
Scotia Canadian Income Fund Series I [†]	5,567,205	76,209,861	73,843,413
Scotia Floating Rate Income Fund Series I [†]	2,096,384	20,909,035	20,629,258
Scotia Private American Core-Plus Bond Pool Series I [†]	5,587,279	53,019,595	51,302,396
Scotia Private Canadian Corporate Bond Pool Series I [†]	9,168,239	99,503,426	96,916,535
Scotia Private High Yield Income Pool Series I [†]	4,419,446	41,969,782	38,418,688
Scotia Total Return Bond LP Series I [†]	3,167,730	39,303,845	38,307,676
		<u>365,484,509</u>	<u>357,679,586</u>
FOREIGN EQUITY FUNDS – 37.5%			
1832 AM Global Completion LP Series I [†]	1,818,133	24,597,396	28,243,424
Scotia Global Low Volatility Equity LP Series I [†]	4,672,167	63,526,059	77,773,356
Scotia Private Global Equity Pool Series I [†]	1,100,657	21,760,814	33,277,808
Scotia Private Global Real Estate Pool Series I [†]	538,738	9,415,418	10,303,364
Scotia Private International Equity Pool Series I [†]	5,750,685	70,792,441	80,324,417
Scotia Private Options Income Pool Series I [†]	1,954,515	19,699,167	20,540,975
Scotia U.S. Dividend Growers LP Series I [†]	2,854,685	38,054,771	51,384,614
Scotia U.S. Low Volatility Equity LP Series I [†]	5,267,203	77,358,982	83,194,944
		<u>325,205,048</u>	<u>385,042,902</u>
TOTAL INVESTMENT PORTFOLIO		<u>934,016,477</u>	<u>1,026,927,212</u>
OTHER ASSETS, LESS LIABILITIES – 0.0%			<u>244,066</u>
NET ASSETS – 100.0%			<u><u>1,027,171,278</u></u>

[†] These securities are investments in related parties (note 10).

Scotia INNOVA Balanced Growth Portfolio Class (Unaudited – Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

The Fund (note 1)

The Fund's objective is to achieve a balance of income and long term capital appreciation, with a bias towards capital appreciation. It invests primarily in a diversified mix of mutual funds, and/ or equity securities and/or fixed income securities located anywhere in the world.

The Fund invests primarily in funds managed by the Manager and/or by the third party investment managers (the "Underlying Funds"). To ensure the Fund's composition meets the investment objectives of the Fund, the portfolio advisor monitors the Underlying Funds on an ongoing basis and rebalances the Fund's assets among the Underlying Funds.

Risk associated with financial instruments (note 4)

Interest rate risk

The Fund could be exposed to indirect interest rate risk to the extent that the Underlying Funds held financial instruments that were subject to interest rate risk.

Currency risk

The Fund could be exposed to indirect currency risk to the extent that the Underlying Funds held financial instruments that were denominated in a currency other than its functional currency.

Price risk

Price risk is the risk that the carrying value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) caused by factors specific to a security, its issuer or all factors affecting a market or a market segment. Exposure to price risk is mainly in equities, underlying funds, derivatives and commodities, as applicable. As at June 30, 2018, approximately 100.0% (December 31, 2017 – 99.9%) of the Fund's net assets were exposed to price risk. If prices of these instruments had decreased or increased by 10%, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by approximately \$102,692,721 (December 31, 2017 – \$104,058,500). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Credit risk

The Fund could be exposed to indirect credit risk to the extent that the Underlying Funds invested in bonds and debentures, derivatives, money market instruments or preferred shares.

Concentration risk

Concentration risk arises as a result of the concentration of financial instruments within the same category, geographical location, asset type or industry sector, as applicable. The table below is a summary of

the Fund's concentration risk by carrying value as a percentage of net assets:

	Percentage of net assets (%)	
	June 30, 2018	December 31, 2017
Balanced Funds	5.0	5.1
Canadian Equity Funds	22.7	22.5
Fixed Income Funds	34.8	34.3
Foreign Equity Funds	37.5	38.0

Fair Value Classification (note 2)

The tables below illustrate the classification of the Fund's financial instruments within the fair value hierarchy.

	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
June 30, 2018				
Underlying funds	1,026,927,212	–	–	1,026,927,212
	1,026,927,212	–	–	1,026,927,212

	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
December 31, 2017				
Underlying funds	1,040,585,003	–	–	1,040,585,003
	1,040,585,003	–	–	1,040,585,003

Transfers between levels

During the periods ended June 30, 2018 and December 31, 2017, there were no significant transfers between Level 1 and Level 2.

Offsetting of financial assets and liabilities (note 2)

As at June 30, 2018 and December 31, 2017, the Fund did not enter into any agreement whereby the financial instruments were eligible for offset.

Scotia INNOVA Balanced Growth Portfolio Class (Unaudited – Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

Interest in Underlying Funds (note 2)

The following tables present the percentage of the Underlying Funds owned by the Fund.

Underlying Fund	June 30, 2018	
	Carrying value of the Underlying Fund (\$)	Ownership percentage in Underlying Fund (%)
1832 AM Tactical Asset Allocation LP Series I	51,491,747	28.7
1832 AM Canadian Preferred Share LP Series I	38,261,620	28.7
1832 AM Canadian Growth LP Series I	26,006,271	10.4
Scotia Private Global Equity Pool Series I	33,277,808	8.6
Scotia U.S. Dividend Growers LP Series I	51,384,614	8.6
Scotia U.S. Low Volatility Equity LP Series I	83,194,944	8.4
Scotia Global Low Volatility Equity LP Series I	77,773,356	7.4
1832 AM Canadian Dividend LP Series I	41,628,911	7.1
Scotia Private International Equity Pool Series I	80,324,417	6.3
Scotia Private American Core-Plus Bond Pool Series I	51,302,396	6.1
1832 AM Global Completion LP Series I	28,243,424	6.1
Scotia Private Canadian Equity Pool Series I	34,923,107	5.8
Scotia Private Canadian Small Cap Pool Series I	46,647,096	5.7
Scotia Private High Yield Income Pool Series I	38,418,688	3.7
Scotia Total Return Bond LP Series I	38,307,676	3.7
Scotia Private Global Real Estate Pool Series I	10,303,364	3.3
Scotia Private Options Income Pool Series I	20,540,975	2.3
Scotia Private Canadian Corporate Bond Pool Series I	96,916,535	1.7
Scotia Floating Rate Income Fund Series I	20,629,258	1.6
Scotia Canadian Income Fund Series I	73,843,413	1.2
Scotia Canadian Dividend Fund Series I	83,507,592	0.9
	1,026,927,212	

Underlying Fund	December 31, 2017	
	Carrying value of the Underlying Fund (\$)	Ownership percentage in Underlying Fund (%)
1832 AM Canadian Preferred Share LP Series I	38,723,206	27.9
1832 AM Tactical Asset Allocation LP Series I	53,166,913	27.7
1832 AM Canadian Growth LP Series I	26,001,824	10.4
Scotia U.S. Dividend Growers LP Series I	53,508,138	8.9
Scotia Private Global Equity Pool Series I	34,200,140	8.6
Scotia U.S. Low Volatility Equity LP Series I	84,525,628	8.5
Scotia Global Low Volatility Equity LP Series I	79,192,514	7.6
1832 AM Canadian Dividend LP Series I	41,734,635	6.9
Scotia Private International Equity Pool Series I	83,895,789	6.6
1832 AM Global Completion LP Series I	29,084,790	6.2
Scotia Private Canadian Small Cap Pool Series I	47,305,298	5.9
Scotia Private American Core-Plus Bond Pool Series I	51,045,656	5.9
Scotia Private Canadian Equity Pool Series I	34,622,559	5.7
Scotia Total Return Bond LP Series I	38,095,216	3.7
Scotia Private Global Real Estate Pool Series I	10,681,528	3.0
Scotia Private High Yield Income Pool Series I	38,111,086	2.9
Scotia Private Options Income Pool Series I	21,115,907	2.4
Scotia Floating Rate Income Fund Series I	20,666,095	1.6
Scotia Private Canadian Corporate Bond Pool Series I	96,822,948	1.6
Scotia Canadian Income Fund Series I	73,769,538	1.2
Scotia Canadian Dividend Fund Series I	84,315,595	0.9
	1,040,585,003	

Comparison of net asset value and net assets per unit (note 2)

As at June 30, 2018 or December 31, 2017, there were no differences between the net asset value per unit and the net assets per unit for any series of the Fund.

Scotia INNOVA Growth Portfolio Class (Unaudited)

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	June 30, 2018	December 31, 2017
ASSETS		
Current assets		
Financial assets at fair value through profit or loss (note 2)		
Non-derivative financial assets	369,635,450	373,082,456
Cash	1,254,814	936,109
Subscriptions receivable	556,472	346,552
Accrued investment income and other	1,474	1,393
	<u>371,448,210</u>	<u>374,366,510</u>
LIABILITIES		
Current liabilities		
Management fee payable	617,401	–
Redemptions payable	412,339	212,828
Accrued expenses	33,081	–
Distributions payable	104,390	179,373
	<u>1,167,211</u>	<u>392,201</u>
Net assets attributable to holders of redeemable shares	<u>370,280,999</u>	<u>373,974,309</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES PER SERIES		
Series A	328,111,702	332,653,609
Series T	<u>42,169,297</u>	<u>41,320,700</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES PER SHARE		
Series A	14.80	14.65
Series T	<u>14.86</u>	<u>15.16</u>

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended June 30 (note 1),

(in dollars except average units)	2018	2017
INCOME		
Net gain (loss) on financial assets and liabilities at fair value through profit or loss		
Dividends	396,129	436,657
Interest for distribution purposes	1,277,008	1,085,979
Net realized gain (loss) on non-derivative financial assets	2,405,831	1,356,427
Change in unrealized gain (loss) on non-derivative financial assets	3,359,736	13,362,159
Net gain (loss) on financial assets and liabilities at fair value through profit or loss	7,438,704	16,241,222
Other income	2,615	463
Total income (loss), net	<u>7,441,319</u>	<u>16,241,685</u>
EXPENSES		
Management fees (note 5)	3,513,026	3,334,475
Fixed administration fees (note 6)	184,896	175,499
Independent Review Committee fees	587	576
Interest expense and bank overdraft charges	92	18
Other fund costs	3,230	3,275
Harmonized Sales Tax/Goods and Services Tax	364,820	346,550
Total expenses	<u>4,066,651</u>	<u>3,860,393</u>
Increase (decrease) in net assets attributable to holders of redeemable shares from operations	<u>3,374,668</u>	<u>12,381,292</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES FROM OPERATIONS PER SERIES		
Series A	3,200,237	11,324,063
Series T	<u>174,431</u>	<u>1,057,229</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES FROM OPERATIONS PER SHARE[†]		
Series A	0.14	0.50
Series T	<u>0.06</u>	<u>0.48</u>
WEIGHTED AVERAGE NUMBER OF SHARES PER SERIES		
Series A	22,407,246	22,565,183
Series T	<u>2,811,399</u>	<u>2,192,491</u>

[†] The increase (decrease) in net assets attributable to holders of redeemable shares from operations per share is calculated by dividing the increase (decrease) in net assets attributable to holders of redeemable shares from operations per series by the weighted average number of shares per series.

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the periods ended June 30 (note 1),

(in dollars)	2018	2017
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES, BEGINNING OF PERIOD		
Series A	332,653,609	307,942,220
Series T	41,320,700	30,430,289
	<u>373,974,309</u>	<u>338,372,509</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES FROM OPERATIONS		
Series A	3,200,237	11,324,063
Series T	174,431	1,057,229
	<u>3,374,668</u>	<u>12,381,292</u>
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE SHARES		
From return of capital		
Series T	(1,060,984)	(834,493)
	<u>(1,060,984)</u>	<u>(834,493)</u>
REDEEMABLE SHARE TRANSACTIONS		
Proceeds from issue		
Series A	30,108,138	38,327,435
Series T	6,387,486	8,361,318
Reinvested distributions		
Series T	452,833	333,331
Payments on redemption		
Series A	(37,850,282)	(34,349,101)
Series T	(5,105,169)	(3,381,377)
	<u>(6,006,994)</u>	<u>9,291,606</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES		
Series A	(4,541,907)	15,302,397
Series T	848,597	5,536,008
	<u>(3,693,310)</u>	<u>20,838,405</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES, END OF PERIOD		
Series A	328,111,702	323,244,617
Series T	42,169,297	35,966,297
	<u>370,280,999</u>	<u>359,210,914</u>

STATEMENTS OF CASH FLOWS

For the periods ended June 30 (note 1),

(in dollars)	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable shares	3,374,668	12,381,292
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(2,405,831)	(1,356,427)
Change in unrealized (gain) loss on non-derivative financial assets	(3,359,736)	(13,362,159)
Non-cash transactions	(1,666,502)	(1,518,802)
Purchases of portfolio investments	(2,036,774)	(12,153,469)
Proceeds from sale of portfolio investments	12,915,850	8,181,106
Accrued investment income and other	(81)	35
Accrued expenses and other payables	650,482	638,543
Net cash provided by (used in) operating activities	7,472,076	(7,189,881)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable shares	34,854,895	46,015,652
Amounts paid on redemption of redeemable shares	(41,325,131)	(37,386,592)
Distributions to shareholders of redeemable shares	(683,135)	(563,590)
Net cash provided by (used in) financing activities	(7,153,371)	8,065,470
Net increase (decrease) in cash	318,705	875,589
Cash (bank overdraft), beginning of period	936,109	1,090,632
CASH (BANK OVERDRAFT), END OF PERIOD	<u>1,254,814</u>	<u>1,966,221</u>
Interest paid ⁽¹⁾	92	18
Interest received, net of withholding taxes ⁽¹⁾	6,554	3,869

⁽¹⁾ Classified as operating items.

The accompanying notes are an integral part of the financial statements.

Scotia INNOVA Growth Portfolio Class (Unaudited – Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at June 30, 2018

Issuer	Number of Units	Average Cost (\$)	Carrying Value (\$)
BALANCED FUNDS – 2.5%			
1832 AM Tactical Asset Allocation LP Series I [†]	735,950	7,765,370	9,370,775
CANADIAN EQUITY FUNDS – 27.6%			
1832 AM Canadian Dividend LP Series I [†]	2,744,609	27,346,335	28,371,022
1832 AM Canadian Growth LP Series I [†]	1,371,718	13,917,323	14,942,531
Scotia Canadian Dividend Fund Series I [†]	497,054	24,479,571	30,857,588
Scotia Private Canadian Small Cap Pool Series I [†]	671,154	22,692,162	27,978,524
		<u>88,435,391</u>	<u>102,149,665</u>
FIXED INCOME FUNDS – 19.9%			
1832 AM Canadian Preferred Share LP Series I [†]	701,656	7,418,894	8,284,103
Scotia Canadian Income Fund Series I [†]	1,531,948	20,927,532	20,319,761
Scotia Floating Rate Income Fund Series I [†]	568,426	5,655,408	5,593,539
Scotia Private American Core-Plus Bond Pool Series I [†]	1,097,432	10,410,751	10,076,622
Scotia Private Canadian Corporate Bond Pool Series I [†]	2,092,950	22,725,904	22,124,361
Scotia Private High Yield Income Pool Series I [†]	846,577	8,006,126	7,359,378
		<u>75,144,615</u>	<u>73,757,764</u>
FOREIGN EQUITY FUNDS – 49.8%			
1832 AM Global Completion LP Series I [†]	1,072,011	14,724,283	16,652,938
Scotia Global Low Volatility Equity LP Series I [†]	1,750,742	24,304,539	29,143,020
Scotia Private Emerging Markets Pool Series I [†]	779,871	7,580,965	9,021,941
Scotia Private Global Equity Pool Series I [†]	610,645	11,803,016	18,462,555
Scotia Private Global Real Estate Pool Series I [†]	398,468	6,911,254	7,620,693
Scotia Private International Equity Pool Series I [†]	2,660,311	32,844,380	37,158,691
Scotia Private Options Income Pool Series I [†]	881,466	8,891,909	9,263,764
Scotia U.S. Dividend Growers LP Series I [†]	1,560,612	20,389,028	28,091,179
Scotia U.S. Low Volatility Equity LP Series I [†]	1,832,393	26,919,461	28,942,465
		<u>154,368,835</u>	<u>184,357,246</u>
TOTAL INVESTMENT PORTFOLIO		<u>325,714,211</u>	<u>369,635,450</u>
OTHER ASSETS, LESS LIABILITIES – 0.2%			<u>645,549</u>
NET ASSETS – 100.0%			<u><u>370,280,999</u></u>

[†] These securities are investments in related parties (note 10).

Scotia INNOVA Growth Portfolio Class (Unaudited – Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

The Fund (note 1)

The Fund's objective is to achieve a balance of long term capital appreciation and income, with a significant bias towards capital appreciation. It invests primarily in a diversified mix of mutual funds, and/or equity securities and/or fixed income securities located anywhere in the world.

The Fund invests primarily in funds managed by the Manager and/or by the third party investment managers (the "Underlying Funds"). To ensure the Fund's composition meets the investment objectives of the Fund, the portfolio advisor monitors the Underlying Funds on an ongoing basis and rebalances the Fund's assets among the Underlying Funds.

Risk associated with financial instruments (note 4)

Interest rate risk

The Fund could be exposed to indirect interest rate risk to the extent that the Underlying Funds held financial instruments that were subject to interest rate risk.

Currency risk

The Fund could be exposed to indirect currency risk to the extent that the Underlying Funds held financial instruments that were denominated in a currency other than its functional currency.

Price risk

Price risk is the risk that the carrying value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) caused by factors specific to a security, its issuer or all factors affecting a market or a market segment. Exposure to price risk is mainly in equities, underlying funds, derivatives and commodities, as applicable. As at June 30, 2018, approximately 99.8% (December 31, 2017 – 99.8%) of the Fund's net assets were exposed to price risk. If prices of these instruments had decreased or increased by 10%, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by approximately \$36,963,545 (December 31, 2017 – \$37,308,246). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Credit risk

The Fund could be exposed to indirect credit risk to the extent that the Underlying Funds invested in bonds and debentures, derivatives, money market instruments or preferred shares.

Concentration risk

Concentration risk arises as a result of the concentration of financial instruments within the same category, geographical location, asset type or industry sector, as applicable. The table below is a summary of

the Fund's concentration risk by carrying value as a percentage of net assets:

	Percentage of net assets (%)	
	June 30, 2018	December 31, 2017
Balanced Funds	2.5	2.5
Canadian Equity Funds	27.6	27.5
Fixed Income Funds	19.9	19.6
Foreign Equity Funds	49.8	50.2

Fair Value Classification (note 2)

The tables below illustrate the classification of the Fund's financial instruments within the fair value hierarchy.

	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
June 30, 2018				
Underlying funds	369,635,450	–	–	369,635,450
	369,635,450	–	–	369,635,450

	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
December 31, 2017				
Underlying funds	373,082,456	–	–	373,082,456
	373,082,456	–	–	373,082,456

Transfers between levels

During the periods ended June 30, 2018 and December 31, 2017, there were no significant transfers between Level 1 and Level 2.

Offsetting of financial assets and liabilities (note 2)

As at June 30, 2018 and December 31, 2017, the Fund did not enter into any agreement whereby the financial instruments were eligible for offset.

Scotia INNOVA Growth Portfolio Class (Unaudited – Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

Interest in Underlying Funds (note 2)

The following tables present the percentage of the Underlying Funds owned by the Fund.

Underlying Fund	June 30, 2018	
	Carrying value of the Underlying Fund (\$)	Ownership percentage in Underlying Fund (%)
1832 AM Canadian Preferred Share LP Series I	8,284,103	6.2
1832 AM Canadian Growth LP Series I	14,942,531	6.0
1832 AM Tactical Asset Allocation LP Series I	9,370,775	5.2
1832 AM Canadian Dividend LP Series I	28,371,022	4.8
Scotia Private Global Equity Pool Series I	18,462,555	4.8
Scotia U.S. Dividend Growers LP Series I	28,091,179	4.7
1832 AM Global Completion LP Series I	16,652,938	3.6
Scotia Private Canadian Small Cap Pool Series I	27,978,524	3.4
Scotia Private International Equity Pool Series I	37,158,691	2.9
Scotia U.S. Low Volatility Equity LP Series I	28,942,465	2.9
Scotia Global Low Volatility Equity LP Series I	29,143,020	2.8
Scotia Private Emerging Markets Pool Series I	9,021,941	2.7
Scotia Private Global Real Estate Pool Series I	7,620,693	2.4
Scotia Private American Core-Plus Bond Pool Series I	10,076,622	1.2
Scotia Private Options Income Pool Series I	9,263,764	1.0
Scotia Private High Yield Income Pool Series I	7,359,378	0.7
Scotia Floating Rate Income Fund Series I	5,593,539	0.4
Scotia Private Canadian Corporate Bond Pool Series I	22,124,361	0.4
Scotia Canadian Dividend Fund Series I	30,857,588	0.3
Scotia Canadian Income Fund Series I	20,319,761	0.3
	369,635,450	

Underlying Fund	December 31, 2017	
	Carrying value of the Underlying Fund (\$)	Ownership percentage in Underlying Fund (%)
1832 AM Canadian Growth LP Series I	14,913,020	6.0
1832 AM Canadian Preferred Share LP Series I	8,353,501	6.0
1832 AM Tactical Asset Allocation LP Series I	9,360,478	4.9
Scotia U.S. Dividend Growers LP Series I	29,326,965	4.9
1832 AM Canadian Dividend LP Series I	28,873,335	4.8
Scotia Private Global Equity Pool Series I	19,103,871	4.8
1832 AM Global Completion LP Series I	16,831,597	3.6
Scotia Private Canadian Small Cap Pool Series I	28,370,309	3.5
Scotia Private Emerging Markets Pool Series I	9,310,324	3.0
Scotia Private International Equity Pool Series I	38,141,535	3.0
Scotia U.S. Low Volatility Equity LP Series I	29,189,299	2.9
Scotia Global Low Volatility Equity LP Series I	28,876,435	2.8
Scotia Private Global Real Estate Pool Series I	7,362,210	2.1
Scotia Private American Core-Plus Bond Pool Series I	10,120,186	1.2
Scotia Private Options Income Pool Series I	9,446,107	1.1
Scotia Private High Yield Income Pool Series I	7,386,818	0.6
Scotia Floating Rate Income Fund Series I	5,553,188	0.4
Scotia Private Canadian Corporate Bond Pool Series I	21,811,269	0.4
Scotia Canadian Dividend Fund Series I	30,751,130	0.3
Scotia Canadian Income Fund Series I	20,000,879	0.3
	373,082,456	

Comparison of net asset value and net assets per unit (note 2)

As at June 30, 2018 or December 31, 2017, there were no differences between the net asset value per unit and the net assets per unit for any series of the Fund.

Scotia INNOVA Maximum Growth Portfolio Class (Unaudited)

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	June 30, 2018	December 31, 2017
ASSETS		
Current assets		
Financial assets at fair value through profit or loss (note 2)		
Non-derivative financial assets	80,542,843	79,546,842
Cash	362,212	811,230
Subscriptions receivable	363,042	29,275
Accrued investment income and other	194	276
	<u>81,268,291</u>	<u>80,387,623</u>
LIABILITIES		
Current liabilities		
Management fee payable	142,553	–
Payable for securities purchased	–	10,000
Redemptions payable	101,712	51,143
Accrued expenses	7,714	–
Distributions payable	15,838	35,479
	<u>267,817</u>	<u>96,622</u>
Net assets attributable to holders of redeemable shares	<u>81,000,474</u>	<u>80,291,001</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES PER SERIES		
Series A	69,873,784	69,804,088
Series T	11,126,690	10,486,913
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES PER SHARE		
Series A	16.44	16.25
Series T	15.58	15.81

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended June 30 (note 1),

(in dollars except average units)	2018	2017
INCOME		
Net gain (loss) on financial assets and liabilities at fair value through profit or loss		
Dividends	89,134	96,721
Interest for distribution purposes	27,127	178
Net realized gain (loss) on non-derivative financial assets	436,206	586,627
Change in unrealized gain (loss) on non-derivative financial assets	1,362,555	3,556,418
Net gain (loss) on financial assets and liabilities at fair value through profit or loss	1,915,022	4,239,944
Other income	120	1,032
Total income (loss), net	<u>1,915,142</u>	<u>4,240,976</u>
EXPENSES		
Management fees (note 5)	807,738	791,799
Fixed administration fees (note 6)	40,387	39,590
Independent Review Committee fees	587	576
Interest expense and bank overdraft charges	12	267
Other fund costs	768	731
Harmonized Sales Tax/Goods and Services Tax	80,662	80,090
Total expenses	<u>930,154</u>	<u>913,053</u>
Increase (decrease) in net assets attributable to holders of redeemable shares from operations	<u>984,988</u>	<u>3,327,923</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES FROM OPERATIONS PER SERIES		
Series A	852,282	2,937,569
Series T	132,706	390,354
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES FROM OPERATIONS PER SHARE[†]		
Series A	0.20	0.65
Series T	0.19	0.67
WEIGHTED AVERAGE NUMBER OF SHARES PER SERIES		
Series A	4,294,618	4,526,949
Series T	704,657	586,847

[†] The increase (decrease) in net assets attributable to holders of redeemable shares from operations per share is calculated by dividing the increase (decrease) in net assets attributable to holders of redeemable shares from operations per series by the weighted average number of shares per series.

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the periods ended June 30 (note 1),

(in dollars)	2018	2017
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES, BEGINNING OF PERIOD		
Series A	69,804,088	68,219,254
Series T	10,486,913	8,813,556
	<u>80,291,001</u>	<u>77,032,810</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES FROM OPERATIONS		
Series A	852,282	2,937,569
Series T	132,706	390,354
	<u>984,988</u>	<u>3,327,923</u>
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE SHARES		
From return of capital		
Series T	(265,990)	(222,619)
	<u>(265,990)</u>	<u>(222,619)</u>
REDEEMABLE SHARE TRANSACTIONS		
Proceeds from issue		
Series A	7,474,236	8,830,932
Series T	2,800,361	2,250,753
Reinvested distributions		
Series T	161,519	124,444
Payments on redemption		
Series A	(8,256,822)	(8,931,187)
Series T	(2,188,819)	(2,280,237)
	<u>(9,525)</u>	<u>(5,295)</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES		
Series A	69,696	2,837,314
Series T	639,777	262,695
	<u>709,473</u>	<u>3,100,009</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES, END OF PERIOD		
Series A	69,873,784	71,056,568
Series T	11,126,690	9,076,251
	<u>81,000,474</u>	<u>80,132,819</u>
STATEMENTS OF CASH FLOWS		
For the periods ended June 30 (note 1),		
(in dollars)	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable shares	984,988	3,327,923
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(436,206)	(586,627)
Change in unrealized (gain) loss on non-derivative financial assets	(1,362,555)	(3,556,418)
Non-cash transactions	(113,162)	(95,758)
Purchases of portfolio investments	(1,179,234)	(1,244,270)
Proceeds from sale of portfolio investments	2,085,155	3,819,390
Accrued investment income and other	82	(115)
Accrued expenses and other payables	150,267	148,663
Net cash provided by (used in) operating activities	129,335	1,812,788
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable shares	9,689,794	10,224,861
Amounts paid on redemption of redeemable shares	(10,144,035)	(10,601,734)
Distributions to shareholders of redeemable shares	(124,112)	(114,724)
Net cash provided by (used in) financing activities	(578,353)	(491,597)
Net increase (decrease) in cash	(449,018)	1,321,191
Cash (bank overdraft), beginning of period	811,230	89,866
CASH (BANK OVERDRAFT), END OF PERIOD	<u>362,212</u>	<u>1,411,057</u>
Interest paid ⁽¹⁾	12	267
Interest received, net of withholding taxes ⁽¹⁾	3,181	1,026

⁽¹⁾ Classified as operating items.

The accompanying notes are an integral part of the financial statements.

Scotia INNOVA Maximum Growth Portfolio Class (Unaudited – Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at June 30, 2018

Issuer	Number of Units	Average Cost (\$)	Carrying Value (\$)
CANADIAN EQUITY FUNDS – 34.9%			
1832 AM Canadian Dividend LP Series I†	817,223	8,154,098	8,447,629
1832 AM Canadian Growth LP Series I†	447,714	4,487,181	4,877,081
Scotia Canadian Dividend Fund Series I†	114,123	5,726,247	7,084,871
Scotia Private Canadian Small Cap Pool Series I†	188,931	6,423,400	7,875,999
		<u>24,790,926</u>	<u>28,285,580</u>
FOREIGN EQUITY FUNDS – 64.5%			
1832 AM Global Completion LP Series I†	232,430	3,170,385	3,610,631
Scotia Global Low Volatility Equity LP Series I†	484,241	6,772,949	8,060,721
Scotia Private Emerging Markets Pool Series I†	343,738	3,303,016	3,976,530
Scotia Private Global Equity Pool Series I†	174,592	3,510,029	5,278,706
Scotia Private Global Real Estate Pool Series I†	138,306	2,441,855	2,645,106
Scotia Private International Equity Pool Series I†	753,356	9,167,968	10,522,729
Scotia Private Options Income Pool Series I†	332,093	3,342,152	3,490,132
Scotia U.S. Dividend Growers LP Series I†	526,113	7,156,181	9,470,089
Scotia U.S. Low Volatility Equity LP Series I†	329,386	4,870,961	5,202,619
		<u>43,735,496</u>	<u>52,257,263</u>
TOTAL INVESTMENT PORTFOLIO		<u>68,526,422</u>	<u>80,542,843</u>
OTHER ASSETS, LESS LIABILITIES – 0.6%			<u>457,631</u>
NET ASSETS – 100.0%			<u>81,000,474</u>

† These securities are investments in related parties (note 10).

Scotia INNOVA Maximum Growth Portfolio Class (Unaudited – Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

The Fund (note 1)

The Fund's objective is long term capital appreciation. It invests primarily in a diversified mix of mutual funds and/or equity securities located anywhere in the world.

The Fund invests primarily in funds managed by the Manager and/or by the third party investment managers (the "Underlying Funds"). To ensure the Fund's composition meets the investment objectives of the Fund, the portfolio advisor monitors the Underlying Funds on an ongoing basis and rebalances the Fund's assets among the Underlying Funds.

Risk associated with financial instruments (note 4)

Interest rate risk

The Fund could be exposed to indirect interest rate risk to the extent that the Underlying Funds held financial instruments that were subject to interest rate risk.

Currency risk

The Fund could be exposed to indirect currency risk to the extent that the Underlying Funds held financial instruments that were denominated in a currency other than its functional currency.

Price risk

Price risk is the risk that the carrying value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) caused by factors specific to a security, its issuer or all factors affecting a market or a market segment. Exposure to price risk is mainly in equities, underlying funds, derivatives and commodities, as applicable. As at June 30, 2018, approximately 99.4% (December 31, 2017 – 99.1%) of the Fund's net assets were exposed to price risk. If prices of these instruments had decreased or increased by 10%, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by approximately \$8,054,284 (December 31, 2017 – \$7,954,684). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Credit risk

The Fund could be exposed to indirect credit risk to the extent that the Underlying Funds invested in bonds and debentures, derivatives, money market instruments or preferred shares.

Concentration risk

Concentration risk arises as a result of the concentration of financial instruments within the same category, geographical location, asset type or industry sector, as applicable. The table below is a summary of

the Fund's concentration risk by carrying value as a percentage of net assets:

	Percentage of net assets (%)	
	June 30, 2018	December 31, 2017
Canadian Equity Funds	34.9	34.7
Foreign Equity Funds	64.5	64.4

Fair Value Classification (note 2)

The tables below illustrate the classification of the Fund's financial instruments within the fair value hierarchy.

June 30, 2018	Level 1	Level 2	Level 3	Total
	(\$)	(\$)	(\$)	(\$)
Underlying funds	80,542,843	–	–	80,542,843
	80,542,843	–	–	80,542,843

December 31, 2017	Level 1	Level 2	Level 3	Total
	(\$)	(\$)	(\$)	(\$)
Underlying funds	79,546,842	–	–	79,546,842
	79,546,842	–	–	79,546,842

Transfers between levels

During the periods ended June 30, 2018 and December 31, 2017, there were no significant transfers between Level 1 and Level 2.

Offsetting of financial assets and liabilities (note 2)

As at June 30, 2018 and December 31, 2017, the Fund did not enter into any agreement whereby the financial instruments were eligible for offset.

Scotia INNOVA Maximum Growth Portfolio Class (Unaudited – Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

Interest in Underlying Funds (note 2)

The following tables present the percentage of the Underlying Funds owned by the Fund.

Underlying Fund	June 30, 2018	
	Carrying value of the Underlying Fund (\$)	Ownership percentage in Underlying Fund (%)
1832 AM Canadian Growth LP Series I	4,877,081	1.9
Scotia U.S. Dividend Growers LP Series I	9,470,089	1.6
1832 AM Canadian Dividend LP Series I	8,447,629	1.4
Scotia Private Global Equity Pool Series I	5,278,706	1.4
Scotia Private Emerging Markets Pool Series I	3,976,530	1.2
Scotia Private Canadian Small Cap Pool Series I	7,875,999	1.0
1832 AM Global Completion LP Series I	3,610,631	0.8
Scotia Global Low Volatility Equity LP Series I	8,060,721	0.8
Scotia Private Global Real Estate Pool Series I	2,645,106	0.8
Scotia Private International Equity Pool Series I	10,522,729	0.8
Scotia U.S. Low Volatility Equity LP Series I	5,202,619	0.5
Scotia Private Options Income Pool Series I	3,490,132	0.4
Scotia Canadian Dividend Fund Series I	7,084,871	0.1
	80,542,843	

Underlying Fund	December 31, 2017	
	Carrying value of the Underlying Fund (\$)	Ownership percentage in Underlying Fund (%)
1832 AM Canadian Growth LP Series I	4,799,672	1.9
Scotia U.S. Dividend Growers LP Series I	9,509,523	1.6
1832 AM Canadian Dividend LP Series I	8,498,321	1.4
Scotia Private Emerging Markets Pool Series I	4,183,318	1.3
Scotia Private Global Equity Pool Series I	5,197,643	1.3
Scotia Private Canadian Small Cap Pool Series I	7,547,174	0.9
1832 AM Global Completion LP Series I	3,549,317	0.8
Scotia Global Low Volatility Equity LP Series I	7,858,683	0.8
Scotia Private International Equity Pool Series I	10,259,499	0.8
Scotia Private Global Real Estate Pool Series I	2,558,539	0.7
Scotia U.S. Low Volatility Equity LP Series I	5,201,196	0.5
Scotia Private Options Income Pool Series I	3,377,733	0.4
Scotia Canadian Dividend Fund Series I	7,006,224	0.1
	79,546,842	

Comparison of net asset value and net assets per unit (note 2)

As at June 30, 2018 or December 31, 2017, there were no differences between the net asset value per unit and the net assets per unit for any series of the Fund.

The accompanying notes are an integral part of the financial statements.

Scotia Partners Balanced Income Portfolio Class (Unaudited)

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	June 30, 2018	December 31, 2017
ASSETS		
Current assets		
Financial assets at fair value through profit or loss (note 2)		
Non-derivative financial assets	30,252,016	23,885,197
Cash	327,170	204,113
Subscriptions receivable	404,605	1,450
Accrued investment income and other	158	139
	<u>30,983,949</u>	<u>24,090,899</u>
LIABILITIES		
Current liabilities		
Management fee payable	47,586	–
Payable for securities purchased	378,800	84,000
Redemptions payable	15,000	–
Accrued expenses	3,159	–
Distributions payable	8,266	6,956
	<u>452,811</u>	<u>90,956</u>
Net assets attributable to holders of redeemable shares	<u>30,531,138</u>	<u>23,999,943</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES PER SERIES		
Series A	26,442,418	20,543,833
Series T	<u>4,088,720</u>	<u>3,456,110</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES PER SHARE		
Series A	10.91	10.91
Series T	<u>14.94</u>	<u>15.25</u>

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended June 30 (note 1),

(in dollars except average units)	2018	2017
INCOME		
Net gain (loss) on financial assets and liabilities at fair value through profit or loss		
Dividends	60,696	25,879
Interest for distribution purposes	382,007	175,844
Net realized gain (loss) on non-derivative financial assets	49,840	54,863
Change in unrealized gain (loss) on non-derivative financial assets	(181,619)	144,461
Net gain (loss) on financial assets and liabilities at fair value through profit or loss	<u>310,924</u>	<u>401,047</u>
Other income	–	956
Total income (loss), net	<u>310,924</u>	<u>402,003</u>
EXPENSES		
Management fees (note 5)	249,402	106,863
Fixed administration fees (note 6)	15,469	5,629
Independent Review Committee fees	587	576
Interest expense and bank overdraft charges	100	72
Foreign withholding taxes/tax reclaims	278	–
Harmonized Sales Tax/Goods and Services Tax	26,066	12,336
Total expenses	<u>291,902</u>	<u>125,476</u>
Increase (decrease) in net assets attributable to holders of redeemable shares from operations	<u>19,022</u>	<u>276,527</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES FROM OPERATIONS PER SERIES		
Series A	18,819	221,498
Series T	<u>203</u>	<u>55,029</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES FROM OPERATIONS PER SHARE[†]		
Series A	0.01	0.25
Series T	<u>0.00</u>	<u>0.37</u>
WEIGHTED AVERAGE NUMBER OF SHARES PER SERIES		
Series A	2,167,747	874,605
Series T	<u>238,706</u>	<u>147,125</u>

[†] The increase (decrease) in net assets attributable to holders of redeemable shares from operations per share is calculated by dividing the increase (decrease) in net assets attributable to holders of redeemable shares from operations per series by the weighted average number of shares per series.

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the periods ended June 30 (note 1),

(in dollars)	2018	2017
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES, BEGINNING OF PERIOD		
Series A	20,543,833	6,613,159
Series T	<u>3,456,110</u>	<u>1,406,335</u>
	<u>23,999,943</u>	<u>8,019,494</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES FROM OPERATIONS		
Series A	18,819	221,498
Series T	<u>203</u>	<u>55,029</u>
	<u>19,022</u>	<u>276,527</u>
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE SHARES		
From return of capital		
Series T	(73,259)	(45,972)
	<u>(73,259)</u>	<u>(45,972)</u>
REDEEMABLE SHARE TRANSACTIONS		
Proceeds from issue		
Series A	9,667,247	7,392,079
Series T	1,164,129	1,993,963
Reinvested distributions		
Series T	32,479	26,724
Payments on redemption		
Series A	(3,787,481)	(1,244,301)
Series T	<u>(490,942)</u>	<u>(623,850)</u>
	<u>6,585,432</u>	<u>7,544,615</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES		
Series A	5,898,585	6,369,276
Series T	<u>632,610</u>	<u>1,405,894</u>
	<u>6,531,195</u>	<u>7,775,170</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES, END OF PERIOD		
Series A	26,442,418	12,982,435
Series T	<u>4,088,720</u>	<u>2,812,229</u>
	<u>30,531,138</u>	<u>15,794,664</u>
STATEMENTS OF CASH FLOWS		
For the periods ended June 30 (note 1),		
(in dollars)	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable shares	19,022	276,527
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(49,840)	(54,863)
Change in unrealized (gain) loss on non-derivative financial assets	181,619	(144,461)
Non-cash transactions	(441,420)	(201,557)
Purchases of portfolio investments	(7,087,777)	(8,657,296)
Proceeds from sale of portfolio investments	1,325,400	1,325,520
Accrued investment income and other	(19)	(19,069)
Accrued expenses and other payables	50,745	27,454
Net cash provided by (used in) operating activities	<u>(6,002,270)</u>	<u>(7,447,745)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable shares	10,428,220	9,266,333
Amounts paid on redemption of redeemable shares	(4,263,423)	(1,715,441)
Distributions to shareholders of redeemable shares	<u>(39,470)</u>	<u>(17,839)</u>
Net cash provided by (used in) financing activities	<u>6,125,327</u>	<u>7,533,053</u>
Net increase (decrease) in cash	123,057	85,308
Cash (bank overdraft), beginning of period	204,113	37,683
CASH (BANK OVERDRAFT), END OF PERIOD	<u>327,170</u>	<u>122,991</u>
Interest paid ⁽¹⁾	100	72
Interest received, net of withholding taxes ⁽¹⁾	986	315

⁽¹⁾ Classified as operating items.

The accompanying notes are an integral part of the financial statements.

Scotia Partners Balanced Income Portfolio Class (Unaudited – Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at June 30, 2018

Issuer	Number of Units	Average Cost (\$)	Carrying Value (\$)
CANADIAN EQUITY FUNDS – 17.0%			
CI Cambridge Canadian Equity Corporate Class, Class I	35,448	752,684	761,789
Dynamic Dividend Advantage Fund Series O [†]	111,882	868,320	843,589
Dynamic Small Business Fund Series O [†]	54,219	967,077	994,378
Scotia Canadian Dividend Fund Series I [†]	33,296	1,972,345	2,067,032
Scotia Private Canadian All Cap Equity Pool Series I [†]	47,804	500,266	536,990
		<u>5,060,692</u>	<u>5,203,778</u>
FIXED INCOME FUNDS – 57.8%			
Dynamic Canadian Bond Fund Series O [†]	382,811	2,001,626	1,956,162
Dynamic Total Return Bond Fund Series O [†]	407,947	4,018,938	3,920,370
PIMCO Monthly Income Fund (Canada) Series I	210,987	3,004,236	2,951,602
Scotia Canadian Income Fund Series I [†]	296,435	4,018,564	3,931,910
Scotia Private Canadian Corporate Bond Pool Series I [†]	462,646	4,986,594	4,890,588
		<u>18,029,958</u>	<u>17,650,632</u>
FOREIGN EQUITY FUNDS – 24.2%			
AGF Global Dividend Fund Series O	28,138	791,817	826,970
Dynamic Global Infrastructure Fund Series O [†]	26,532	515,901	537,802
Mackenzie Ivy Foreign Equity Fund Series O	103,296	1,341,205	1,352,328
Mackenzie US Mid Cap Growth Class Series O	9,023	391,313	449,531
Mawer International Equity Fund Class O	23,319	1,331,422	1,440,814
Mawer U.S. Equity Fund Series O	17,025	720,870	827,114
Scotia Private Global Credit Pool Series I [†]	206,626	2,033,332	1,963,047
		<u>7,125,860</u>	<u>7,397,606</u>
TOTAL INVESTMENT PORTFOLIO		<u>30,216,510</u>	<u>30,252,016</u>
OTHER ASSETS, LESS LIABILITIES – 1.0%			<u>279,122</u>
NET ASSETS – 100.0%			<u>30,531,138</u>

[†] These securities are investments in related parties (note 10).

Scotia Partners Balanced Income Portfolio Class (Unaudited – Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

The Fund (note 1)

The Fund's objective is to achieve a balance of income and long term capital appreciation, with a bias towards income. It invests primarily in a diversified mix of equity and income mutual funds managed by other mutual fund managers and by us.

The Fund invests primarily in funds managed by the Manager and/or by the third party investment managers (the "Underlying Funds"). To ensure the Fund's composition meets the investment objectives of the Fund, the portfolio advisor monitors the Underlying Funds on an ongoing basis and rebalances the Fund's assets among the Underlying Funds.

Risk associated with financial instruments (note 4)

Interest rate risk

The Fund could be exposed to indirect interest rate risk to the extent that the Underlying Funds held financial instruments that were subject to interest rate risk.

Currency risk

The Fund could be exposed to indirect currency risk to the extent that the Underlying Funds held financial instruments that were denominated in a currency other than its functional currency.

Price risk

Price risk is the risk that the carrying value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) caused by factors specific to a security, its issuer or all factors affecting a market or a market segment. Exposure to price risk is mainly in equities, underlying funds, derivatives and commodities, as applicable. As at June 30, 2018, approximately 99.0% (December 31, 2017 – 99.5%) of the Fund's net assets were exposed to price risk. If prices of these instruments had decreased or increased by 10%, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by approximately \$3,025,202 (December 31, 2017 – \$2,388,520). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Credit risk

The Fund could be exposed to indirect credit risk to the extent that the Underlying Funds invested in bonds and debentures, derivatives, money market instruments or preferred shares.

Concentration risk

Concentration risk arises as a result of the concentration of financial instruments within the same category, geographical location, asset type or industry sector, as applicable. The table below is a summary of

the Fund's concentration risk by carrying value as a percentage of net assets:

	Percentage of net assets (%)	
	June 30, 2018	December 31, 2017
Canadian Equity Funds	17.0	17.4
Fixed Income Funds	57.8	57.6
Foreign Equity Funds	24.2	24.5

Fair Value Classification (note 2)

The tables below illustrate the classification of the Fund's financial instruments within the fair value hierarchy.

	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
June 30, 2018				
Underlying funds	30,252,016	–	–	30,252,016
	30,252,016	–	–	30,252,016

	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
December 31, 2017				
Underlying funds	23,885,197	–	–	23,885,197
	23,885,197	–	–	23,885,197

Transfers between levels

During the periods ended June 30, 2018 and December 31, 2017, there were no significant transfers between Level 1 and Level 2.

Offsetting of financial assets and liabilities (note 2)

As at June 30, 2018 and December 31, 2017, the Fund did not enter into any agreement whereby the financial instruments were eligible for offset.

Scotia Partners Balanced Income Portfolio Class (Unaudited – Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

Interest in Underlying Funds (note 2)

The following tables present the percentage of the Underlying Funds owned by the Fund.

Underlying Fund	June 30, 2018	
	Carrying value of the Underlying Fund (\$)	Ownership percentage in Underlying Fund (%)
Scotia Private Global Credit Pool Series I	1,963,047	0.5
Dynamic Dividend Advantage Fund Series O	843,589	0.1
Dynamic Small Business Fund Series O	994,378	0.1
Scotia Private Canadian All Cap Equity Pool Series I	536,990	0.1
Dynamic Canadian Bond Fund Series O	1,956,162	0.1
Dynamic Total Return Bond Fund Series O	3,920,370	0.1
Scotia Canadian Income Fund Series I	3,931,910	0.1
Scotia Private Canadian Corporate Bond Pool Series I	4,890,588	0.1
CI Cambridge Canadian Equity Corporate Class, Class I	761,789	0.0
Scotia Canadian Dividend Fund Series I	2,067,032	0.0
PIMCO Monthly Income Fund (Canada) Class I	2,951,602	0.0
AGF Global Dividend Fund Series O	826,970	0.0
Dynamic Global Infrastructure Fund Series O	537,802	0.0
Mackenzie Ivy Foreign Equity Fund Series O	1,352,328	0.0
Mackenzie US Mid Cap Growth Class Series O	449,531	0.0
Mawer International Equity Fund Class O	1,440,814	0.0
Mawer U.S. Equity Fund Class O	827,114	0.0
	30,252,016	

Underlying Fund	December 31, 2017	
	Carrying value of the Underlying Fund (\$)	Ownership percentage in Underlying Fund (%)
Scotia Private Global Credit Pool Series I	1,543,597	0.4
Dynamic Dividend Advantage Fund Series O	675,447	0.1
Dynamic Small Business Fund Series O	799,511	0.1
Scotia Private Canadian All Cap Equity Pool Series I	432,451	0.1
Dynamic Total Return Bond Fund Series O	3,067,666	0.1
Dynamic Canadian Bond Fund Series O	1,534,128	0.1
Scotia Canadian Income Fund Series I	3,077,141	0.1
Scotia Private Canadian Corporate Bond Pool Series I	3,835,198	0.1
CI Cambridge Canadian Equity Corporate Class, Class I	611,631	0.0
Scotia Canadian Dividend Fund Series I	1,654,263	0.0
PIMCO Monthly Income Fund (Canada) Class I	2,310,706	0.0
AGF Global Dividend Fund Series O	663,779	0.0
Dynamic Global Infrastructure Fund Series O	427,533	0.0
Mackenzie Ivy Foreign Equity Fund Series O	1,084,295	0.0
Mackenzie US Mid Cap Growth Class Series O	362,005	0.0
Mawer International Equity Fund Class O	1,148,624	0.0
Mawer U.S. Equity Fund Class O	657,222	0.0
	23,885,197	

Comparison of net asset value and net assets per unit (note 2)

As at June 30, 2018 or December 31, 2017, there were no differences between the net asset value per unit and the net assets per unit for any series of the Fund.

Scotia Partners Balanced Growth Portfolio Class (Unaudited)

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	June 30, 2018	December 31, 2017
ASSETS		
Current assets		
Financial assets at fair value through profit or loss (note 2)		
Non-derivative financial assets	24,631,899	16,954,594
Cash	167,154	180,009
Subscriptions receivable	984	21,584
Accrued investment income and other	166	138
	<u>24,800,203</u>	<u>17,156,325</u>
LIABILITIES		
Current liabilities		
Management fee payable	41,860	–
Payable for securities purchased	–	110,000
Redemptions payable	28,186	5,000
Accrued expenses	2,733	–
Distributions payable	14,094	8,812
	<u>86,873</u>	<u>123,812</u>
Net assets attributable to holders of redeemable shares	<u>24,713,330</u>	<u>17,032,513</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES PER SERIES		
Series A	19,639,069	13,886,776
Series T	<u>5,074,261</u>	<u>3,145,737</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES PER SHARE		
Series A	11.56	11.43
Series T	<u>15.51</u>	<u>15.75</u>

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended June 30 (note 1),

(in dollars except average units)	2018	2017
INCOME		
Net gain (loss) on financial assets and liabilities at fair value through profit or loss		
Dividends	84,651	35,922
Interest for distribution purposes	179,361	80,724
Net realized gain (loss) on non-derivative financial assets	72,503	45,721
Change in unrealized gain (loss) on non-derivative financial assets	149,429	258,747
Net gain (loss) on financial assets and liabilities at fair value through profit or loss	485,944	421,114
Other income	1,975	1,046
Total income (loss), net	<u>487,919</u>	<u>422,160</u>
EXPENSES		
Management fees (note 5)	203,364	87,666
Fixed administration fees (note 6)	10,429	4,492
Independent Review Committee fees	587	576
Interest expense and bank overdraft charges	63	29
Foreign withholding taxes/tax reclaims	63	(39)
Harmonized Sales Tax/Goods and Services Tax	22,186	9,592
Total expenses	<u>236,692</u>	<u>102,316</u>
Increase (decrease) in net assets attributable to holders of redeemable shares from operations	<u>251,227</u>	<u>319,844</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES FROM OPERATIONS PER SERIES		
Series A	210,133	255,921
Series T	<u>41,094</u>	<u>63,923</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES FROM OPERATIONS PER SHARE¹		
Series A	0.14	0.37
Series T	<u>0.15</u>	<u>0.69</u>
WEIGHTED AVERAGE NUMBER OF SHARES PER SERIES		
Series A	1,454,283	687,550
Series T	<u>279,910</u>	<u>92,284</u>

¹ The increase (decrease) in net assets attributable to holders of redeemable shares from operations per share is calculated by dividing the increase (decrease) in net assets attributable to holders of redeemable shares from operations per series by the weighted average number of shares per series.

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the periods ended June 30 (note 1),

(in dollars)	2018	2017
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES, BEGINNING OF PERIOD		
Series A	13,886,776	5,317,385
Series T	<u>3,145,737</u>	<u>1,318,264</u>
	<u>17,032,513</u>	<u>6,635,649</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES FROM OPERATIONS		
Series A	210,133	255,921
Series T	<u>41,094</u>	<u>63,923</u>
	<u>251,227</u>	<u>319,844</u>
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE SHARES		
From return of capital		
Series T	(108,805)	(35,070)
	<u>(108,805)</u>	<u>(35,070)</u>
REDEEMABLE SHARE TRANSACTIONS		
Proceeds from issue		
Series A	7,577,916	5,600,666
Series T	2,314,268	359,059
Reinvested distributions		
Series T	31,577	11,050
Payments on redemption		
Series A	(2,035,756)	(1,071,931)
Series T	<u>(349,610)</u>	<u>(111,104)</u>
	<u>7,538,395</u>	<u>4,787,740</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES		
Series A	5,752,293	4,784,656
Series T	<u>1,928,524</u>	<u>287,858</u>
	<u>7,680,817</u>	<u>5,072,514</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES, END OF PERIOD		
Series A	19,639,069	10,102,041
Series T	<u>5,074,261</u>	<u>1,606,122</u>
	<u>24,713,330</u>	<u>11,708,163</u>

STATEMENTS OF CASH FLOWS

For the periods ended June 30 (note 1),

(in dollars)	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable shares	251,227	319,844
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(72,503)	(45,721)
Change in unrealized (gain) loss on non-derivative financial assets	(149,429)	(258,747)
Non-cash transactions	(262,873)	(116,456)
Purchases of portfolio investments	(7,908,001)	(5,341,823)
Proceeds from sale of portfolio investments	605,500	838,599
Accrued investment income and other	(28)	(7,449)
Accrued expenses and other payables	44,593	21,576
Net cash provided by (used in) operating activities	<u>(7,491,514)</u>	<u>(4,590,177)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable shares	9,912,785	5,886,394
Amounts paid on redemption of redeemable shares	(2,362,180)	(1,183,035)
Distributions to shareholders of redeemable shares	<u>(71,946)</u>	<u>(23,593)</u>
Net cash provided by (used in) financing activities	<u>7,478,659</u>	<u>4,679,766</u>
Net increase (decrease) in cash	(12,855)	89,589
Cash (bank overdraft), beginning of period	180,009	24,898
CASH (BANK OVERDRAFT), END OF PERIOD	<u>167,154</u>	<u>114,487</u>
Interest paid ⁽¹⁾	63	29
Interest received, net of withholding taxes ⁽¹⁾	1,047	290
Dividends received, net of withholding taxes ⁽¹⁾	–	1

⁽¹⁾ Classified as operating items.

The accompanying notes are an integral part of the financial statements.

Scotia Partners Balanced Growth Portfolio Class (Unaudited – Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at June 30, 2018

Issuer	Number of Units	Average Cost (\$)	Carrying Value (\$)
CANADIAN EQUITY FUNDS – 28.3%			
CI Cambridge Canadian Equity Corporate Class, Class I	40,200	854,964	863,919
Dynamic Small Business Fund Series O†	54,628	971,640	1,001,884
Dynamic Value Fund of Canada Series O†	65,390	729,573	753,292
Scotia Canadian Dividend Fund Series I†	39,291	2,338,848	2,439,222
Scotia Private Canadian All Cap Equity Pool Series I†	78,243	818,725	878,913
Scotia Private Fundamental Canadian Equity Pool Series I†	100,284	1,026,266	1,063,873
		<u>6,740,016</u>	<u>7,001,103</u>
FIXED INCOME FUNDS – 35.8%			
Dynamic Total Return Bond Fund Series O†	178,553	1,750,140	1,715,899
PIMCO Monthly Income Fund (Canada) Series I	106,453	1,515,395	1,489,226
Scotia Canadian Income Fund Series I†	240,162	3,251,297	3,185,508
Scotia Private Canadian Corporate Bond Pool Series I†	231,243	2,488,392	2,444,450
		<u>9,005,224</u>	<u>8,835,083</u>
FOREIGN EQUITY FUNDS – 35.6%			
AGF Global Dividend Fund Series O	39,423	1,110,886	1,158,653
Dynamic Global Equity Fund Series O†	72,637	1,050,340	1,160,734
Dynamic Global Infrastructure Fund Series O†	39,868	769,256	808,123
Mackenzie Emerging Markets Class Series O	11,008	360,188	363,304
Mackenzie Ivy Foreign Equity Fund Series O	27,696	358,415	362,589
Mackenzie US Mid Cap Growth Class Series O	15,635	681,386	778,985
Mawer International Equity Fund Class O	19,713	1,129,308	1,218,003
Mawer U.S. Equity Fund Series O	24,017	1,023,467	1,166,837
Scotia Global Growth Fund Series I†	9,102	667,040	789,370
Scotia Private Global Credit Pool Series I†	104,112	1,025,900	989,115
		<u>8,176,186</u>	<u>8,795,713</u>
TOTAL INVESTMENT PORTFOLIO		<u><u>23,921,426</u></u>	<u><u>24,631,899</u></u>
OTHER ASSETS, LESS LIABILITIES – 0.3%			<u>81,431</u>
NET ASSETS – 100.0%			<u><u>24,713,330</u></u>

† These securities are investments in related parties (note 10).

The accompanying notes are an integral part of the financial statements.

Scotia Partners Balanced Growth Portfolio Class (Unaudited – Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

The Fund (note 1)

The Fund's objective is to achieve a balance of income and long term capital appreciation, with a small bias towards capital appreciation. It invests primarily in a diversified mix of equity and income mutual funds managed by other mutual fund managers and by us.

The Fund invests primarily in funds managed by the Manager and/or by the third party investment managers (the "Underlying Funds"). To ensure the Fund's composition meets the investment objectives of the Fund, the portfolio advisor monitors the Underlying Funds on an ongoing basis and rebalances the Fund's assets among the Underlying Funds.

Risk associated with financial instruments (note 4)

Interest rate risk

The Fund could be exposed to indirect interest rate risk to the extent that the Underlying Funds held financial instruments that were subject to interest rate risk.

Currency risk

The Fund could be exposed to indirect currency risk to the extent that the Underlying Funds held financial instruments that were denominated in a currency other than its functional currency.

Price risk

Price risk is the risk that the carrying value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) caused by factors specific to a security, its issuer or all factors affecting a market or a market segment. Exposure to price risk is mainly in equities, underlying funds, derivatives and commodities, as applicable. As at June 30, 2018, approximately 99.7% (December 31, 2017 – 99.5%) of the Fund's net assets were exposed to price risk. If prices of these instruments had decreased or increased by 10%, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by approximately \$2,463,190 (December 31, 2017 – \$1,695,459). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Credit risk

The Fund could be exposed to indirect credit risk to the extent that the Underlying Funds invested in bonds and debentures, derivatives, money market instruments or preferred shares.

Concentration risk

Concentration risk arises as a result of the concentration of financial instruments within the same category, geographical location, asset type or industry sector, as applicable. The table below is a summary of

the Fund's concentration risk by carrying value as a percentage of net assets:

	Percentage of net assets (%)	
	June 30, 2018	December 31, 2017
Canadian Equity Funds	28.3	28.1
Fixed Income Funds	35.8	35.5
Foreign Equity Funds	35.6	35.9

Fair Value Classification (note 2)

The tables below illustrate the classification of the Fund's financial instruments within the fair value hierarchy.

	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
June 30, 2018				
Underlying funds	24,631,899	–	–	24,631,899
	24,631,899	–	–	24,631,899

	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
December 31, 2017				
Underlying funds	16,954,594	–	–	16,954,594
	16,954,594	–	–	16,954,594

Transfers between levels

During the periods ended June 30, 2018 and December 31, 2017, there were no significant transfers between Level 1 and Level 2.

Offsetting of financial assets and liabilities (note 2)

As at June 30, 2018 and December 31, 2017, the Fund did not enter into any agreement whereby the financial instruments were eligible for offset.

Scotia Partners Balanced Growth Portfolio Class (Unaudited – Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

Interest in Underlying Funds (note 2)

The following tables present the percentage of the Underlying Funds owned by the Fund.

Underlying Fund	June 30, 2018	
	Carrying value of the Underlying Fund (\$)	Ownership percentage in Underlying Fund (%)
Scotia Private Fundamental Canadian Equity Pool Series I	1,063,873	0.4
Scotia Private Canadian All Cap Equity Pool Series I	878,913	0.2
Scotia Private Global Credit Pool Series I	989,115	0.2
Dynamic Small Business Fund Series O	1,001,884	0.1
Dynamic Value Fund of Canada Series O	753,292	0.1
Dynamic Total Return Bond Fund Series O	1,715,899	0.1
Scotia Canadian Income Fund Series I	3,185,508	0.1
Dynamic Global Equity Fund Series O	1,160,734	0.1
Dynamic Global Infrastructure Fund Series O	808,123	0.1
Mackenzie Emerging Markets Class Series O	363,304	0.1
Scotia Global Growth Fund Series I	789,370	0.1
CI Cambridge Canadian Equity Corporate Class, Class I	863,919	0.0
Scotia Canadian Dividend Fund Series I	2,439,222	0.0
PIMCO Monthly Income Fund (Canada) Class I	1,489,226	0.0
Scotia Private Canadian Corporate Bond Pool Series I	2,444,450	0.0
AGF Global Dividend Fund Series O	1,158,653	0.0
Mackenzie Ivy Foreign Equity Fund Series O	362,589	0.0
Mackenzie US Mid Cap Growth Class Series O	778,985	0.0
Mawer International Equity Fund Class O	1,218,003	0.0
Mawer U.S. Equity Fund Class O	1,166,837	0.0
	24,631,899	

Underlying Fund	December 31, 2017	
	Carrying value of the Underlying Fund (\$)	Ownership percentage in Underlying Fund (%)
Scotia Private Fundamental Canadian Equity Pool Series I	727,736	0.3
Scotia Private Canadian All Cap Equity Pool Series I	600,405	0.2
Scotia Private Global Credit Pool Series I	675,003	0.2
Dynamic Small Business Fund Series O	686,739	0.1
Dynamic Global Equity Fund Series O	803,451	0.1
Scotia Global Growth Fund Series I	553,798	0.1
CI Cambridge Canadian Equity Corporate Class, Class I	598,271	0.0
Dynamic Value Fund of Canada Series O	513,255	0.0
Scotia Canadian Dividend Fund Series I	1,667,588	0.0
Dynamic Total Return Bond Fund Series O	1,174,323	0.0
PIMCO Monthly Income Fund (Canada) Class I	1,012,150	0.0
Scotia Canadian Income Fund Series I	2,186,597	0.0
Scotia Private Canadian Corporate Bond Pool Series I	1,676,408	0.0
AGF Global Dividend Fund Series O	805,615	0.0
Dynamic Global Infrastructure Fund Series O	556,124	0.0
Mackenzie Emerging Markets Class Series O	257,942	0.0
Mackenzie Ivy Foreign Equity Fund Series O	254,119	0.0
Mackenzie US Mid Cap Growth Class Series O	550,852	0.0
Mawer International Equity Fund Class O	854,391	0.0
Mawer U.S. Equity Fund Class O	799,827	0.0
	16,954,594	

Comparison of net asset value and net assets per unit (note 2)

As at June 30, 2018 or December 31, 2017, there were no differences between the net asset value per unit and the net assets per unit for any series of the Fund.

Scotia Partners Growth Portfolio Class (Unaudited)

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	June 30, 2018	December 31, 2017
ASSETS		
Current assets		
Financial assets at fair value through profit or loss (note 2)		
Non-derivative financial assets	13,740,310	8,778,801
Cash	93,644	90,989
Subscriptions receivable	31,405	38,185
Accrued investment income and other	100	64
	<u>13,865,459</u>	<u>8,908,039</u>
LIABILITIES		
Current liabilities		
Management fee payable	24,238	–
Payable for securities purchased	13,600	47,600
Redemptions payable	–	2,300
Accrued expenses	1,769	–
Distributions payable	2,195	2,683
	<u>41,802</u>	<u>52,583</u>
Net assets attributable to holders of redeemable shares	<u>13,823,657</u>	<u>8,855,456</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES PER SERIES		
Series A	12,599,833	7,778,615
Series T	<u>1,223,824</u>	<u>1,076,841</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES PER SHARE		
Series A	11.99	11.80
Series T	<u>16.11</u>	<u>16.33</u>

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended June 30 (note 1),

(in dollars except average units)	2018	2017
INCOME		
Net gain (loss) on financial assets and liabilities at fair value through profit or loss		
Dividends	63,751	25,615
Interest for distribution purposes	62,640	26,934
Net realized gain (loss) on non-derivative financial assets	52,173	54,362
Change in unrealized gain (loss) on non-derivative financial assets	<u>137,257</u>	<u>166,478</u>
Net gain (loss) on financial assets and liabilities at fair value through profit or loss	315,821	273,389
Other income	433	903
Total income (loss), net	<u>316,254</u>	<u>274,292</u>
EXPENSES		
Management fees (note 5)	116,265	49,178
Fixed administration fees (note 6)	5,671	2,395
Independent Review Committee fees	587	576
Interest expense and bank overdraft charges	47	24
Foreign withholding taxes/tax reclaims	–	(20)
Harmonized Sales Tax/Goods and Services Tax	<u>12,067</u>	<u>5,390</u>
Total expenses	<u>134,637</u>	<u>57,543</u>
Increase (decrease) in net assets attributable to holders of redeemable shares from operations	<u>181,617</u>	<u>216,749</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES FROM OPERATIONS PER SERIES		
Series A	170,956	201,943
Series T	<u>10,661</u>	<u>14,806</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES FROM OPERATIONS PER SHARE¹		
Series A	0.20	0.50
Series T	<u>0.17</u>	<u>0.78</u>
WEIGHTED AVERAGE NUMBER OF SHARES PER SERIES		
Series A	875,093	400,827
Series T	<u>63,695</u>	<u>18,997</u>

¹ The increase (decrease) in net assets attributable to holders of redeemable shares from operations per share is calculated by dividing the increase (decrease) in net assets attributable to holders of redeemable shares from operations per series by the weighted average number of shares per series.

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the periods ended June 30 (note 1),

(in dollars)	2018	2017
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES, BEGINNING OF PERIOD		
Series A	7,778,615	3,084,441
Series T	<u>1,076,841</u>	<u>246,933</u>
	<u>8,855,456</u>	<u>3,331,374</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES FROM OPERATIONS		
Series A	170,956	201,943
Series T	<u>10,661</u>	<u>14,806</u>
	<u>181,617</u>	<u>216,749</u>
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE SHARES		
From return of capital		
Series T	(24,379)	(7,492)
	<u>(24,379)</u>	<u>(7,492)</u>
REDEEMABLE SHARE TRANSACTIONS		
Proceeds from issue		
Series A	5,401,465	2,845,064
Series T	454,568	162,119
Reinvested distributions		
Series T	10,542	6,048
Payments on redemption		
Series A	(751,203)	(620,802)
Series T	<u>(304,409)</u>	<u>(10,200)</u>
	<u>4,810,963</u>	<u>2,382,229</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES		
Series A	4,821,218	2,426,205
Series T	<u>146,983</u>	<u>165,281</u>
	<u>4,968,201</u>	<u>2,591,486</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES, END OF PERIOD		
Series A	12,599,833	5,510,646
Series T	<u>1,223,824</u>	<u>412,214</u>
	<u>13,823,657</u>	<u>5,922,860</u>

STATEMENTS OF CASH FLOWS

For the periods ended June 30 (note 1),

(in dollars)	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable shares	181,617	216,749
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(52,173)	(54,362)
Change in unrealized (gain) loss on non-derivative financial assets	(137,257)	(166,478)
Non-cash transactions	(125,778)	(52,451)
Purchases of portfolio investments	(5,017,102)	(2,913,248)
Proceeds from sale of portfolio investments	336,800	668,918
Accrued investment income and other	(36)	(2,169)
Accrued expenses and other payables	<u>26,007</u>	<u>12,032</u>
Net cash provided by (used in) operating activities	<u>(4,787,922)</u>	<u>(2,291,009)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable shares	5,862,813	2,944,859
Amounts paid on redemption of redeemable shares	(1,057,911)	(631,002)
Distributions to shareholders of redeemable shares	<u>(14,325)</u>	<u>(1,042)</u>
Net cash provided by (used in) financing activities	<u>4,790,577</u>	<u>2,312,815</u>
Net increase (decrease) in cash	2,655	21,806
Cash (bank overdraft), beginning of period	90,989	23,227
CASH (BANK OVERDRAFT), END OF PERIOD	<u>93,644</u>	<u>45,033</u>
Interest paid ⁽¹⁾	47	24
Interest received, net of withholding taxes ⁽¹⁾	578	118
Dividends received, net of withholding taxes ⁽¹⁾	–	1

⁽¹⁾ Classified as operating items.

The accompanying notes are an integral part of the financial statements.

Scotia Partners Growth Portfolio Class (Unaudited – Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at June 30, 2018

Issuer	Number of Units	Average Cost (\$)	Carrying Value (\$)
CANADIAN EQUITY FUNDS – 33.4%			
CI Cambridge Canadian Equity Corporate Class, Class I	48,566	1,033,568	1,043,709
Dynamic Small Business Fund Series O†	38,351	687,426	703,362
Dynamic Value Fund of Canada Series O†	61,110	681,386	703,982
Scotia Canadian Dividend Fund Series I†	18,609	1,109,360	1,155,240
Scotia Private Canadian All Cap Equity Pool Series I†	50,004	524,294	561,695
Scotia Private Fundamental Canadian Equity Pool Series I†	42,902	439,153	455,132
		<u>4,475,187</u>	<u>4,623,120</u>
FIXED INCOME FUNDS – 22.0%			
Dynamic Total Return Bond Fund Series O†	53,003	518,843	509,358
PIMCO Monthly Income Fund (Canada) Series I	36,760	522,907	514,258
Scotia Canadian Income Fund Series I†	88,999	1,201,245	1,180,478
Scotia Private Canadian Corporate Bond Pool Series I†	79,064	849,402	835,779
		<u>3,092,397</u>	<u>3,039,873</u>
FOREIGN EQUITY FUNDS – 44.0%			
Dynamic Global Equity Fund Series O†	55,305	804,066	883,775
Dynamic Global Infrastructure Fund Series O†	13,739	265,677	278,498
Invesco International Growth Fund Series I	58,086	566,873	581,611
Mackenzie Emerging Markets Class Series O	15,520	513,432	512,219
Mackenzie US Mid Cap Growth Class Series O	12,349	538,240	615,243
Mawer International Equity Fund Class O	13,852	799,838	855,884
Mawer U.S. Equity Fund Series O	16,827	719,128	817,508
Scotia Global Growth Fund Series I†	9,774	723,464	847,647
Scotia Private Global Credit Pool Series I†	36,118	355,336	343,144
Trimark Global Endeavour Fund Series I	8,367	313,197	341,788
		<u>5,599,251</u>	<u>6,077,317</u>
TOTAL INVESTMENT PORTFOLIO		<u><u>13,166,835</u></u>	<u><u>13,740,310</u></u>
OTHER ASSETS, LESS LIABILITIES – 0.6%			<u>83,347</u>
NET ASSETS – 100.0%			<u><u>13,823,657</u></u>

† These securities are investments in related parties (note 10).

The accompanying notes are an integral part of the financial statements.

Scotia Partners Growth Portfolio Class (Unaudited – Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

The Fund (note 1)

The Fund's objective is to achieve a balance of income and long term capital appreciation, with a bias towards capital appreciation. It invests primarily in a diversified mix of equity and income mutual funds managed by other mutual fund managers and by us.

The Fund invests primarily in funds managed by the Manager and/or by the third party investment managers (the "Underlying Funds"). To ensure the Fund's composition meets the investment objectives of the Fund, the portfolio advisor monitors the Underlying Funds on an ongoing basis and rebalances the Fund's assets among the Underlying Funds.

Risk associated with financial instruments (note 4)

Interest rate risk

The Fund could be exposed to indirect interest rate risk to the extent that the Underlying Funds held financial instruments that were subject to interest rate risk.

Currency risk

The Fund could be exposed to indirect currency risk to the extent that the Underlying Funds held financial instruments that were denominated in a currency other than its functional currency.

Price risk

Price risk is the risk that the carrying value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) caused by factors specific to a security, its issuer or all factors affecting a market or a market segment. Exposure to price risk is mainly in equities, underlying funds, derivatives and commodities, as applicable. As at June 30, 2018, approximately 99.4% (December 31, 2017 – 99.1%) of the Fund's net assets were exposed to price risk. If prices of these instruments had decreased or increased by 10%, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by approximately \$1,374,031 (December 31, 2017 – \$877,880). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Credit risk

The Fund could be exposed to indirect credit risk to the extent that the Underlying Funds invested in bonds and debentures, derivatives, money market instruments or preferred shares.

Concentration risk

Concentration risk arises as a result of the concentration of financial instruments within the same category, geographical location, asset type or industry sector, as applicable. The table below is a summary of

the Fund's concentration risk by carrying value as a percentage of net assets:

	Percentage of net assets (%)	
	June 30, 2018	December 31, 2017
Canadian Equity Funds	33.4	32.8
Fixed Income Funds	22.0	22.0
Foreign Equity Funds	44.0	44.3

Fair Value Classification (note 2)

The tables below illustrate the classification of the Fund's financial instruments within the fair value hierarchy.

	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
June 30, 2018				
Underlying funds	13,740,310	–	–	13,740,310
	13,740,310	–	–	13,740,310

	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
December 31, 2017				
Underlying funds	8,778,801	–	–	8,778,801
	8,778,801	–	–	8,778,801

Transfers between levels

During the periods ended June 30, 2018 and December 31, 2017, there were no significant transfers between Level 1 and Level 2.

Offsetting of financial assets and liabilities (note 2)

As at June 30, 2018 and December 31, 2017, the Fund did not enter into any agreement whereby the financial instruments were eligible for offset.

Scotia Partners Growth Portfolio Class (Unaudited – Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

Interest in Underlying Funds (note 2)

The following tables present the percentage of the Underlying Funds owned by the Fund.

Underlying Fund	June 30, 2018	
	Carrying value of the Underlying Fund (\$)	Ownership percentage in Underlying Fund (%)
Scotia Private Fundamental Canadian Equity Pool Series I	455,132	0.2
Dynamic Small Business Fund Series O	703,362	0.1
Scotia Private Canadian All Cap Equity Pool Series I	561,695	0.1
Dynamic Global Equity Fund Series O	883,775	0.1
Invesco International Growth Fund Series I	581,611	0.1
Mackenzie Emerging Markets Class Series O	512,219	0.1
Scotia Global Growth Fund Series I	847,647	0.1
Scotia Private Global Credit Pool Series I	343,144	0.1
CI Cambridge Canadian Equity Corporate Class, Class I	1,043,709	0.0
Dynamic Value Fund of Canada Series O	703,982	0.0
Scotia Canadian Dividend Fund Series I	1,155,240	0.0
Dynamic Total Return Bond Fund Series O	509,358	0.0
PIMCO Monthly Income Fund (Canada) Class I	514,258	0.0
Scotia Canadian Income Fund Series I	1,180,478	0.0
Scotia Private Canadian Corporate Bond Pool Series I	835,779	0.0
Dynamic Global Infrastructure Fund Series O	278,498	0.0
Mackenzie US Mid Cap Growth Class Series O	615,243	0.0
Mawer International Equity Fund Class O	855,884	0.0
Mawer U.S. Equity Fund Class O	817,508	0.0
Trimark Global Endeavour Fund Series I	341,788	0.0
	13,740,310	

Underlying Fund	December 31, 2017	
	Carrying value of the Underlying Fund (\$)	Ownership percentage in Underlying Fund (%)
Scotia Private Canadian All Cap Equity Pool Series I	354,757	0.1
Scotia Private Fundamental Canadian Equity Pool Series I	286,251	0.1
Dynamic Global Equity Fund Series O	569,977	0.1
Invesco International Growth Fund Series I	377,664	0.1
Scotia Global Growth Fund Series I	553,643	0.1
Scotia Private Global Credit Pool Series I	217,995	0.1
CI Cambridge Canadian Equity Corporate Class, Class I	655,847	0.0
Dynamic Small Business Fund Series O	441,866	0.0
Dynamic Value Fund of Canada Series O	440,637	0.0
Scotia Canadian Dividend Fund Series I	724,186	0.0
Dynamic Total Return Bond Fund Series O	324,335	0.0
PIMCO Monthly Income Fund (Canada) Class I	327,483	0.0
Scotia Canadian Income Fund Series I	757,434	0.0
Scotia Private Canadian Corporate Bond Pool Series I	541,354	0.0
Dynamic Global Infrastructure Fund Series O	177,772	0.0
Mackenzie Emerging Markets Class Series O	335,320	0.0
Mackenzie US Mid Cap Growth Class Series O	396,415	0.0
Mawer International Equity Fund Class O	552,573	0.0
Mawer U.S. Equity Fund Class O	521,614	0.0
Trimark Global Endeavour Fund Series I	221,678	0.0
	8,778,801	

Comparison of net asset value and net assets per unit (note 2)

As at June 30, 2018 or December 31, 2017, there were no differences between the net asset value per unit and the net assets per unit for any series of the Fund.

Scotia Partners Maximum Growth Portfolio Class (Unaudited)

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	June 30, 2018	December 31, 2017
ASSETS		
Current assets		
Financial assets at fair value through profit or loss (note 2)		
Non-derivative financial assets	3,726,194	2,967,725
Cash	24,897	17,589
Subscriptions receivable	60,000	–
Accrued investment income and other	18	22
	<u>3,811,109</u>	<u>2,985,336</u>
LIABILITIES		
Current liabilities		
Management fee payable	6,998	–
Redemptions payable	–	300
Accrued expenses	912	–
Distributions payable	227	303
	<u>8,137</u>	<u>603</u>
Net assets attributable to holders of redeemable shares	<u>3,802,972</u>	<u>2,984,733</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES PER SERIES		
Series A	3,230,084	2,700,044
Series T	572,888	284,689
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES PER SHARE		
Series A	12.28	12.03
Series T	16.55	16.57

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended June 30 (note 1),

(in dollars except average units)	2018	2017
INCOME		
Net gain (loss) on financial assets and liabilities at fair value through profit or loss		
Dividends	20,774	7,859
Interest for distribution purposes	9,394	3,152
Net realized gain (loss) on non-derivative financial assets	38,474	18,071
Change in unrealized gain (loss) on non-derivative financial assets	49,411	38,214
Net gain (loss) on financial assets and liabilities at fair value through profit or loss	<u>118,053</u>	<u>67,296</u>
Total income (loss), net	<u>118,053</u>	<u>67,296</u>
EXPENSES		
Management fees (note 5)	38,591	13,724
Fixed administration fees (note 6)	1,795	636
Independent Review Committee fees	587	576
Interest expense and bank overdraft charges	81	29
Harmonized Sales Tax/Goods and Services Tax	3,616	1,681
Total expenses	<u>44,670</u>	<u>16,646</u>
Increase (decrease) in net assets attributable to holders of redeemable shares from operations	<u>73,383</u>	<u>50,650</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES FROM OPERATIONS PER SERIES		
Series A	62,824	48,115
Series T	10,559	2,535
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES FROM OPERATIONS PER SHARE[†]		
Series A	0.24	0.47
Series T	0.45	0.40
WEIGHTED AVERAGE NUMBER OF SHARES PER SERIES		
Series A	265,431	103,417
Series T	23,475	6,272

[†] The increase (decrease) in net assets attributable to holders of redeemable shares from operations per share is calculated by dividing the increase (decrease) in net assets attributable to holders of redeemable shares from operations per series by the weighted average number of shares per series.

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the periods ended June 30 (note 1),

(in dollars)	2018	2017
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES, BEGINNING OF PERIOD		
Series A	2,700,044	942,359
Series T	284,689	5,409
	<u>2,984,733</u>	<u>947,768</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES FROM OPERATIONS		
Series A	62,824	48,115
Series T	10,559	2,535
	<u>73,383</u>	<u>50,650</u>
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE SHARES		
From return of capital		
Series T	(9,071)	(2,814)
	<u>(9,071)</u>	<u>(2,814)</u>
REDEEMABLE SHARE TRANSACTIONS		
Proceeds from issue		
Series A	1,010,810	799,816
Series T	301,363	175,223
Reinvested distributions		
Series T	7,634	2,737
Payments on redemption		
Series A	(543,594)	(216,439)
Series T	(22,286)	(900)
	<u>753,927</u>	<u>760,437</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES		
Series A	530,040	631,492
Series T	288,199	176,781
	<u>818,239</u>	<u>808,273</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES, END OF PERIOD		
Series A	3,230,084	1,573,851
Series T	572,888	182,190
	<u>3,802,972</u>	<u>1,756,041</u>
STATEMENTS OF CASH FLOWS		
For the periods ended June 30 (note 1),		
(in dollars)		
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable shares	73,383	50,650
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(38,474)	(18,071)
Change in unrealized (gain) loss on non-derivative financial assets	(49,411)	(38,214)
Non-cash transactions	(29,984)	(10,971)
Purchases of portfolio investments	(1,067,299)	(961,262)
Proceeds from sale of portfolio investments	426,700	225,862
Accrued investment income and other	4	(403)
Accrued expenses and other payables	7,910	4,013
Net cash provided by (used in) operating activities	<u>(677,171)</u>	<u>(748,396)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable shares	1,252,172	974,039
Amounts paid on redemption of redeemable shares	(566,180)	(217,339)
Distributions to shareholders of redeemable shares	(1,513)	–
Net cash provided by (used in) financing activities	<u>684,479</u>	<u>756,700</u>
Net increase (decrease) in cash	7,308	8,304
Cash (bank overdraft), beginning of period	17,589	3,189
CASH (BANK OVERDRAFT), END OF PERIOD	<u>24,897</u>	<u>11,493</u>
Interest paid ⁽¹⁾	81	29
Interest received, net of withholding taxes ⁽¹⁾	188	36

⁽¹⁾ Classified as operating items.

The accompanying notes are an integral part of the financial statements.

Scotia Partners Maximum Growth Portfolio Class (Unaudited – Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at June 30, 2018

Issuer	Number of Units	Average Cost (\$)	Carrying Value (\$)
CANADIAN EQUITY FUNDS – 39.4%			
CI Cambridge Canadian Equity Corporate Class, Class I	20,840	444,139	447,867
Dynamic Small Business Fund Series O†	12,341	220,891	226,343
Dynamic Value Fund of Canada Series O†	19,397	214,482	223,448
Scotia Canadian Dividend Fund Series I†	3,668	217,399	227,690
Scotia Private Canadian All Cap Equity Pool Series I†	19,950	207,296	224,101
Scotia Private Fundamental Canadian Equity Pool Series I†	14,150	144,270	150,111
		<u>1,448,477</u>	<u>1,499,560</u>
FIXED INCOME FUNDS – 7.3%			
Scotia Canadian Income Fund Series I†	13,946	188,080	184,984
Scotia Private Canadian Corporate Bond Pool Series I†	8,708	93,755	92,052
		<u>281,835</u>	<u>277,036</u>
FOREIGN EQUITY FUNDS – 51.3%			
Dynamic Global Equity Fund Series O†	17,232	249,109	275,375
Dynamic Global Infrastructure Fund Series O†	4,693	90,506	95,132
Invesco International Growth Fund Series I	18,511	180,933	185,351
Mackenzie Emerging Markets Class Series O	4,953	164,726	163,464
Mackenzie US Mid Cap Growth Class Series O	3,985	172,718	198,519
Mawer International Equity Fund Class O	4,505	258,775	278,366
Mawer U.S. Equity Fund Series O	5,581	237,484	271,123
Scotia Global Growth Fund Series I†	3,218	235,665	279,077
Scotia Private Global Credit Pool Series I†	9,730	96,113	92,435
Trimark Global Endeavour Fund Series I	2,711	100,315	110,756
		<u>1,786,344</u>	<u>1,949,598</u>
TOTAL INVESTMENT PORTFOLIO		<u>3,516,656</u>	<u>3,726,194</u>
OTHER ASSETS, LESS LIABILITIES – 2.0%			<u>76,778</u>
NET ASSETS – 100.0%			<u>3,802,972</u>

† These securities are investments in related parties (note 10).

Scotia Partners Maximum Growth Portfolio Class (Unaudited – Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

The Fund (note 1)

The Fund's objective is long term capital appreciation. It invests primarily in a diversified mix of equity mutual funds managed by other mutual fund managers and by us.

The Fund invests primarily in funds managed by the Manager and/or by the third party investment managers (the "Underlying Funds"). To ensure the Fund's composition meets the investment objectives of the Fund, the portfolio advisor monitors the Underlying Funds on an ongoing basis and rebalances the Fund's assets among the Underlying Funds.

Risk associated with financial instruments (note 4)

Interest rate risk

The Fund could be exposed to indirect interest rate risk to the extent that the Underlying Funds held financial instruments that were subject to interest rate risk.

Currency risk

The Fund could be exposed to indirect currency risk to the extent that the Underlying Funds held financial instruments that were denominated in a currency other than its functional currency.

Price risk

Price risk is the risk that the carrying value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) caused by factors specific to a security, its issuer or all factors affecting a market or a market segment. Exposure to price risk is mainly in equities, underlying funds, derivatives and commodities, as applicable. As at June 30, 2018, approximately 98.0% (December 31, 2017 – 99.4%) of the Fund's net assets were exposed to price risk. If prices of these instruments had decreased or increased by 10%, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by approximately \$372,619 (December 31, 2017 – \$296,773). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Credit risk

The Fund could be exposed to indirect credit risk to the extent that the Underlying Funds invested in bonds and debentures, derivatives, money market instruments or preferred shares.

Concentration risk

Concentration risk arises as a result of the concentration of financial instruments within the same category, geographical location, asset type or industry sector, as applicable. The table below is a summary of

the Fund's concentration risk by carrying value as a percentage of net assets:

	Percentage of net assets (%)	
	June 30, 2018	December 31, 2017
Canadian Equity Funds	39.4	39.7
Fixed Income Funds	7.3	7.3
Foreign Equity Funds	51.3	52.4

Fair Value Classification (note 2)

The tables below illustrate the classification of the Fund's financial instruments within the fair value hierarchy.

June 30, 2018	Level 1	Level 2	Level 3	Total
	(\$)	(\$)	(\$)	(\$)
Underlying funds	3,726,194	–	–	3,726,194
	3,726,194	–	–	3,726,194

December 31, 2017	Level 1	Level 2	Level 3	Total
	(\$)	(\$)	(\$)	(\$)
Underlying funds	2,967,725	–	–	2,967,725
	2,967,725	–	–	2,967,725

Transfers between levels

During the periods ended June 30, 2018 and December 31, 2017, there were no significant transfers between Level 1 and Level 2.

Offsetting of financial assets and liabilities (note 2)

As at June 30, 2018 and December 31, 2017, the Fund did not enter into any agreement whereby the financial instruments were eligible for offset.

Scotia Partners Maximum Growth Portfolio Class (Unaudited – Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

Interest in Underlying Funds (note 2)

The following tables present the percentage of the Underlying Funds owned by the Fund.

Underlying Fund	June 30, 2018	
	Carrying value of the Underlying Fund (\$)	Ownership percentage in Underlying Fund (%)
Scotia Private Canadian All Cap Equity Pool Series I	224,101	0.1
Scotia Private Fundamental Canadian Equity Pool Series I	150,111	0.1
CI Cambridge Canadian Equity Corporate Class, Class I	447,867	0.0
Dynamic Small Business Fund Series O	226,343	0.0
Dynamic Value Fund of Canada Series O	223,448	0.0
Scotia Canadian Dividend Fund Series I	227,690	0.0
Scotia Canadian Income Fund Series I	184,984	0.0
Scotia Private Canadian Corporate Bond Pool Series I	92,052	0.0
Dynamic Global Equity Fund Series O	275,375	0.0
Dynamic Global Infrastructure Fund Series O	95,132	0.0
Invesco International Growth Fund Series I	185,351	0.0
Mackenzie Emerging Markets Class Series O	163,464	0.0
Mackenzie US Mid Cap Growth Class Series O	198,519	0.0
Mawer International Equity Fund Class O	278,366	0.0
Mawer U.S. Equity Fund Class O	271,123	0.0
Scotia Global Growth Fund Series I	279,077	0.0
Scotia Private Global Credit Pool Series I	92,435	0.0
Trimark Global Endeavour Fund Series I	110,756	0.0
	3,726,194	

Underlying Fund	December 31, 2017	
	Carrying value of the Underlying Fund (\$)	Ownership percentage in Underlying Fund (%)
CI Cambridge Canadian Equity Corporate Class, Class I	353,641	0.0
Dynamic Small Business Fund Series O	179,868	0.0
Dynamic Value Fund of Canada Series O	177,422	0.0
Scotia Canadian Dividend Fund Series I	177,132	0.0
Scotia Private Canadian All Cap Equity Pool Series I	179,004	0.0
Scotia Private Fundamental Canadian Equity Pool Series I	118,117	0.0
Scotia Canadian Income Fund Series I	145,039	0.0
Scotia Private Canadian Corporate Bond Pool Series I	72,560	0.0
Dynamic Global Equity Fund Series O	221,417	0.0
Dynamic Global Infrastructure Fund Series O	75,079	0.0
Invesco International Growth Fund Series I	148,607	0.0
Mackenzie Emerging Markets Class Series O	136,956	0.0
Mackenzie US Mid Cap Growth Class Series O	159,476	0.0
Mawer International Equity Fund Class O	223,433	0.0
Mawer U.S. Equity Fund Class O	214,545	0.0
Scotia Global Growth Fund Series I	221,024	0.0
Scotia Private Global Credit Pool Series I	72,530	0.0
Trimark Global Endeavour Fund Series I	91,875	0.0
	2,967,725	

Comparison of net asset value and net assets per unit (note 2)

As at June 30, 2018 or December 31, 2017, there were no differences between the net asset value per unit and the net assets per unit for any series of the Fund.

NOTES TO THE FINANCIAL STATEMENTS (UNAUDITED)

For the periods indicated in note 1

1. The Funds

1832 Asset Management L.P., a wholly owned subsidiary of The Bank of Nova Scotia (“Scotiabank”), is the manager and trustee (where applicable) of the funds. In this document, “we”, “us”, “our”, the “Manager”, the “Trustee”, and “1832 Asset Management” refer to 1832 Asset Management L.P. The registered office of the funds is 1 Adelaide Street East, 28th Floor, Toronto, ON, M5C 2V9.

The funds presented in these interim financial statements are either open-ended mutual fund trusts (“Trust Funds”) or classes of a mutual fund corporation (“Corporate Class Funds”). The Trust Funds issue units and Corporate Class Funds issue shares. Throughout this document, where applicable, reference to units and unitholders also refers to shares and shareholders. We also refer to a Trust Fund and a Corporate Class Fund individually, as a “Fund” and collectively, as the “Funds”.

The Trust Funds are established under the laws of the Province of Ontario pursuant to an Amended and Restated Master Declaration of Trust dated March 2, 2015, as amended from time to time. Scotia Corporate Class Inc. (the “Corporation”) is a multi-class open-ended mutual fund corporation formed by articles of incorporation under the laws of Canada on April 17, 2012, as amended from time to time. Each Corporate Class Fund is a class of shares of the Corporation. These financial statements only present the financial information of each of the Corporate Class Funds, each as its own reporting entity. As the Corporation as a whole is liable for the expenses and obligations of all classes, there exists the possibility that if a Corporate Class Fund cannot satisfy its own obligations, they may be satisfied using assets attributable to other Corporate Class Funds within the Corporation. The Manager, however, believes that the risk of cross-class liability is remote and is diligent to minimize such liability. On October 2, 2017, State Street Trust Company Canada replaced The Bank of Nova Scotia in its capacity as custodian of certain Funds. In addition, State Street Bank and Trust Company replaced The Bank of Nova Scotia in its capacity as securities lending agent of the Funds.

The Statements of Financial Position are as at June 30, 2018 and December 31, 2017, as applicable, and the Statements of Comprehensive Income, Changes in Net Assets Attributable to Holders of Redeemable Units and Cash Flows are for the six month periods ended June 30, 2018 and 2017, as applicable, except for Funds that inceptioned during either period, where the information presented is for the period from the Fund’s inception date to June 30, 2018 or 2017, as applicable. The Schedule of Investment Portfolio for each of the Funds is as at June 30, 2018. Throughout this document, reference to the period or periods refers to the reporting periods described above.

These financial statements were approved and authorized for issue on August 21, 2018 by the Board of Directors of the Corporation, with respect to the Corporate Class Funds and by the Board of Directors of 1832 Asset Management G.P. Inc., as general partner for and on behalf of 1832 Asset Management L.P., in its capacity as Trustee of the Trust Funds.

The investment objectives for each of the Funds are provided in the respective Fund’s “Fund Specific Notes”. The inception date for each Fund is as follows:

Trust Funds	Inception Date
Scotia Aria Conservative Build Portfolio	November 19, 2014
Scotia Aria Conservative Defend Portfolio (formerly Scotia Aria Conservative Core Portfolio)	November 19, 2014
Scotia Aria Conservative Pay Portfolio	November 19, 2014
Scotia Aria Moderate Build Portfolio	November 19, 2014
Scotia Aria Moderate Defend Portfolio (formerly Scotia Aria Moderate Core Portfolio)	November 19, 2014
Scotia Aria Moderate Pay Portfolio	November 19, 2014
Scotia Aria Progressive Build Portfolio	November 19, 2014
Scotia Aria Progressive Defend Portfolio (formerly Scotia Aria Progressive Core Portfolio)	November 19, 2014
Scotia Aria Progressive Pay Portfolio	November 19, 2014
Scotia Balanced Opportunities Fund	February 20, 1961
Scotia Bond Fund	August 17, 2009
Scotia Canadian Balanced Fund	May 7, 1990
Scotia Canadian Blue Chip Fund	December 31, 1986
Scotia Canadian Bond Index Fund	September 20, 1999
Scotia Canadian Dividend Fund	October 28, 1992
Scotia Canadian Growth Fund	February 20, 1961
Scotia Canadian Income Fund	November 1, 1957
Scotia Canadian Index Fund	December 13, 1996
Scotia Canadian Small Cap Fund	October 28, 1992
Scotia CanAm Index Fund	July 9, 1993
Scotia Conservative Income Fund	January 27, 2014
Scotia Diversified Monthly Income Fund	June 10, 2005
Scotia Dividend Balanced Fund	August 26, 2010
Scotia European Fund	September 3, 1996
Scotia Floating Rate Income Fund	January 27, 2014
Scotia Global Balanced Fund	August 26, 2010
Scotia Global Bond Fund	July 4, 1994
Scotia Global Dividend Fund	August 26, 2010
Scotia Global Growth Fund	February 20, 1961
Scotia Global Opportunities Fund	November 30, 2000
Scotia Global Small Cap Fund	November 30, 2000
Scotia Income Advantage Fund	July 6, 2011
Scotia INNOVA Balanced Growth Portfolio	January 13, 2009
Scotia INNOVA Balanced Income Portfolio	January 13, 2009
Scotia INNOVA Growth Portfolio	January 13, 2009
Scotia INNOVA Income Portfolio	January 13, 2009
Scotia INNOVA Maximum Growth Portfolio	January 13, 2009
Scotia International Index Fund	September 20, 1999
Scotia International Value Fund	November 30, 2000
Scotia Latin American Fund	August 18, 1994
Scotia Money Market Fund	August 30, 1990
Scotia Mortgage Income Fund	September 22, 1992
Scotia Nasdaq Index Fund	November 30, 2000
Scotia Pacific Rim Fund	August 18, 1994
Scotia Partners Balanced Growth Portfolio	November 29, 2002
Scotia Partners Balanced Income Portfolio	November 29, 2002
Scotia Partners Growth Portfolio	November 29, 2002
Scotia Partners Income Portfolio	August 26, 2010
Scotia Partners Maximum Growth Portfolio	November 29, 2002
Scotia Premium T-Bill Fund	July 10, 1992
Scotia Private Canadian All Cap Equity Pool	November 14, 2016
Scotia Private Canadian Corporate Bond Pool	October 30, 2003
Scotia Private Canadian Equity Pool	June 10, 2005

Trust Funds	Inception Date
Scotia Private Canadian Preferred Share Pool	November 25, 2011
Scotia Private Fundamental Canadian Equity Pool	November 14, 2016
Scotia Private Global Credit Pool	November 14, 2016
Scotia Private Global Low Volatility Equity Pool	November 14, 2016
Scotia Private International Core Equity Pool	June 10, 2005
Scotia Private North American Dividend Pool	June 10, 2005
Scotia Private Options Income Pool	June 1, 2015
Scotia Private Real Estate Income Pool	November 20, 2012
Scotia Private Short-Mid Government Bond Pool	September 30, 2007
Scotia Private Total Return Bond Pool	November 14, 2016
Scotia Private U.S. Dividend Pool	November 25, 2011
Scotia Private U.S. Equity Pool	June 10, 2005
Scotia Resource Fund	July 6, 1993
Scotia Selected Balanced Growth Portfolio	April 22, 2003
Scotia Selected Balanced Income Portfolio	April 22, 2003
Scotia Selected Growth Portfolio	April 22, 2003
Scotia Selected Income Portfolio	November 20, 2012
Scotia Selected Maximum Growth Portfolio	April 22, 2003
Scotia Short Term Bond Fund	August 26, 2010
Scotia T-Bill Fund	October 3, 1991
Scotia U.S. \$ Balanced Fund	July 6, 2011
Scotia U.S. \$ Bond Fund	November 27, 1991
Scotia U.S. \$ Money Market Fund	September 3, 1996
Scotia U.S. Blue Chip Fund	December 31, 1986
Scotia U.S. Dividend Fund	November 20, 2012
Scotia U.S. Index Fund	December 13, 1996
Scotia U.S. Opportunities Fund	November 30, 2000
Corporate Class	
Scotia Canadian Dividend Class	May 18, 2012
Scotia Canadian Equity Blend Class	November 19, 2012
Scotia Conservative Government Bond Capital Yield Class	May 18, 2012
Scotia Fixed Income Blend Class	November 19, 2012
Scotia Global Dividend Class	May 18, 2012
Scotia INNOVA Balanced Growth Portfolio Class	May 18, 2012
Scotia INNOVA Balanced Income Portfolio Class	May 18, 2012
Scotia INNOVA Growth Portfolio Class	May 18, 2012
Scotia INNOVA Income Portfolio Class	May 18, 2012
Scotia INNOVA Maximum Growth Portfolio Class	May 18, 2012
Scotia International Equity Blend Class	November 19, 2012
Scotia Partners Balanced Growth Portfolio Class	February 1, 2016
Scotia Partners Balanced Income Portfolio Class	February 1, 2016
Scotia Partners Growth Portfolio Class	February 1, 2016
Scotia Partners Maximum Growth Portfolio Class	February 1, 2016
Scotia U.S. Equity Blend Class	November 19, 2012

Each Fund may offer an unlimited number of units of some or all of its respective series. Each series of a Fund is intended for different investors.

Series A:	Series A units are available to all investors. Series A units of any Scotia Aria Portfolio may only be purchased by investors who meet the required minimum, as determined by the Manager from time to time.
Advisor Series:	Advisor Series units are available through authorized dealers and brokers.
Series D:	Series D units are generally only available to investors who have accounts with discount brokers.
Series F:	Series F units are available for purchase into a fee-based account with authorized brokers or dealers.
Series I:	Series I units may only be purchased by eligible institutional investors and other qualified investors as determined by the Manager.

Series K:	Series K units are only available to investors who participate in the ScotiaMcLeod Investment Portfolio ("SIP"). Series K units are only available in the SIP multi-manager mandates or SIP optimized portfolios and are not available as single funds.
Series M:	Series M units may only be purchased by clients of the Manager or Scotiatrust that have entered into a discretionary management agreement.
Series T, Series TL and Series TH:	Series T units, Series TL and Series TH units are intended for investors seeking stable monthly distributions. Series T units are available to all investors whereas Series TL and Series TH of any Scotia Aria Portfolio may only be purchased by investors who meet the required minimum, as determined by the Manager from time to time.
Premium Series:	Premium Series units may only be purchased by eligible institutional investors and other qualified investors as determined by the Manager.
Premium T Series, Premium TL Series and Premium TH Series:	Premium T, Premium TL and Premium TH Series units are intended for investors seeking stable monthly distributions. Premium T Series, Premium TL Series and Premium TH Series of Scotia Aria Portfolios may only be purchased by investors who meet the required minimum, as determined by the Manager from time to time.

2. Summary of Significant Accounting Policies

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(a) Basis of preparation

These interim financial statements of the Funds have been prepared in compliance with International Financial Reporting Standards ("IFRS") applicable to the preparation of interim financial statements including, International Accounting Standard ("IAS") 34, *Interim Financial Statements*.

The preparation of these financial statements in accordance with IFRS requires the use of judgment in applying accounting policies and to make estimates and assumptions concerning the future. Significant accounting judgments and estimates made by the Manager are disclosed in Note 3.

Accounting standards effective January 1, 2018

The Funds have adopted IFRS 9, *Financial Instruments* in the current reporting period commencing January 1, 2018. The adoption of IFRS 9 has been applied retrospectively and does not result in a change to the classification or measurement of financial instruments.

Previously under IAS 39, the Funds classified investments, including derivatives, as financial assets or financial liabilities at fair value through profit or loss. This category had two sub categories: financial assets and financial liabilities as either held for trading or designated at fair value through profit or loss at inception.

Financial assets or financial liabilities held for trading were those acquired principally for the purpose of selling or repurchasing in the near future or on initial recognition as part of an identical portfolio of financial instruments that were managed together for which there was evidence of actual short-term profit taking. Derivatives and short positions were included in this category.

Financial assets and financial liabilities at fair value through profit or loss at inception were financial instruments that were not classified as held for trading but were managed and their performance was evaluated on a fair value basis in accordance with the respective Fund's investment strategy.

On adoption of IFRS 9, all investments are classified as fair value through profit or loss.

(b) Financial instruments

Classification

The Funds classify investments, including derivatives and short positions, at fair value through profit or loss. Investment classification is based on both the Funds' business model for managing those investments and their contractual cash flow characteristics. The portfolio of investments is managed and performance is evaluated on a fair value basis. The Funds are primarily focused on fair value information and use that information to assess performance and to make decisions. The contractual cash flows of the Funds' debt securities are generally principal and interest, however, the collection of contractual cash flows is only incidental to achieving the Funds' business model's objective. Consequently, all investments are measured at fair value through profit or loss.

The Funds may sell securities short, in which a borrowed security is sold in anticipation of a decline in the market value of that security. Short sales are held for trading and are consequently classified as financial liabilities at fair value through profit or loss.

Derivatives include warrants, swaps, options, futures and forward currency contracts. Derivative contracts that have a negative fair value are classified as financial liabilities at fair value through profit or loss.

As such, the Funds classify all investments and derivatives as financial assets or liabilities at fair value through profit or loss.

The Funds' obligations for net assets attributable to holders of redeemable units are presented at the redemption amount.

Loans and receivables include receivable for securities sold, subscription receivable, accrued investment income and other, and mortgage payments receivables, and are measured at amortized cost.

All other financial liabilities, other than those classified as at fair value through profit or loss are measured at amortized cost.

Recognition and measurement

Regular purchases and sales of investments are recognized on the date on which the Funds initiate a trade to purchase or sell investments at fair value. Transaction costs are expensed as incurred in the Statements of Comprehensive Income. Financial assets and liabilities at fair value through profit or loss are measured at fair value as presented below. Gains and losses arising from changes in their fair value are included in the Statements of Comprehensive Income for the periods in which they arise.

(c) Fair value measurement and hierarchy of financial instruments

Fair value of a financial instrument is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (i.e. an exit price). Fair value of financial assets and liabilities traded in active markets (such as publicly traded derivatives and marketable securities) is based on quoted market prices at the close of trading on the reporting date. The Funds use the last traded market price for both financial assets and financial liabilities where the last traded price falls within that day's bid-ask spread. In circumstances where the last traded price is not within the bid-ask spread, the Manager determines the point within the bid-ask spread that is most representative of fair value based on the specific facts and circumstances.

The fair value of financial assets and liabilities that are not traded in an active market, including over-the-counter derivatives, is determined using valuation techniques. The Funds use a variety of methods and make assumptions that are based on market conditions existing at each reporting date. Valuation techniques include the use of comparable recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, option pricing models and other techniques commonly used by market participants which make the maximum use of observable inputs.

IFRS 13, *Fair value measurement*, requires the use and disclosure of a fair value hierarchy that categorizes into three levels the inputs to valuation techniques used to measure fair value of financial instruments. The fair value hierarchy gives the highest priority to quoted prices (unadjusted) in active markets and the lowest priority to unobservable inputs. The three level hierarchy based on inputs levels are defined as follows:

- Level 1: Fair value is based on unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2: Fair value is based on inputs other than unadjusted quoted prices included in level 1 that are observable for the assets or liabilities, either directly or indirectly; and
- Level 3: Fair value is based on at least one significant non-observable input that is not supported by market data for the financial assets or liabilities.

Changes in valuation methodology may result in transfers in and out of a level. The Funds' policy is to recognize these transfers as of the date of the event or circumstance giving rise to the transfer. The three level fair value hierarchy, transfers between levels and a reconciliation of level 3 financial instruments, as applicable, are disclosed in the respective Fund's "Fund Specific Notes".

The Manager is responsible for performing the fair value measurements included in the financial statements of the Funds, including level 3 measurements. The Manager obtains pricing from a third party pricing vendor, which is monitored and reviewed by the valuation team daily. At each financial reporting date, the Manager reviews and approves all level 3 fair value

measurements. The Manager also has a Valuation Committee which includes members of the finance team, as well as members of the investment counsel and compliance teams. The committee meets quarterly to perform detailed reviews of the valuations of investments held by the Funds.

Financial instruments are valued at their fair value as summarized below:

- (i) North American securities are valued at the closing market price recorded by the security exchange on which the security is principally traded. Non-North American equities are valued at fair value based on information provided by an independent pricing source.
- (ii) Fixed income securities, including bonds and mortgage-backed securities, are valued using quotations received from independent pricing sources.
- (iii) Short-term debt instruments are carried at amortized cost, which approximates fair value.
- (iv) Investments in Underlying Funds, as defined below, are valued based on the net asset value per unit provided by the Underlying Fund's manager at the end of each valuation date.
- (v) Unlisted warrants are valued using the Black-Scholes option valuation model. The model factors in the time value of money and the volatility inputs significant to such valuation. For purposes of determining Net Asset Value as defined below, unlisted warrants are valued at their intrinsic value.
- (vi) Mortgages held by Scotia Mortgage Income Fund are valued at their fair value using the prevailing rate of return on new mortgages of similar type and term.
- (vii) Commodities held in Funds are valued based on the quoted price provided by an independent pricing source.
- (viii) Options contracts are valued at their mid-price as reported by the principal exchange or the over-the-counter market on which the contract is traded. All transactions in over-the-counter options are executed using approved brokers with an approved credit rating.
- (ix) Futures contracts are valued at their close prices on each valuation date.
- (x) Open forward currency contracts are valued at the gain or loss that would arise as a result of closing the position on the valuation date.
- (xi) Centrally cleared swaps and over the counter swaps derive their value from underlying asset prices, indices, reference rates and other inputs or a combination of these factors. They are valued using a broker-dealer bid quotation or on market-based prices provided by an independent pricing source, which may use inputs that are observed from actively quoted markets such as the overnight index swap rate, London Interbank Offered Rate forward rate, interest rates, yield curves and credit spreads.

(d) Net Assets versus Net Asset Value

The Funds' accounting policies for measuring the fair value of their investments and derivatives are identical to those used in measuring their net asset value for transactions with unitholders in accordance with Part 14 of National Instrument 81-106 Investment Funds for Continuous Disclosure ("NI 81-106"), except where the last traded market price for financial assets and liabilities are not within the bid-ask spread or the Fund holds unlisted warrants, as described above. A comparison of the net assets per unit in accordance to IFRS ("Net Assets per unit") and the net assets per unit calculated in accordance to NI 81-106 ("Net Asset Value per unit") is presented in the "Fund Specific Notes" for each Fund, as applicable.

(e) Income recognition

Gains and losses arising from changes in fair value of non-derivative financial assets are shown in the Statements of Comprehensive Income as "Change in unrealized gain (loss) on non-derivative financial assets", and as "Net realized gain (loss) on non-derivative financial assets" when positions are sold.

Gains and losses arising from changes in fair value of securities sold short are shown in the Statements of Comprehensive Income as "Change in unrealized gain (loss) on non-derivative financial liabilities", and as "Net realized gain (loss) on non-derivative financial liabilities" when positions are closed out, where applicable.

Gains and losses arising from changes in fair value of derivatives are shown in the Statements of Comprehensive Income as "Change in unrealized gain (loss) on derivatives", and as "Net realized gain (loss) on derivatives" when positions are closed out or have expired, where applicable.

The premium received or paid on options purchased or written are included in the cost of the options. Any difference resulting from revaluation at the reporting date is treated as "Change in unrealized gain (loss) on derivatives", while the gains and losses realized when the position is closed is included in the Statements of Comprehensive Income as "Net realized gain (loss) on derivatives".

Dividend income and distributions from Underlying Funds are recognized on the ex-dividend date. Where applicable, interest and dividends on investments sold short are accrued as earned and are reported as a liability in the Statements of Financial Position in "Payable for interest and dividends on securities sold short" and in the Statements of Comprehensive Income in "Dividend and interest expense on securities sold short".

Distributions received from income trusts are recognized based on the nature of the underlying components such as dividend income, interest income, capital gains, and return of capital by applying previous year characterizations reported by the trust as current year characterizations are not available until the following year. The interest income component of the distributions received from Underlying Funds are included as part of "Interest for distribution purposes" in the Statements of Comprehensive Income.

Interest for distribution purposes represents the coupon interest received by the Funds, recognized on an accrual basis. The Funds do not amortize premiums paid or discounts received on the purchase of fixed income securities. Realized gains or losses on the sale of short-term debt instruments are recorded as an adjustment to “Interest for distribution purposes”.

For the Scotia Mortgage Income Fund, amortized guarantee fees are included in “Interest for distribution purposes”.

(f) Functional and presentation currency and foreign exchange translation

The functional and reporting currency for all Funds except Scotia U.S. \$ Money Market Fund, Scotia U.S. \$ Bond Fund, and Scotia U.S. \$ Balanced Fund (together the USD Funds) is the Canadian dollar. The functional and reporting currency for the USD Funds is the United States dollar. The functional currency is the currency of the primary economic environment in which the Funds operate, or where mixed indicators exist in the primary environment, the currency in which they primarily raise capital. Any currency other than functional currency represents foreign currency to the Funds. Amounts denominated in foreign currencies are converted into the functional currency as follows:

- (i) The fair values of investments, derivative contracts and monetary and non-monetary assets and liabilities at the rates of exchange prevailing as at the valuation date;
- (ii) Foreign income and expenses at the rates of exchange applicable on the respective dates of such transactions; and
- (iii) Purchase or sale of investments and investment income at the rate of exchange prevailing on the respective dates of such transactions.

Gains and losses on foreign exchange incurred in the Funds from monetary or non-monetary assets and liabilities other than investments and derivatives are shown in the Statements of Comprehensive Income as “Net realized and unrealized foreign currency translation gain (loss)”.

(g) Investments in unconsolidated structured entities

Certain Funds may invest in mutual funds, exchange-traded funds or closed-ended funds managed by the Manager or third party investment managers. The relevant Funds consider all investments in such instruments (“Underlying Funds”) to be investments in unconsolidated structured entities based on the fact that the decisions made by these Underlying Funds are not governed by voting rights or any other similar rights held by the Funds. The Funds account for these unconsolidated structured entities at fair value.

The Underlying Funds each have their own objectives and investment strategies which assist the Funds in achieving their investment objectives. The Underlying Funds primarily finance their operations by issuing redeemable units or shares which are puttable at the holder’s option in the case of mutual funds and exchange-traded funds or through issuing non-redeemable units or partnership interests in the case of closed-ended funds. The Underlying Funds entitle the holder to a proportional stake in the

respective fund’s net assets. The Funds hold units, shares or partnership interests in each of their Underlying Funds. These investments are included in “Non-derivative financial assets” in the Statements of Financial Position. The change in fair value of each Underlying Fund is included in the Statements of Comprehensive Income in “Change in unrealized gain (loss) on non-derivative financial assets”. The exposure to investments in Underlying Funds at fair value is disclosed in the Funds’ “Fund Specific Notes”. The Funds’ maximum exposure to loss from their interests in Underlying Funds is equal to the total carrying value of their investments in Underlying Funds.

Mortgage-backed securities or asset-backed securities are also considered to be unconsolidated structured entities. Mortgage-backed securities are formed by pooling various types of mortgages while asset-backed securities are formed by pooling assets such as auto loans, credit card receivables or student loans. An interest or claim to this future cash flow (interest and principal) is then sold in the form of debt or equity securities, which could be held by the Funds. The Funds account for these unconsolidated structured entities at fair value. The fair value of such securities, as disclosed in the Schedule of Investment Portfolio, as applicable, represents the maximum exposure to losses at that date.

(h) Redeemable units issued by the Funds

The Funds’ outstanding redeemable units qualify as “puttable instruments” and have been classified as liabilities as per the International Accounting Standard 32: *Financial Instruments: Presentation* (“IAS 32”) which states that units or shares of an entity that include a contractual obligation for the issuer to repurchase or redeem them for cash or another financial asset should be classified as financial liabilities.

The Trust Funds’ redeemable units’ entitlements include a contractual obligation to distribute any net income and net realized capital gains at least annually in cash (at the request of the unitholder) and therefore meet the contractual obligation requirement.

In addition, the Corporate Class Funds issue different series of units that are equally subordinated but have different features as outlined in these notes. These features violate criteria that are required in order for the redeemable units to be presented as equity under IAS 32. Consequently, the Funds’ outstanding redeemable units are classified as financial liabilities in these financial statements.

(i) Offsetting of financial instruments

Financial assets and liabilities are offset and the net amount is presented in the Statements of Financial Position only if there is an unconditional legal right to offset the amounts and there is an intention either to settle on a net basis or to realize the asset and settle the liability simultaneously. Income and expenses are presented on a net basis only when permitted under IFRS, for gains and losses arising from a group of similar transactions, such as gains and losses from financial instruments at fair value through profit or loss. Financial assets and liabilities that are subject to master netting or comparable agreements and the

related potential effect of offsetting are disclosed in the respective Fund's "Fund Specific Notes".

(j) Increase (decrease) in net assets attributable to holders of redeemable units per unit

"Increase (decrease) in net assets attributable to holders of redeemable units per unit" is disclosed in the Statements of Comprehensive Income and represents, for each series of units, the increase or decrease in net assets attributable to holders of redeemable units from operations for the period attributable to each series divided by the weighted average number of units outstanding for the corresponding series during the period.

(k) Short selling

If a Fund sells a security short, it will borrow that security from a broker to complete the sale. The Fund will incur a loss as a result of a short sale if the price of the borrowed security increases between the date of the short sale and the date on which the Fund closes out its short position by buying that security. There can be no assurance that a Fund will be able to close out a short position at an acceptable time or price. Until the Fund replaces a borrowed security, it will maintain a margin account with the broker containing cash and liquid securities such that the amount deposited as margin will be more than the current market value of the security sold short. The cash held on margin in respect of short sale activity is noted in the Statements of Financial Position in "Deposits with brokers for securities sold short", if applicable.

(l) Non-cash transactions

Non-cash transactions included in the Statements of Cash Flows include reinvested distributions from the underlying mutual funds and stock dividends from equity investments. These amounts represent non-cash income recognized in the Statements of Comprehensive Income.

(m) Comparative balances

Certain prior year balances have been reclassified in the financial statements in order to conform to the current year's classification of these financial statement items.

Purchased Options, Liability for written options, unrealized gain or loss on currency forward contracts, unrealized gain or loss on futures contracts, and unrealized gain or loss on swap contracts are now included in "Derivatives" on the Statements of Financial Position. Change in unrealized gain (loss) on options contracts, change in unrealized gain (loss) on forward contracts, change in unrealized gain (loss) on futures contracts, and change in unrealized gain (loss) on swap contracts are now included in "Change in unrealized gain (loss) on derivatives" in the Statements of Comprehensive Income and the Statements of Cash Flows. Net realized gain (loss) on options contracts, net realized gain (loss) on currency forward contracts, net realized gain (loss) on futures contracts, and net realized gain (loss) on swap contracts are now included in "Net realized gain (loss) on derivatives" in the Statements of Comprehensive Income and the Statements of Cash Flows.

Collateral deposited with brokers was reclassified from "Cash" to "Cash Collateral deposited on derivatives" or "Margin deposited

on derivatives" in the Statements of Financial Position and the Statements of Cash Flows.

3. Significant Accounting Judgments and Estimates

The preparation of financial statements requires the Manager to use judgment in applying its accounting policies and to make estimates and assumptions about the future. These estimates are made based on information available as at the date of issuance of the financial statements. Actual results could materially differ from those estimates. The following discusses the most significant accounting judgments and estimates that the Funds have made in preparing the financial statements:

Investment Entities

In accordance with IFRS 10: *Consolidated Financial Statements*, the Manager has determined that the Funds meet the definition of an Investment Entity which requires that the Funds obtain funds from one or more investors for the purpose of providing investment management services, commit to their investors that their business purpose is to invest funds solely for returns from capital appreciation, investment income, or both; and measure and evaluate the performance of their investments on a fair value basis. Consequently, the Funds do not consolidate their investment in subsidiaries, if any, but instead measure these at fair value through profit or loss, as required by the accounting standard.

Classification and measurement of financial instruments

In classifying and measuring certain financial instruments held by the Funds, the Manager is required to make significant judgments about whether or not the business model of the Funds is to manage their assets on a fair value basis and to realize those fair values, for the purpose of classifying all financial instruments as fair value through profit or loss under IFRS 9.

Fair value measurement of financial instruments not quoted in an active market

Key areas of estimation, where the Manager has made complex or subjective judgments, include the determination of fair values of financial instruments that are not quoted in an active market. The use of valuation techniques for financial instruments that are not quoted in an active market requires the Manager to make assumptions that are based on market conditions existing as at the date of the financial statements. Changes in these assumptions as a result of changes in market conditions could affect the reported fair value of financial instruments.

4. Discussion of Financial Instrument Risk

Each Fund's investment activities expose it to a variety of financial risks: market risk (including interest rate risk, currency risk, and other price risk), credit risk and liquidity risk. Each Fund's investment practices include portfolio monitoring to ensure compliance with stated investment guidelines. The Manager seeks to minimize

potential adverse effects of risks on each Fund's performance by employing and overseeing professional and experienced portfolio advisors that regularly monitor each Fund's securities and financial market developments. The risks are measured using a method that reflects the expected impact on the results and net assets attributable to unitholders of the Funds from reasonably possible changes in the relevant risk variables.

The Manager maintains a risk management practice that includes monitoring compliance with investment restrictions to ensure that the Funds are being managed in accordance with the Funds' stated investment objectives, strategies and securities regulations.

Some Funds invest in Underlying Funds. These Funds are indirectly exposed to market risk, credit risk, and liquidity risk in the event that the Underlying Funds invest in financial instruments that are subject to those risks.

A Fund's exposure to market risk, credit risk and liquidity risk, where applicable, is disclosed in the respective Fund's "Fund Specific Notes".

(a) Market risk

(i) Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect the future cash flows or the fair values of interest-bearing financial instruments. Each Fund's exposure to interest rate risk is concentrated in its investments in debt instruments (such as bonds and debentures) and interest rate sensitive derivative instruments, if any.

(ii) Currency risk

The Funds may invest in monetary and non-monetary assets denominated in currencies other than their functional currency. Currency risk is the risk that the value of foreign instruments will fluctuate due to changes in the foreign exchange rates of those currencies in relation to the Funds' functional currency. Funds may enter into currency forward contracts, currency futures contracts and/or foreign currency option contracts for hedging purposes to reduce their foreign currency risk exposure.

(iii) Price risk

Price risk is the risk that the fair value of a Fund's financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) caused by factors specific to a security, its issuer or all factors affecting a market or a market segment. Exposure to price risk is mainly in equities, Underlying Funds, derivatives and commodities. The maximum risk resulting from these financial instruments is equivalent to their fair value, except for written options, short sales and short futures contracts, where possible losses can be unlimited.

(b) Credit risk

Credit risk is the risk that the issuer of a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Funds. A Fund's investment in financial instruments such as bonds, debentures, money market instruments, preferred shares and derivatives represents the main concentration of credit risk. The fair value of financial instruments includes consideration of the

creditworthiness of the issuer, and accordingly, represents the maximum credit risk exposure to the Funds. All the transactions in listed securities and derivatives are settled or paid upon delivery using approved brokers with an approved credit rating. The risk of default with the counterparty is considered minimal, as delivery of securities sold is only made once the broker has received payment. Payment is only made on a purchase once the securities have been received by the broker.

The Trade Management Oversight Committee is responsible for regulatory evaluation and improvement of trade management policies and procedures, when applicable, and is also responsible for counterparty selection and oversight. The committee reviews counterparties regularly to ensure they still meet preapproved credit standards established by the committee. The counterparty policies and procedures established by the committee have been reviewed and approved by the Board of Directors of the Manager.

The Funds enter into transactions with approved counterparties with a designated rating in accordance with securities regulations.

The credit ratings reported in the financial statements for issuers of debt instruments, counterparties of derivative transactions, prime brokers and custodians, where applicable, are S&P Global Ratings' credit ratings or S&P Global Ratings equivalent for credit ratings from other approved rating agencies. In instances where the credit rating was to fall below the designated rating, the Manager would take appropriate action.

The Funds can also be exposed to credit risk to the extent that the Funds' custodian may not be able to settle trades for cash. Canadian securities regulations require that the Funds employ a custodian that meets certain capital requirements. These regulations state that, among other things, a fund's custodian be either a bank listed in Schedule I, II, or III of the Bank Act (Canada), or a company incorporated in Canada affiliated with a bank with shareholders' equity of not less than \$10,000,000. The Bank of Nova Scotia and State Street Trust Company Canada, as custodians of the funds, as applicable, meet all of the Canadian Securities Administrators' requirements to act as the custodian.

A Fund may enter into securities lending transactions with counterparties whereby the Fund temporarily exchanges securities for collateral with a commitment by the counterparty to deliver the same securities on a future date. Credit risk associated with these transactions is considered minimal as all counterparties have approved credit rating and the market value of cash or securities held as collateral must be at least 102% of the fair value of the securities loaned as at the end of each trading day.

(c) Liquidity risk

The Funds' exposure to liquidity risk arises primarily from the daily cash redemption of units. The Funds primarily invest in securities that are traded in active markets and can be readily disposed of. In addition, each Fund aims to retain sufficient cash and cash equivalent positions to maintain liquidity. The Funds may, from time to time, enter into over-the-counter derivative contracts or invest in securities that are not traded in an active market and may be illiquid. Illiquid securities are identified in the respective Fund's Schedule of Investment Portfolio, as applicable.

(d) Concentration risk

Concentrations of risk arise from financial instruments that have similar characteristics and are affected similarly by changes in economic or other conditions. The identification and disclosure of concentration risk is provided in the respective Fund's "Fund Specific Notes".

5. Management Fees

The Funds pay the Manager management fees for each series of securities, other than Series I. Management fees for Series I and Series K securities are paid directly by investors. The management fees cover the costs of managing the Funds, arranging for investment analysis, recommendations and investment decision making for the Funds, arranging for, distribution of the Funds, marketing and promotion of the Funds and providing or arranging for other services for the Funds.

The management fee for all Series except Series I and Series K is an annualized rate based on the net asset value of each series of the Funds. The management fee for Series I is negotiated and paid directly by its unitholders and not by the Funds. No management fees are charged by the Manager in respect of the Series K units of the funds. The management fees paid by the Funds are calculated and accrued daily and payable monthly on the first business day of the following calendar month.

The Manager may reduce the effective management fee payable by clients who invest large amounts in a particular Fund by waiving a portion of the management fee that it would otherwise be entitled to receive from the Fund or a securityholder and directing the Fund to make a management fee distribution, in the case of clients of the Trust Funds, or a management fee rebate, in the case of clients of the Corporate Class Funds, in the amount of such waiver. All management fee distributions and management fee rebates are automatically reinvested in additional shares/units of the relevant series of the Funds.

As the money market yields have remained low during the period, the Manager has opted to waive a portion of the management fees for Scotia T-Bill Fund, Scotia Premium T-Bill Fund, Scotia Money Market Fund and Scotia U.S. \$ Money Market Fund that otherwise would have been charged. Waived fees are included in absorbed expenses in the Statements of Comprehensive Income. The Manager may discontinue waiving fees and expenses at any time, without notice.

There is no duplication of management fees, sales charges or redemption fees between the Funds and the Underlying Funds held directly by them, if any. The Manager is entitled to an annual management fee, exclusive of sales taxes, as follows:

Trust Funds	% of Net Asset Value											
	Series A	Advisor Series	Series D	Series F	Series M	Series T	Series TL	Series TH	Premium Series	Premium T Series	Premium TL Series	Premium TH Series
Scotia Aria Conservative Build Portfolio	1.20	—	—	—	—	—	—	—	1.20	—	—	—
Scotia Aria Conservative Defend Portfolio (formerly Scotia Aria Conservative Core Portfolio)	1.20	—	—	—	—	1.20	1.20	1.20	1.20	1.20	1.20	1.20
Scotia Aria Conservative Pay Portfolio	1.20	—	—	—	—	1.20	1.20	1.20	1.20	1.20	1.20	1.20
Scotia Aria Moderate Build Portfolio	1.40	—	—	—	—	—	—	—	1.40	—	—	—
Scotia Aria Moderate Defend Portfolio (formerly Scotia Aria Moderate Core Portfolio)	1.40	—	—	—	—	1.40	1.40	1.40	1.40	1.40	1.40	1.40
Scotia Aria Moderate Pay Portfolio	1.40	—	—	—	—	1.40	1.40	1.40	1.40	1.40	1.40	1.40
Scotia Aria Progressive Build Portfolio	1.60	—	—	—	—	—	—	—	1.60	—	—	—
Scotia Aria Progressive Defend Portfolio (formerly Scotia Aria Progressive Core Portfolio)	1.60	—	—	—	—	1.60	1.60	1.60	1.60	1.60	1.60	1.60
Scotia Aria Progressive Pay Portfolio	1.60	—	—	—	—	1.60	1.60	1.60	1.60	1.60	1.60	1.60
Scotia Balanced Opportunities Fund	1.65	1.65	0.90	0.85	—	—	—	—	—	—	—	—
Scotia Bond Fund	1.10	—	—	—	0.10	—	—	—	—	—	—	—
Scotia Canadian Balanced Fund	1.65	—	0.90	0.85	—	—	—	—	—	—	—	—
Scotia Canadian Blue Chip Fund	1.75	—	—	0.90	—	—	—	—	—	—	—	—
Scotia Canadian Bond Index Fund	0.70	—	0.50	0.35	—	—	—	—	—	—	—	—
Scotia Canadian Dividend Fund	1.50	1.50	—	0.70	0.10	—	—	—	—	—	—	—
Scotia Canadian Growth Fund	1.75	1.75	—	0.90	—	—	—	—	—	—	—	—
Scotia Canadian Income Fund	1.10	1.10	—	0.60	0.10	—	—	—	—	—	—	—
Scotia Canadian Index Fund	0.80	—	0.60	0.40	—	—	—	—	—	—	—	—
Scotia Canadian Small Cap Fund	1.75	—	—	0.90	0.10	—	—	—	—	—	—	—
Scotia CanAm Index Fund	0.80	—	—	0.40	—	—	—	—	—	—	—	—
Scotia Conservative Income Fund	1.10	—	—	—	—	—	—	—	—	—	—	—
Scotia Diversified Monthly Income Fund	1.25	1.25	0.90	0.63	—	—	—	—	—	—	—	—
Scotia Dividend Balanced Fund	1.65	—	0.90	—	—	—	—	—	—	—	—	—
Scotia European Fund	1.75	—	—	0.90	—	—	—	—	—	—	—	—
Scotia Floating Rate Income Fund	—	—	—	—	0.07	—	—	—	—	—	—	—
Scotia Global Balanced Fund	1.65	—	0.90	—	—	—	—	—	—	—	—	—
Scotia Global Bond Fund	1.10	—	—	0.60	—	—	—	—	—	—	—	—
Scotia Global Dividend Fund	1.50	—	—	—	—	—	—	—	—	—	—	—
Scotia Global Growth Fund	1.75	1.75	—	0.90	—	—	—	—	—	—	—	—
Scotia Global Opportunities Fund	1.75	1.75	—	0.90	—	—	—	—	—	—	—	—
Scotia Global Small Cap Fund	1.75	—	—	0.90	—	—	—	—	—	—	—	—
Scotia Income Advantage Fund	1.65	—	0.90	—	0.10	—	—	—	—	—	—	—
Scotia INNOVA Balanced Growth Portfolio	1.80	—	—	—	—	1.80	—	—	—	—	—	—
Scotia INNOVA Balanced Income Portfolio	1.70	—	—	—	—	1.70	—	—	—	—	—	—
Scotia INNOVA Growth Portfolio	1.90	—	—	—	—	1.90	—	—	—	—	—	—
Scotia INNOVA Income Portfolio	1.60	—	—	—	—	1.60	—	—	—	—	—	—

% of Net Asset Value

Trust Funds	Advisor								Premium	Premium T	Premium TL	Premium TH
	Series A	Series	Series D	Series F	Series M	Series T	Series TL	Series TH	Series	Series	Series	Series
Scotia INNOVA Maximum Growth Portfolio	2.00	-	-	-	-	2.00	-	-	-	-	-	-
Scotia International Index Fund	0.80	-	0.60	0.40	-	-	-	-	-	-	-	-
Scotia International Value Fund	1.75	1.75	-	0.90	-	-	-	-	-	-	-	-
Scotia Latin American Fund	1.75	-	-	0.90	-	-	-	-	-	-	-	-
Scotia Money Market Fund	0.75	1.00	-	-	0.10	-	-	-	0.30	-	-	-
Scotia Mortgage Income Fund	1.10	-	-	0.60	0.07	-	-	-	-	-	-	-
Scotia Nasdaq Index Fund	0.80	-	0.60	0.40	-	-	-	-	-	-	-	-
Scotia Pacific Rim Fund	1.75	-	-	0.90	-	-	-	-	-	-	-	-
Scotia Partners Balanced Growth Portfolio	1.95	-	-	0.95	-	1.95	-	-	-	-	-	-
Scotia Partners Balanced Income Portfolio	1.85	-	-	0.85	-	1.85	-	-	-	-	-	-
Scotia Partners Growth Portfolio	2.05	-	-	1.05	-	2.05	-	-	-	-	-	-
Scotia Partners Income Portfolio	1.75	-	-	-	-	1.75	-	-	-	-	-	-
Scotia Partners Maximum Growth Portfolio	2.15	-	-	1.15	-	2.15	-	-	-	-	-	-
Scotia Premium T-Bill Fund	0.50	-	-	-	-	-	-	-	-	-	-	-
Scotia Private Canadian Corporate Bond Pool	-	-	-	-	0.10	-	-	-	-	-	-	-
Scotia Private Canadian Equity Pool	-	-	-	-	0.10	-	-	-	-	-	-	-
Scotia Private Canadian Preferred Share Pool	-	-	-	-	0.30	-	-	-	-	-	-	-
Scotia Private Global Low Volatility Equity Pool	-	-	-	-	0.55	-	-	-	-	-	-	-
Scotia Private International Core Equity Pool	-	-	-	-	0.30	-	-	-	-	-	-	-
Scotia Private North American Dividend Pool	-	-	-	-	0.10	-	-	-	-	-	-	-
Scotia Private Options Income Pool	-	-	-	-	0.10	-	-	-	-	-	-	-
Scotia Private Real Estate Income Pool	-	-	-	-	0.30	-	-	-	-	-	-	-
Scotia Private Short-Mid Government Bond Pool	-	-	-	-	0.10	-	-	-	-	-	-	-
Scotia Private Total Return Bond Pool	-	-	-	-	0.10	-	-	-	-	-	-	-
Scotia Private U.S. Dividend Pool	-	-	-	-	0.30	-	-	-	-	-	-	-
Scotia Resource Fund	1.75	-	-	0.90	-	-	-	-	-	-	-	-
Scotia Selected Balanced Growth Portfolio	1.70	1.70	-	0.70	-	-	-	-	-	-	-	-
Scotia Selected Balanced Income Portfolio	1.60	1.60	-	0.60	-	-	-	-	-	-	-	-
Scotia Selected Growth Portfolio	1.80	1.80	-	0.80	-	-	-	-	-	-	-	-
Scotia Selected Income Portfolio	1.50	-	-	-	-	-	-	-	-	-	-	-
Scotia Selected Maximum Growth Portfolio	1.90	1.90	-	0.90	-	-	-	-	-	-	-	-
Scotia Short Term Bond Fund	-	-	-	-	0.10	-	-	-	-	-	-	-
Scotia T-Bill Fund	0.75	-	-	-	-	-	-	-	-	-	-	-
Scotia U.S. \$ Balanced Fund	1.65	-	-	-	-	-	-	-	-	-	-	-
Scotia U.S. \$ Bond Fund	1.10	-	-	0.60	-	-	-	-	-	-	-	-
Scotia U.S. \$ Money Market Fund	1.00	-	-	-	0.10	-	-	-	-	-	-	-
Scotia U.S. Blue Chip Fund	1.75	-	-	0.90	-	-	-	-	-	-	-	-
Scotia U.S. Dividend Fund	1.50	-	-	-	-	-	-	-	-	-	-	-
Scotia U.S. Index Fund	0.80	-	0.60	0.40	-	-	-	-	-	-	-	-
Scotia U.S. Opportunities Fund	1.75	-	-	0.90	-	-	-	-	-	-	-	-
Corporate Classes												
Scotia Canadian Dividend Class	1.50	-	-	-	-	-	-	-	-	-	-	-
Scotia Canadian Equity Blend Class	1.75	-	-	-	-	-	-	-	-	-	-	-
Scotia Conservative Government Bond Capital Yield Class	1.10	-	-	-	-	-	-	-	-	-	-	-
Scotia Fixed Income Blend Class	1.10	-	-	-	-	-	-	-	-	-	-	-
Scotia Global Dividend Class	1.50	-	-	-	-	-	-	-	-	-	-	-
Scotia INNOVA Balanced Growth Portfolio Class	1.80	-	-	-	-	1.80	-	-	-	-	-	-
Scotia INNOVA Balanced Income Portfolio Class	1.70	-	-	-	-	1.70	-	-	-	-	-	-
Scotia INNOVA Growth Portfolio Class	1.90	-	-	-	-	1.90	-	-	-	-	-	-
Scotia INNOVA Income Portfolio Class	1.60	-	-	-	-	-	-	-	-	-	-	-
Scotia INNOVA Maximum Growth Portfolio Class	2.00	-	-	-	-	2.00	-	-	-	-	-	-
Scotia International Equity Blend Class	1.75	-	-	-	-	-	-	-	-	-	-	-
Scotia Partners Balanced Growth Portfolio Class	1.95	-	-	-	-	1.95	-	-	-	-	-	-
Scotia Partners Balanced Income Portfolio Class	1.85	-	-	-	-	1.85	-	-	-	-	-	-
Scotia Partners Growth Portfolio Class	2.05	-	-	-	-	2.05	-	-	-	-	-	-
Scotia Partners Maximum Growth Portfolio Class	2.15	-	-	-	-	2.15	-	-	-	-	-	-
Scotia U.S. Equity Blend Class	1.75	-	-	-	-	-	-	-	-	-	-	-

6. Fixed Administration Fees and Operating Expenses

The Manager pays certain operating expenses of the Funds (“FAF Funds”), other than Scotia T-Bill Fund, Scotia Premium T-Bill Fund, Scotia Money Market Fund and Scotia U.S. \$ Money Market Fund as well as Advisor Series of the Funds and Series F of Scotia Canadian Blue Chip Fund and Scotia Global Growth Fund. These expenses include regulatory filing fees and other day-to-day operating expenses including, but not limited to, transfer agency and recordkeeping, accounting and

fund valuation costs, custody fees, audit and legal fees, administration costs, bank charges, costs of preparing and distributing annual and semi-annual reports, prospectuses, annual information forms, Fund Facts and statements, investor communications and continuous disclosure materials. The Manager is not obligated to pay any other expense, cost or fee, including those arising from new government or regulatory requirements relating to the foregoing expenses, costs and fees. In return, each series of the FAF Funds pays a Fixed Administration Fee to the Manager (the “Fixed Administration Fee”).

In addition to the Fixed Administration Fee, each series of the FAF Funds pays certain operating expenses directly, referred to as “Other Fund Costs”. These include the costs and expenses related to the Independent Review Committee (“IRC”) of the Funds, the ongoing audit costs associated with compliance with IFRS, the cost of any new government or regulatory requirements, including compliance with the Volcker Rule under *Dodd Frank Wall Street Reform and Consumer Protection Act* and other applicable U.S. regulations, any new fees introduced by securities regulators or other government authority that is based on the assets or other criteria of the Funds, any transaction costs, including all fees and costs related to derivatives, and any borrowing costs, and taxes (including, but not limited to, GST or HST, as applicable). Refer to the simplified prospectus of the Funds for more details on Other Fund Costs. Other Fund Costs will be allocated among the Funds and each series of the Funds is allocated its own expenses and its proportionate share of these expenses that are common to all series.

The Fixed Administration Fee does not apply to Scotia T-Bill Fund, Scotia Premium T-Bill Fund, Scotia Money Market Fund, Scotia U.S. \$ Money Market Fund, Advisor Series units of the Funds and Series F units of Scotia Canadian Blue Chip Fund and Scotia Global Growth Fund. These Funds and Series pay their share of all expenses common to the Funds along with Series specific expenses relevant to each series. (“Operating Expenses”). Operating expenses may include legal fees and other costs incurred in order to comply with legal and

regulatory requirements and policies, audit fees, taxes, brokerage commissions, unitholder communication costs and other administrative costs. Examples of other administrative costs include departmental expenses incurred and paid by the Manager which support the daily operation of the funds. These expenses also include the costs in connection with the operation of the IRC (such as the costs of holding meetings, insurance premiums for the IRC, and fees and expenses of any advisor engaged by the IRC), the fees paid to each IRC member, and the reasonable expenses associated with the performance of his or her duties as an IRC member. Expenses paid by Series F of Scotia Canadian Blue Chip Fund, Scotia Global Growth Fund and the Advisor Series units of Funds are included in “Fund administration fee and operating expenses” in the Statements of Comprehensive Income of the respective Funds.

The Manager may, in some years and in certain cases, pay a portion of a Series’ Fixed Administration Fee, Other Fund Costs or Operating Expenses. The Fixed Administration Fee, Other Fund Costs and Operating Expenses are included in the management expense ratio of the series of a Fund.

The Fixed Administration Fee, Other Fund Costs and Operating Expense are accrued daily and paid monthly. The maximum annual rates of the Fixed Administration Fee, which are a percentage of the net asset value for each series of units of each Fund, are as follows:

Trust Funds	% of Net Asset Value													
	Advisor										Premium			
	Series A	Series	Series D	Series F	Series I	Series K	Series M	Series T	Series TL	Series TH	Series	Series	Series	Series
Scotia Aria Conservative Build Portfolio	0.10	-	-	-	-	-	-	-	-	-	0.10	-	-	-
Scotia Aria Conservative Defend Portfolio (formerly Scotia Aria Conservative Core Portfolio)	0.10	-	-	-	-	-	-	0.10	0.10	0.10	0.10	0.10	0.10	0.10
Scotia Aria Conservative Pay Portfolio	0.10	-	-	-	-	-	-	0.10	0.10	0.10	0.10	0.10	0.10	0.10
Scotia Aria Moderate Build Portfolio	0.10	-	-	-	-	-	-	-	-	-	0.10	-	-	-
Scotia Aria Moderate Defend Portfolio (formerly Scotia Aria Moderate Core Portfolio)	0.10	-	-	-	-	-	-	0.10	0.10	0.10	0.10	0.10	0.10	0.10
Scotia Aria Moderate Pay Portfolio	0.10	-	-	-	-	-	-	0.10	0.10	0.10	0.10	0.10	0.10	0.10
Scotia Aria Progressive Build Portfolio	0.10	-	-	-	-	-	-	-	-	-	0.10	-	-	-
Scotia Aria Progressive Defend Portfolio (formerly Scotia Aria Progressive Core Portfolio)	0.10	-	-	-	-	-	-	0.10	0.10	0.10	0.10	0.10	0.10	0.10
Scotia Aria Progressive Pay Portfolio	0.10	-	-	-	-	-	-	0.10	0.10	0.10	0.10	0.10	0.10	0.10
Scotia Balanced Opportunities Fund	0.11	-	0.11	0.11	-	-	-	-	-	-	-	-	-	-
Scotia Bond Fund	0.07	-	-	-	0.02	-	0.02	-	-	-	-	-	-	-
Scotia Canadian Balanced Fund	0.09	-	0.09	0.09	-	-	-	-	-	-	-	-	-	-
Scotia Canadian Blue Chip Fund	0.11	-	-	-	0.06	-	-	-	-	-	-	-	-	-
Scotia Canadian Bond Index Fund	0.06	-	0.06	0.06	0.03	-	-	-	-	-	-	-	-	-
Scotia Canadian Dividend Fund	0.06	-	-	0.06	0.02	0.20	0.02	-	-	-	-	-	-	-
Scotia Canadian Growth Fund	0.13	-	-	0.13	0.04	-	-	-	-	-	-	-	-	-
Scotia Canadian Income Fund	0.07	-	-	0.07	0.02	0.11	0.02	-	-	-	-	-	-	-
Scotia Canadian Index Fund	0.10	-	0.10	0.10	0.06	-	-	-	-	-	-	-	-	-
Scotia Canadian Small Cap Fund	0.26	-	-	0.26	0.10	0.25	0.23	-	-	-	-	-	-	-
Scotia CanAm Index Fund	0.17	-	-	0.17	-	-	-	-	-	-	-	-	-	-
Scotia Conservative Income Fund	0.10	-	-	-	-	-	-	-	-	-	-	-	-	-
Scotia Diversified Monthly Income Fund	0.06	-	0.06	0.06	-	-	-	-	-	-	-	-	-	-
Scotia Dividend Balanced Fund	0.08	-	0.08	-	0.05	-	-	-	-	-	-	-	-	-
Scotia European Fund	0.35	-	-	0.35	0.10	-	-	-	-	-	-	-	-	-
Scotia Floating Rate Income Fund	-	-	-	-	0.03	0.11	0.05	-	-	-	-	-	-	-
Scotia Global Balanced Fund	0.15	-	0.15	-	0.05	-	-	-	-	-	-	-	-	-
Scotia Global Bond Fund	0.30	-	-	0.30	0.07	-	-	-	-	-	-	-	-	-
Scotia Global Dividend Fund	0.12	-	-	-	0.05	-	-	-	-	-	-	-	-	-
Scotia Global Growth Fund	0.25	-	-	-	0.04	-	-	-	-	-	-	-	-	-
Scotia Global Opportunities Fund	0.35	-	-	0.35	0.06	-	-	-	-	-	-	-	-	-
Scotia Global Small Cap Fund	0.17	-	-	0.17	0.09	-	-	-	-	-	-	-	-	-
Scotia Income Advantage Fund	0.07	-	0.07	-	-	0.15	0.04	-	-	-	-	-	-	-
Scotia INNOVA Balanced Growth Portfolio	0.03	-	-	-	-	-	-	0.03	-	-	-	-	-	-

% of Net Asset Value

Trust Funds	Advisor										Premium	Premium T	Premium TL	Premium TH
	Series A	Series	Series D	Series F	Series I	Series K	Series M	Series T	Series TL	Series TH	Series	Series	Series	Series
Scotia INNOVA Balanced Income Portfolio	0.03	-	-	-	-	-	-	0.03	-	-	-	-	-	-
Scotia INNOVA Growth Portfolio	0.03	-	-	-	-	-	-	0.03	-	-	-	-	-	-
Scotia INNOVA Income Portfolio	0.03	-	-	-	-	-	-	0.03	-	-	-	-	-	-
Scotia INNOVA Maximum Growth Portfolio	0.04	-	-	-	-	-	-	0.04	-	-	-	-	-	-
Scotia International Index Fund	0.32	-	0.32	0.32	0.09	-	-	-	-	-	-	-	-	-
Scotia International Value Fund	0.35	-	-	0.35	0.07	-	-	-	-	-	-	-	-	-
Scotia Latin American Fund	0.33	-	-	0.33	0.10	-	-	-	-	-	-	-	-	-
Scotia Mortgage Income Fund	0.25	-	-	0.25	0.25	0.25	0.25	-	-	-	-	-	-	-
Scotia Nasdaq Index Fund	0.23	-	0.23	0.23	-	-	-	-	-	-	-	-	-	-
Scotia Pacific Rim Fund	0.35	-	-	0.35	0.10	-	-	-	-	-	-	-	-	-
Scotia Partners Balanced Growth Portfolio	0.04	-	-	0.04	-	-	-	0.04	-	-	-	-	-	-
Scotia Partners Balanced Income Portfolio	0.05	-	-	0.05	-	-	-	0.05	-	-	-	-	-	-
Scotia Partners Growth Portfolio	0.04	-	-	0.04	-	-	-	0.04	-	-	-	-	-	-
Scotia Partners Income Portfolio	0.05	-	-	-	-	-	-	0.05	-	-	-	-	-	-
Scotia Partners Maximum Growth Portfolio	0.05	-	-	0.05	-	-	-	0.05	-	-	-	-	-	-
Scotia Private Canadian All Cap Equity Pool	-	-	-	-	0.07	-	-	-	-	-	-	-	-	-
Scotia Private Canadian Corporate Bond Pool	-	-	-	-	0.02	0.11	0.02	-	-	-	-	-	-	-
Scotia Private Canadian Equity Pool	-	-	-	-	0.02	0.20	0.02	-	-	-	-	-	-	-
Scotia Private Canadian Preferred Share Pool	-	-	-	-	0.02	0.20	0.03	-	-	-	-	-	-	-
Scotia Private Fundamental Canadian Equity Pool	-	-	-	-	0.07	-	-	-	-	-	-	-	-	-
Scotia Private Global Credit Pool	-	-	-	-	0.04	-	-	-	-	-	-	-	-	-
Scotia Private Global Low Volatility Equity Pool	-	-	-	-	-	-	0.10	-	-	-	-	-	-	-
Scotia Private International Core Equity Pool	-	-	-	-	0.09	0.25	0.18	-	-	-	-	-	-	-
Scotia Private North American Dividend Pool	-	-	-	-	-	0.25	0.05	-	-	-	-	-	-	-
Scotia Private Options Income Pool	-	-	-	-	0.07	0.25	0.10	-	-	-	-	-	-	-
Scotia Private Real Estate Income Pool	-	-	-	-	0.10	0.25	0.06	-	-	-	-	-	-	-
Scotia Private Short-Mid Government Bond Pool	-	-	-	-	0.02	0.11	0.02	-	-	-	-	-	-	-
Scotia Private Total Return Bond Pool	-	-	-	-	-	-	0.02	-	-	-	-	-	-	-
Scotia Private U.S. Dividend Pool	-	-	-	-	0.04	0.25	0.02	-	-	-	-	-	-	-
Scotia Resource Fund	0.16	-	-	0.16	0.10	-	-	-	-	-	-	-	-	-
Scotia Selected Balanced Growth Portfolio	0.05	-	-	0.05	-	-	-	-	-	-	-	-	-	-
Scotia Selected Balanced Income Portfolio	0.05	-	-	0.05	-	-	-	-	-	-	-	-	-	-
Scotia Selected Growth Portfolio	0.05	-	-	0.04	-	-	-	-	-	-	-	-	-	-
Scotia Selected Income Portfolio	0.05	-	-	-	-	-	-	-	-	-	-	-	-	-
Scotia Selected Maximum Growth Portfolio	0.07	-	-	0.07	-	-	-	-	-	-	-	-	-	-
Scotia Short Term Bond Fund	-	-	-	-	0.03	0.11	0.03	-	-	-	-	-	-	-
Scotia U.S. \$ Balanced Fund	0.09	-	-	-	-	-	-	-	-	-	-	-	-	-
Scotia U.S. \$ Bond Fund	0.06	-	-	0.06	-	-	-	-	-	-	-	-	-	-
Scotia U.S. Blue Chip Fund	0.25	-	-	0.25	0.07	-	-	-	-	-	-	-	-	-
Scotia U.S. Dividend Fund	0.24	-	-	-	0.03	-	-	-	-	-	-	-	-	-
Scotia U.S. Index Fund	0.17	-	0.17	0.17	0.07	-	-	-	-	-	-	-	-	-
Scotia U.S. Opportunities Fund	0.35	-	-	0.35	0.10	-	-	-	-	-	-	-	-	-
Corporate Classes														
Scotia Canadian Dividend Class	0.10	-	-	-	-	-	-	-	-	-	-	-	-	-
Scotia Canadian Equity Blend Class	0.15	-	-	-	-	-	-	-	-	-	-	-	-	-
Scotia Conservative Government Bond Capital Yield Class	0.10	-	-	-	-	-	-	-	-	-	-	-	-	-
Scotia Fixed Income Blend Class	0.10	-	-	-	-	-	-	-	-	-	-	-	-	-
Scotia Global Dividend Class	0.30	-	-	-	-	-	-	-	-	-	-	-	-	-
Scotia INNOVA Balanced Growth Portfolio Class	0.10	-	-	-	-	-	-	0.10	-	-	-	-	-	-
Scotia INNOVA Balanced Income Portfolio Class	0.10	-	-	-	-	-	-	0.10	-	-	-	-	-	-
Scotia INNOVA Growth Portfolio Class	0.10	-	-	-	-	-	-	0.10	-	-	-	-	-	-
Scotia INNOVA Income Portfolio Class	0.10	-	-	-	-	-	-	-	-	-	-	-	-	-
Scotia INNOVA Maximum Growth Portfolio Class	0.10	-	-	-	-	-	-	0.10	-	-	-	-	-	-
Scotia International Equity Blend Class	0.30	-	-	-	-	-	-	-	-	-	-	-	-	-
Scotia Partners Balanced Growth Portfolio Class	0.10	-	-	-	-	-	-	0.10	-	-	-	-	-	-
Scotia Partners Balanced Income Portfolio Class	0.10	-	-	-	-	-	-	0.10	-	-	-	-	-	-
Scotia Partners Growth Portfolio Class	0.10	-	-	-	-	-	-	0.10	-	-	-	-	-	-
Scotia Partners Maximum Growth Portfolio Class	0.10	-	-	-	-	-	-	0.10	-	-	-	-	-	-
Scotia U.S. Equity Blend Class	0.20	-	-	-	-	-	-	-	-	-	-	-	-	-

7. Redeemable Units

Units issued and outstanding represent the capital of each Fund. Each of the Funds may issue an unlimited number of units. Each unit is redeemable at the option of the unitholder in accordance with the Declaration of Trust or articles of incorporation, ranks equally with all other units of the Funds and entitles the unitholder to a proportionate undivided interest in the Net Asset Value of the Funds. Unitholders are entitled to distributions when declared. Distributions on units of a Fund are reinvested in additional units of the Fund or at the option of the unitholder, paid in cash. The Funds' capital is managed in accordance with each of the Funds' investment objectives, policies and restrictions, as outlined in the Funds' prospectus. The Funds have no

specific restrictions or specific capital requirements on the subscriptions or redemptions of units, other than minimum subscription requirements.

The units of each series of the Funds are issued and redeemed at their Net Asset Value per unit of each series which is determined as of the close of business on each day that the Toronto Stock Exchange is open for trading. The Net Asset Value per unit is calculated by dividing the Net Asset Value per Series by the total number of outstanding units of each series.

For the periods ended June 30, 2018 and 2017, the following number of units were issued, reinvested and redeemed:

Trust Funds	June 2018					June 2017				
	Opening Units	Units Issued	Units Reinvested	Units Redeemed	Ending Units	Opening Units	Units Issued	Units Reinvested	Units Redeemed	Ending Units
Scotia Aria Conservative Build Portfolio										
Premium Series Units	4,226,612	4,128,571	–	610,132	7,745,051	809,700	550,437	–	136,306	1,223,831
Series A Units	–	–	–	–	–	1,243,375	916,862	–	106,777	2,053,460
Scotia Aria Conservative Defend Portfolio (formerly Scotia Aria Conservative Core Portfolio)										
Series A Units	–	–	–	–	–	4,523,974	2,891,984	–	465,920	6,950,038
Series T Units	–	–	–	–	–	94,526	62,991	338	3,809	154,046
Series TH Units	–	–	–	–	–	132,789	66,771	1,218	5,240	195,538
Series TL Units	–	–	–	–	–	27,835	8,997	3	8,714	28,121
Premium Series Units	14,280,443	6,469,972	–	1,746,302	19,004,113	4,144,569	1,338,856	–	288,026	5,195,399
Premium T Series Units	628,956	128,515	2,249	91,193	668,527	263,387	171,732	1,137	29,518	406,738
Premium TH Series Units	763,798	220,544	5,193	189,920	799,615	399,741	131,959	4,415	15,759	520,356
Premium TL Series Units	119,176	–	–	7,859	111,317	107,327	7,811	2	23,462	91,678
Scotia Aria Conservative Pay Portfolio										
Series A Units	–	–	–	–	–	2,770,312	1,615,391	–	260,228	4,125,475
Series T Units	–	–	–	–	–	347,050	100,987	916	43,221	405,732
Series TH Units	–	–	–	–	–	230,235	209,175	2,291	63,450	378,251
Series TL Units	–	–	–	–	–	60,610	–	114	3,961	56,763
Premium Series Units	10,234,612	4,766,997	–	1,266,746	13,734,863	3,202,756	765,329	–	277,640	3,690,445
Premium T Series Units	1,216,961	374,523	4,393	118,588	1,477,289	532,169	190,462	1,151	144,401	579,381
Premium TH Series Units	1,515,180	446,243	7,836	350,395	1,618,864	834,745	441,381	5,159	199,125	1,082,160
Premium TL Series Units	315,244	190,365	300	53,282	452,627	144,692	57,820	321	33,083	169,750
Scotia Aria Moderate Build Portfolio										
Premium Series Units	11,915,266	6,073,098	–	1,179,766	16,808,598	2,271,471	1,138,888	–	212,575	3,197,784
Series A Units	–	–	–	–	–	3,781,260	2,934,422	–	245,425	6,470,257
Scotia Aria Moderate Defend Portfolio (formerly Scotia Aria Moderate Core Portfolio)										
Series A Units	–	–	–	–	–	9,492,221	6,985,018	–	753,818	15,723,421
Series T Units	–	–	–	–	–	157,076	109,274	1,667	19,055	248,962
Series TH Units	–	–	–	–	–	284,422	121,771	2,056	15,712	392,537
Series TL Units	–	–	–	–	–	30,352	3,617	86	–	34,055
Premium Series Units	31,482,864	12,555,722	–	3,237,669	40,800,917	8,094,413	3,423,745	–	765,182	10,752,976
Premium T Series Units	851,347	183,321	5,417	137,284	902,801	392,217	245,374	4,472	33,151	608,912
Premium TH Series Units	1,249,661	281,201	5,752	157,305	1,379,309	680,665	228,283	2,217	29,377	881,788
Premium TL Series Units	195,921	69,846	1,161	23,355	243,573	41,055	72,420	596	67	114,004
Scotia Aria Moderate Pay Portfolio										
Series A Units	–	–	–	–	–	3,238,939	2,167,697	–	330,167	5,076,469
Series T Units	–	–	–	–	–	210,623	131,666	2,493	50,700	294,082
Series TH Units	–	–	–	–	–	353,145	151,916	3,090	41,967	466,184
Series TL Units	–	–	–	–	–	83,499	31,020	205	232	114,492
Premium Series Units	10,475,362	4,835,704	–	1,290,232	14,020,834	2,353,960	1,033,450	–	156,785	3,230,625
Premium T Series Units	1,155,145	382,994	4,683	83,619	1,459,203	685,609	232,936	2,003	162,174	758,374
Premium TH Series Units	1,697,750	467,881	7,453	210,325	1,962,759	894,351	246,627	1,488	13,015	1,129,451
Premium TL Series Units	562,620	96,981	1,448	111,730	549,319	250,648	117,563	1,087	433	368,865
Scotia Aria Progressive Build Portfolio										
Premium Series Units	14,784,655	10,298,472	–	1,213,153	23,869,974	2,680,580	1,418,384	–	207,971	3,890,993
Series A Units	–	–	–	–	–	5,047,461	3,624,953	–	326,589	8,345,825

Trust Funds	June 2018					June 2017				
	Opening Units	Units Issued	Units Reinvested	Units Redeemed	Ending Units	Opening Units	Units Issued	Units Reinvested	Units Redeemed	Ending Units
Scotia Aria Progressive Defend Portfolio (formerly Scotia Aria Progressive Core Portfolio)										
Series A Units	–	–	–	–	–	7,353,245	5,042,346	–	529,881	11,865,710
Series T Units	–	–	–	–	–	73,411	63,350	630	9,543	127,848
Series TH Units	–	–	–	–	–	221,390	21,805	1,262	68,392	176,065
Series TL Units	–	–	–	–	–	15,193	119	17	642	14,687
Premium Series Units	21,166,913	10,523,634	–	2,056,281	29,634,266	4,489,271	2,175,345	–	284,999	6,379,617
Premium T Series Units	325,585	256,690	3,750	64,093	521,932	94,878	74,739	630	35,732	134,515
Premium TH Series Units	549,357	162,093	4,360	192,124	523,686	241,600	115,536	1,452	26,822	331,766
Premium TL Series Units	37,959	6,302	–	11,777	32,484	11,315	–	37	10,987	365
Scotia Aria Progressive Pay Portfolio										
Series A Units	–	–	–	–	–	942,048	709,814	–	130,133	1,521,729
Series T Units	–	–	–	–	–	63,824	23,012	311	5,095	82,052
Series TH Units	–	–	–	–	–	219,286	10,203	1,019	37,355	193,153
Series TL Units	–	–	–	–	–	18,508	50	97	6,205	12,450
Premium Series Units	3,337,071	1,745,000	–	282,387	4,799,684	804,602	280,228	–	94,961	989,869
Premium T Series Units	390,647	165,352	1,140	16,374	540,765	180,678	88,424	36	17,608	251,530
Premium TH Series Units	675,890	291,717	3,032	143,043	827,596	294,771	64,050	1,367	77,150	283,038
Premium TL Series Units	13,897	6,609	5	3,749	16,762	2,272	–	12	1,920	364
Scotia Balanced Opportunities Fund										
Series A Units	45,063,650	3,439,720	124,949	3,729,332	44,898,987	43,650,734	2,704,855	282,843	3,356,673	43,281,759
Series Advisor Units	40,055	–	100	3,133	37,022	39,926	–	188	1,221	38,893
Series D Units	78,962	18,184	149	65,482	31,813	2,302	5,563	59	621	7,303
Series F Units	24,509	49,297	223	32,763	41,266	17,544	8,009	266	6,199	19,620
Scotia Bond Fund										
Series A Units	6,326,850	353,351	78,566	1,249,363	5,509,404	7,630,968	462,382	89,169	1,252,971	6,929,548
Series I Units	9,374	7,882	246	2,348	15,154	111	4,021	50	1,102	3,080
Series M Units	105	–	2	–	107	101	–	2	–	103
Scotia Canadian Balanced Fund										
Series A Units	88,394,943	3,717,904	368,870	6,561,525	85,920,192	91,839,925	3,954,912	355,188	6,125,375	90,024,650
Series D Units	60,741	10,929	608	3,195	69,083	3,385	10,557	136	400	13,678
Series F Units	31,576	31,110	323	11,719	51,290	23,079	23,264	332	19,775	26,900
Scotia Canadian Blue Chip Fund										
Series A Units	9,060,355	433,735	1	588,277	8,905,814	9,377,391	349,165	–	576,520	9,150,036
Series F Units	13,029	7,706	–	348	20,387	6,725	72,823	–	69,279	10,269
Series I Units	10,734	1,011	–	1,526	10,219	11,764	866	–	1,611	11,019
Scotia Canadian Bond Index Fund										
Series A Units	22,808,795	1,865,101	267,496	3,638,145	21,303,247	25,756,987	1,337,554	301,633	3,260,408	24,135,766
Series D Units	56,626	20,674	603	34,368	43,535	4,720	21,259	125	701	25,403
Series F Units	33,861	111,858	548	12,505	133,762	70,386	4,076	448	41,805	33,105
Scotia Canadian Dividend Fund										
Series A Units	77,933,519	6,471,617	334,505	6,281,217	78,458,424	73,513,575	7,559,200	401,036	4,518,159	76,955,652
Series Advisor Units	391,670	238	1,339	44,801	348,446	501,514	–	2,071	54,879	448,706
Series F Units	1,023,363	320,354	7,705	196,040	1,155,382	703,882	256,550	6,542	118,370	848,604
Series I Units	42,868,673	1,174,582	589,673	949,235	43,683,693	41,965,691	588,371	547,406	808,871	42,292,597
Series K Units	2,540,899	1,471,349	44,066	212,431	3,843,883	413,621	1,358,922	17,094	211,202	1,578,435
Series M Units	28,715,757	3,527,485	333,985	2,752,060	29,825,167	25,061,279	3,621,477	313,266	2,112,113	26,883,909
Scotia Canadian Growth Fund										
Series A Units	3,941,608	59,009	2	328,533	3,672,086	4,274,120	77,853	–	320,070	4,031,903
Series Advisor Units	341	–	–	–	341	329	–	–	–	329
Series F Units	4,957	2,555	–	2,033	5,479	7,176	338	–	1,992	5,522
Series I Units	1,317,928	106,670	–	–	1,424,598	1,163,654	75,262	–	15,422	1,223,494
Scotia Canadian Income Fund										
Series A Units	52,594,326	1,202,351	533,158	7,162,979	47,166,856	62,141,088	1,872,420	633,268	7,495,305	57,151,471
Series Advisor Units	127,100	–	346	21,540	105,906	166,579	–	585	22,047	145,117
Series F Units	66,103	13,537	456	34,003	46,093	42,451	15,828	313	16,438	42,154
Series I Units	338,770,774	7,595,601	5,194,058	9,393,229	342,167,204	323,043,582	9,835,828	4,931,902	1,620,237	336,191,075
Series K Units	3,097,336	1,569,097	67,396	319,928	4,413,901	571,657	1,560,770	24,177	119,753	2,036,851
Series M Units	55,431,658	11,966,906	910,571	6,432,969	61,876,166	77,996,277	8,484,265	928,486	30,456,136	56,952,892
Scotia Canadian Index Fund										
Series A Units	9,604,085	622,336	–	840,016	9,386,405	9,595,862	820,427	–	804,158	9,612,131
Series D Units	67,885	39,109	–	11,345	95,649	20,596	35,752	–	731	55,617
Series F Units	51,252	6,743	–	3,481	54,514	44,025	6,067	–	264	49,828
Scotia Canadian Small Cap Fund										
Series A Units	1,248,841	23,429	–	123,170	1,149,100	1,428,874	26,277	–	125,211	1,329,940
Series F Units	2,098	420	–	377	2,141	1,915	386	–	194	2,107
Series K Units	100	–	–	–	100	100	–	–	–	100
Series M Units	–	–	–	–	–	1,236,658	4,414	–	1,226,307	14,765

Trust Funds	June 2018					June 2017				
	Opening Units	Units Issued	Units Reinvested	Units Redeemed	Ending Units	Opening Units	Units Issued	Units Reinvested	Units Redeemed	Ending Units
Scotia CanAm Index Fund										
Series A Units	5,904,399	–	–	410,313	5,494,086	5,571,528	–	–	331,099	5,240,429
Series F Units	2,640	–	–	2,601	39	2,218	–	–	–	2,218
Scotia Conservative Income Fund										
Series A Units	366,273	32,426	2,204	103,552	297,351	426,610	39,781	2,099	70,111	398,379
Scotia Diversified Monthly Income Fund										
Series A Units	263,439,873	17,931,288	4,010,250	23,518,169	261,863,242	260,615,163	18,871,198	3,913,063	19,828,208	263,571,216
Series Advisor Units	84,752	–	440	22,407	62,785	140,108	–	614	21,751	118,971
Series D Units	136,131	79,888	2,538	22,973	195,584	11,931	55,727	500	1,934	66,224
Series F Units	401,243	181,513	5,104	74,605	513,255	281,393	60,819	3,390	45,377	300,225
Scotia Dividend Balanced Fund										
Series A Units	24,115,886	1,062,778	131,358	4,166,609	21,143,413	26,249,812	2,033,916	55,151	2,751,603	25,587,276
Series D Units	23,483	4,891	166	15,615	12,925	13,507	6,100	70	9,148	10,529
Scotia European Fund										
Series A Units	1,242,606	146,732	–	103,784	1,285,554	1,377,584	99,749	–	159,196	1,318,137
Series F Units	835	246	–	–	1,081	1,571	800	–	–	2,371
Scotia Floating Rate Income Fund										
Series I Units	76,823,553	3,040,265	1,149,206	3,889,712	77,123,312	73,019,474	4,335,152	819,628	1,073,358	77,100,896
Series K Units	2,280,560	905,220	38,611	258,929	2,965,462	413,011	1,188,317	11,136	47,502	1,564,962
Series M Units	52,415,237	7,551,284	–	5,053,173	54,913,348	50,349,051	6,849,382	–	4,611,779	52,586,654
Scotia Global Balanced Fund										
Series A Units	7,793,673	806,617	46,137	879,933	7,766,494	7,510,934	668,666	29,151	863,584	7,345,167
Series D Units	29,958	7,139	364	1,202	36,259	13,025	12,751	182	2,945	23,013
Scotia Global Bond Fund										
Series A Units	1,239,782	153,333	–	230,721	1,162,394	1,521,721	91,743	–	245,801	1,367,663
Series F Units	2,414	65	–	–	2,479	3,159	707	–	1,452	2,414
Scotia Global Dividend Fund										
Series A Units	15,113,555	1,876,923	–	1,515,749	15,474,729	12,835,709	1,533,805	–	1,105,960	13,263,554
Series I Units	33,250,156	2,499,699	–	408,323	35,341,532	28,330,670	442,737	–	784,451	27,988,956
Scotia Global Growth Fund										
Series A Units	2,482,956	667,101	–	218,845	2,931,212	2,391,000	193,181	–	169,321	2,414,860
Series Advisor Units	8,756	–	–	13	8,743	8,827	–	–	54	8,773
Series F Units	2,159	3,353	–	818	4,694	619	969	–	6	1,582
Series I Units	11,183,512	201,252	–	610,468	10,774,296	12,172,615	163,405	–	936,635	11,399,385
Scotia Global Opportunities Fund										
Series A Units	1,162,810	194,697	–	94,010	1,263,497	1,104,234	118,628	–	92,177	1,130,685
Series Advisor Units	19,517	–	–	–	19,517	26,553	–	–	4,811	21,742
Series F Units	2,194	–	–	2,151	43	43	–	–	–	43
Series I Units	18,753,211	650,047	–	137,305	19,265,953	18,269,199	509,815	–	413,984	18,365,030
Scotia Global Small Cap Fund										
Series A Units	406,896	43,094	–	48,520	401,470	445,942	33,899	–	55,836	424,005
Series F Units	135	–	–	–	135	52	83	–	–	135
Series I Units	8,993,926	210,865	–	169,744	9,035,047	9,044,366	198,839	–	353,734	8,889,471
Scotia Income Advantage Fund										
Series A Units	18,198,636	1,072,700	316,577	2,048,164	17,539,749	18,773,330	1,073,305	324,772	1,651,323	18,520,084
Series D Units	8,229	15,562	440	248	23,983	497	19	7	298	225
Series K Units	108	–	3	–	111	102	–	3	–	105
Series M Units	1,483,382	19,950	–	307,767	1,195,565	1,942,063	21,791	–	263,371	1,700,483
Scotia INNOVA Balanced Growth Portfolio										
Series A Units	214,427,086	14,095,512	–	18,721,447	209,801,151	210,171,592	20,033,948	3	16,608,902	213,596,641
Series T Units	21,274,844	1,641,849	158,842	1,977,807	21,097,728	21,136,224	1,936,834	145,100	2,012,197	21,205,961
Scotia INNOVA Balanced Income Portfolio										
Series A Units	170,833,718	9,135,604	10	18,575,828	161,393,504	171,738,487	16,807,188	16	15,501,507	173,044,184
Series T Units	23,713,278	980,734	136,192	2,583,437	22,246,767	25,232,724	2,330,405	159,536	2,120,470	25,602,195
Scotia INNOVA Growth Portfolio										
Series A Units	132,077,872	10,497,784	–	10,335,660	132,239,996	124,343,627	14,283,513	–	8,829,378	129,797,762
Series T Units	403,995	142,584	6,202	56,405	496,376	289,894	150,818	5,280	116,079	329,913
Scotia INNOVA Income Portfolio										
Series A Units	122,385,759	5,500,924	–	15,307,648	112,579,035	131,090,654	7,592,976	–	12,448,038	126,235,592
Series T Units	16,091,950	790,222	97,503	1,685,855	15,293,820	17,901,618	1,004,002	101,790	2,044,289	16,963,121
Scotia INNOVA Maximum Growth Portfolio										
Series A Units	39,012,102	4,043,075	–	3,429,971	39,625,206	35,613,461	5,254,213	5	2,864,901	38,002,778
Series T Units	130,687	35,915	1,909	70,850	97,661	71,526	51,611	1,553	20,620	104,070
Scotia International Index Fund										
Series A Units	3,306,424	436,154	–	308,186	3,434,392	2,780,170	272,493	–	259,382	2,793,281
Series D Units	14,603	15,894	–	6,937	23,560	1,688	2,643	–	268	4,063
Series F Units	2,147	296	–	–	2,443	53	–	–	–	53

Trust Funds	June 2018					June 2017				
	Opening Units	Units Issued	Units Reinvested	Units Redeemed	Ending Units	Opening Units	Units Issued	Units Reinvested	Units Redeemed	Ending Units
Scotia International Value Fund										
Series A Units	1,033,661	86,100	–	86,808	1,032,953	1,107,491	69,778	–	105,796	1,071,473
Series Advisor Units	–	–	–	–	–	458	–	–	458	–
Series F Units	896	2,616	–	541	2,971	3,764	294	–	580	3,478
Series I Units	15,472	586	–	774	15,284	15,111	1,578	–	764	15,925
Scotia Latin American Fund										
Series A Units	1,115,870	52,430	–	125,047	1,043,253	1,278,296	70,577	–	163,469	1,185,404
Series F Units	1,868	1,278	–	1,226	1,920	492	28	–	28	492
Scotia Money Market Fund										
Premium Series Units	6,281,032	989	36,511	851,293	5,467,239	9,580,892	1,307	27,839	1,876,234	7,733,804
Series A Units	19,355,282	4,912,333	76,871	6,121,404	18,223,082	21,847,061	6,758,840	31,796	7,665,846	20,971,851
Series Advisor Units	21,102	–	46	4,446	16,702	45,047	–	53	16,280	28,820
Series K Units	171,000	280,306	2,143	49,746	403,703	100	120,945	297	1,096	120,246
Series I Units	–	5,550,000	14,664	–	5,564,664	–	–	–	–	–
Series M Units	98,543,329	85,149,939	854,429	78,383,227	106,164,470	103,819,516	101,262,832	481,021	115,679,898	89,883,471
Scotia Mortgage Income Fund										
Series A Units	6,850,500	410,095	53,903	929,328	6,385,170	8,022,095	356,118	51,919	1,010,113	7,420,019
Series F Units	11,104	1,073	79	2,194	10,062	13,465	5,677	135	2,726	16,551
Series I Units	92,507	8,844	1,259	26,631	75,979	104,856	3,793	1,393	11,905	98,137
Series K Units	475,492	162,332	8,506	20,236	626,094	127,424	209,177	3,461	18,758	321,304
Series M Units	4,512,252	303,150	–	1,268,362	3,547,040	6,164,444	658,814	–	1,520,934	5,302,324
Scotia Nasdaq Index Fund										
Series A Units	15,943,353	5,455,054	655	1,863,592	19,535,470	10,734,677	2,467,896	–	1,509,462	11,693,111
Series D Units	112,793	120,724	–	50,739	182,778	17,664	21,978	–	592	39,050
Series F Units	21,272	36,631	–	2,500	55,403	12,451	698	–	97	13,052
Scotia Pacific Rim Fund										
Series A Units	1,136,335	125,429	–	152,993	1,108,771	1,189,514	62,737	–	107,707	1,144,544
Series F Units	1,581	–	–	–	1,581	1,474	19,476	–	18,019	2,931
Scotia Partners Balanced Growth Portfolio										
Series A Units	172,674,629	11,318,047	–	13,173,054	170,819,622	173,875,086	11,824,811	–	12,217,114	173,482,783
Series F Units	122,680	324,227	–	32,014	414,893	66,375	29,048	–	14,412	81,011
Series T Units	247,682	69,958	2,099	64,416	255,323	97,178	81,232	1,086	11,285	168,211
Scotia Partners Balanced Income Portfolio										
Series A Units	93,675,344	6,524,575	–	10,100,576	90,099,343	93,477,729	8,739,015	–	7,924,399	94,292,345
Series F Units	30,473	17,722	–	14,026	34,169	14,296	–	–	2,500	11,796
Series T Units	151,499	41,300	1,847	19,759	174,887	53,102	52,556	550	9,220	96,988
Scotia Partners Growth Portfolio										
Series A Units	158,775,823	10,088,625	8	11,081,563	157,782,893	161,949,614	9,878,213	–	11,318,204	160,509,623
Series F Units	148,365	65,947	–	32,391	181,921	131,161	12,215	–	13,377	129,999
Series T Units	43,033	42,784	984	16,019	70,782	20,332	14,146	656	3,606	31,528
Scotia Partners Income Portfolio										
Series A Units	68,805,946	5,184,783	171,276	7,748,542	66,413,463	69,371,047	5,772,308	307,843	6,480,071	68,971,127
Series T Units	132,841	141,996	2,425	30,939	246,323	66,462	33,867	948	6,328	94,949
Scotia Partners Maximum Growth Portfolio										
Series A Units	37,643,246	3,264,929	1	2,827,088	38,081,088	37,497,621	3,075,212	10	2,949,843	37,623,000
Series F Units	42,115	9,922	–	12,433	39,604	29,749	21,224	–	8,600	42,373
Series T Units	11,091	4,271	227	860	14,729	7,524	5,252	126	840	12,062
Scotia Premium T-Bill Fund										
Series A Units	14,211,915	–	63,271	2,214,540	12,060,646	17,169,876	1,212,250	26,784	3,041,070	15,367,840
Scotia Private Canadian All Cap Equity Pool										
Series I Units	36,282,167	1,451,750	–	603,214	37,130,703	30,701,556	1,080,025	–	59,000	31,722,581
Scotia Private Canadian Corporate Bond Pool										
Series I Units	300,340,512	11,758,702	4,348,680	8,954,627	307,493,267	288,543,496	9,817,315	3,856,045	9,034,403	293,182,453
Series K Units	7,521,148	2,983,852	134,495	1,000,902	9,638,593	1,138,056	4,045,299	49,975	127,660	5,105,670
Series M Units	249,021,618	19,808,418	3,214,530	41,657,929	230,386,637	218,915,947	45,924,924	3,136,766	24,829,142	243,148,495
Scotia Private Canadian Equity Pool										
Series I Units	19,259,233	–	–	736,808	18,522,425	21,619,425	184,842	–	434,949	21,369,318
Series K Units	1,093,914	731,875	–	212,376	1,613,413	21,851	684,716	–	5,768	700,799
Series M Units	23,598,984	2,244,758	–	2,147,333	23,696,409	26,418,484	1,921,886	127	3,816,770	24,523,727
Scotia Private Canadian Preferred Share Pool										
Series I Units	–	–	–	–	–	–	–	–	–	–
Series K Units	735,254	287,000	21,303	125,344	918,213	72,876	439,999	10,424	19,218	504,081
Series M Units	58,840,482	8,012,115	1,336,696	10,170,968	58,018,325	54,233,823	7,301,598	1,343,136	6,664,009	56,214,548

Trust Funds	June 2018					June 2017				
	Opening Units	Units Issued	Units Reinvested	Units Redeemed	Ending Units	Opening Units	Units Issued	Units Reinvested	Units Redeemed	Ending Units
Scotia Private Fundamental Canadian Equity Pool										
Series I Units	26,994,154	52,908	–	3,827	27,043,235	25,644,298	744,633	–	18,804	26,370,127
Scotia Private Global Credit Pool										
Series I Units	42,638,835	281,873	823,033	320,955	43,422,786	15,009	30,165,271	26	15,035	30,165,271
Scotia Private Global Low Volatility Equity Pool										
Series M Units	30,170,797	5,893,394	11	10,422,530	25,641,672	15,005	28,528,230	–	1,203,406	27,339,829
Scotia Private International Core Equity Pool										
Series K Units	4,542,759	1,682,896	–	565,964	5,659,691	651,752	2,311,420	–	63,788	2,899,384
Series M Units	72,532,843	12,278,095	10	5,183,545	79,627,403	63,362,209	13,984,146	9	9,597,643	67,748,721
Scotia Private North American Dividend Pool										
Series K Units	103	–	–	–	103	102	–	–	–	102
Series M Units	5,030,397	249,782	–	502,600	4,777,579	6,577,793	268,900	–	1,450,945	5,395,748
Scotia Private Options Income Pool										
Series I Units	55,722,782	1,091,833	375,528	2,905,223	54,284,920	56,970,544	3,104,617	–	3,616,310	56,458,851
Series K Units	2,537,672	607,336	61,943	387,644	2,819,307	440,343	1,193,032	26,772	36,007	1,624,140
Series M Units	28,193,571	5,333,915	657,524	2,947,011	31,237,999	22,570,168	4,264,768	538,679	1,866,059	25,507,556
Scotia Private Real Estate Income Pool										
Series I Units	258,894	64,176	5,312	2,486	325,896	826,638	332,990	16,273	10,465	1,165,436
Series K Units	2,467,281	637,918	48,016	340,973	2,812,242	470,644	1,210,550	21,421	41,342	1,661,273
Series M Units	25,940,133	3,708,389	380,696	2,693,391	27,335,827	21,736,392	3,764,708	322,558	1,713,834	24,109,824
Scotia Private Short-Mid Government Bond Pool										
Series I Units	38,524,699	–	488,830	2,367,805	36,645,724	43,490,867	3,144,658	543,718	433,797	46,745,446
Series K Units	4,433,930	1,325,235	55,033	1,190,591	4,623,607	1,219,352	2,056,634	27,935	64,309	3,239,612
Series M Units	37,306,004	2,358,229	404,254	7,144,248	32,924,239	78,201,350	3,976,722	595,481	40,272,824	42,500,729
Scotia Private Total Return Bond Pool										
Series M Units	47,843,457	12,575,214	643,407	6,088,602	54,973,476	15,008	48,563,991	322,038	3,701,846	45,199,191
Scotia Private U.S. Dividend Pool										
Series I Units	–	–	–	–	–	–	–	–	–	–
Series K Units	2,231,034	1,417,393	22,992	222,118	3,449,301	271,721	993,519	7,705	144,633	1,128,312
Series M Units	59,690,949	7,496,629	435,811	5,508,197	62,115,192	59,660,822	7,345,381	481,753	10,761,000	56,726,956
Scotia Resource Fund										
Series A Units	4,736,002	142,024	463	522,544	4,355,945	5,359,122	320,494	–	572,178	5,107,438
Series F Units	5,628	1,862	–	840	6,650	5,030	484	–	126	5,388
Scotia Selected Balanced Growth Portfolio										
Series A Units	108,622,293	12,319,910	–	8,074,075	112,868,128	103,497,766	9,513,598	16	7,253,687	105,757,693
Series Advisor Units	7,638	–	–	–	7,638	8,173	–	–	573	7,600
Series F Units	25,135	25,204	–	10,935	39,404	15,514	5,862	–	4,867	16,509
Scotia Selected Balanced Income Portfolio										
Series A Units	79,467,924	8,163,536	–	8,529,182	79,102,278	75,546,061	8,287,073	–	6,335,247	77,497,887
Series Advisor Units	6,316	–	–	–	6,316	29,572	–	–	23,264	6,308
Series F Units	31,939	865	–	4,840	27,964	22,449	119	–	3,075	19,493
Scotia Selected Growth Portfolio										
Series A Units	66,071,949	9,090,167	–	4,903,750	70,258,366	62,835,414	6,223,667	4	4,673,022	64,386,063
Series Advisor Units	2,273	–	–	2,273	–	2,273	–	–	–	2,273
Series F Units	38,180	32,893	–	23,327	47,746	12,259	13,310	–	2,553	23,016
Scotia Selected Income Portfolio										
Series A Units	14,760,211	3,940,139	68,716	2,126,831	16,642,235	12,078,932	2,273,513	47,338	1,270,677	13,129,106
Scotia Selected Maximum Growth Portfolio										
Series A Units	15,976,604	3,017,008	–	1,242,078	17,751,534	14,690,111	1,779,189	–	1,149,447	15,319,853
Series Advisor Units	19,895	–	–	4,201	15,694	20,243	–	–	87	20,156
Series F Units	20,076	3,169	–	5,475	17,770	10,184	11,610	–	596	21,198
Scotia Short Term Bond Fund										
Series I Units	133,772	9,109	1,571	33,988	110,464	154,028	6,914	1,704	19,488	143,158
Series K Units	1,841,966	567,210	26,059	162,428	2,272,807	454,635	794,601	9,714	36,973	1,221,977
Series M Units	32,605,680	2,994,735	374,353	5,914,680	30,060,088	39,725,450	3,685,256	412,372	6,385,395	37,437,683
Scotia T-Bill Fund										
Series A Units	3,469,036	844,133	8,974	727,965	3,594,178	4,062,641	336,305	2,105	664,335	3,736,716
Scotia U.S. \$ Balanced Fund										
Series A Units	7,653,164	367,278	–	916,872	7,103,570	8,728,660	572,523	–	944,518	8,356,665

Trust Funds	June 2018					June 2017				
	Opening Units	Units Issued	Units Reinvested	Units Redeemed	Ending Units	Opening Units	Units Issued	Units Reinvested	Units Redeemed	Ending Units
Scotia U.S. \$ Bond Fund										
Series A Units	4,093,393	28,099	25,949	510,961	3,636,480	4,923,123	75,214	23,820	571,616	4,450,541
Series F Units	51,042	2,929	217	2,376	51,812	86,687	3,037	308	29,708	60,324
Scotia U.S. \$ Money Market Fund										
Series A Units	3,658,282	413,617	11,382	1,142,587	2,940,694	3,929,386	302,012	1,001	786,393	3,446,006
Series M Units	1,934,040	4,430,840	28,411	3,358,543	3,034,748	384,483	1,892,272	5,282	874,448	1,407,589
Scotia U.S. Blue Chip Fund										
Series A Units	3,837,439	559,956	–	362,664	4,034,731	4,538,433	299,747	–	979,640	3,858,540
Series F Units	5,998	2,454	–	751	7,701	769	4,891	–	44	5,616
Scotia U.S. Dividend Fund										
Series A Units	6,868,779	1,660,266	–	725,609	7,803,436	5,906,946	1,516,516	–	650,004	6,773,458
Series I Units	–	–	–	–	–	–	–	–	–	–
Scotia U.S. Index Fund										
Series A Units	7,979,250	1,783,682	–	624,099	9,138,833	6,718,217	1,375,371	–	570,634	7,522,954
Series D Units	86,583	104,932	–	34,451	157,064	21,137	11,809	–	7,241	25,705
Series F Units	14,567	4,427	–	2,337	16,657	6,592	4,103	–	1,337	9,358
Scotia U.S. Opportunities Fund										
Series A Units	2,045,098	97,141	–	220,018	1,922,221	2,198,252	124,950	–	171,691	2,151,511
Series F Units	40	2,411	–	–	2,451	1,677	–	–	1,637	40
Series I Units	46,608	12,451	–	2,095	56,964	51,450	1,228	–	6,136	46,542
Corporate Class										
Scotia Canadian Dividend Class										
Series A Units	9,131,014	783,202	–	1,258,343	8,655,873	8,249,270	1,295,777	–	980,568	8,564,479
Scotia Canadian Equity Blend Class										
Series A Units	142,441	17,034	–	21,201	138,274	147,716	14,611	–	22,222	140,105
Scotia Conservative Government Bond Capital Yield Class										
Series A Units	497,245	–	–	146,152	351,093	708,440	–	–	66,667	641,773
Scotia Fixed Income Blend Class										
Series A Units	130,612	–	–	20,546	110,066	146,752	–	–	11,423	135,329
Scotia Global Dividend Class										
Series A Units	1,176,563	78,098	–	137,452	1,117,209	1,232,177	86,158	–	145,058	1,173,277
Scotia INNOVA Balanced Growth Portfolio Class										
Series A Units	59,314,367	4,959,849	–	6,937,044	57,337,172	61,288,839	6,358,114	–	7,732,994	59,913,959
Series T Units	16,329,434	2,406,648	112,370	1,838,962	17,009,490	14,200,504	3,061,299	93,986	2,139,207	15,216,582
Scotia INNOVA Balanced Income Portfolio Class										
Series A Units	93,585,055	5,520,094	61	11,252,337	87,852,873	99,060,391	8,963,361	–	11,240,132	96,783,620
Series T Units	15,177,072	1,506,926	93,283	2,027,690	14,749,591	13,601,114	2,651,753	92,293	1,381,708	14,963,452
Scotia INNOVA Growth Portfolio Class										
Series A Units	22,706,407	2,046,641	–	2,579,498	22,173,550	22,411,444	2,699,146	38	2,416,462	22,694,166
Series T Units	2,725,462	425,766	30,451	343,040	2,838,639	2,054,564	551,019	22,054	223,406	2,404,231
Scotia INNOVA Income Portfolio Class										
Series A Units	14,032,597	–	–	1,234,703	12,797,894	16,270,884	–	–	1,247,508	15,023,376
Scotia INNOVA Maximum Growth Portfolio Class										
Series A Units	4,295,564	459,834	–	505,654	4,249,744	4,546,457	566,484	–	573,248	4,539,693
Series T Units	663,123	179,741	10,374	139,212	714,026	578,857	142,634	7,968	142,694	586,765
Scotia International Equity Blend Class										
Series A Units	50,262	4,503	–	4,073	50,692	48,522	6,346	–	3,974	50,894
Scotia Partners Balanced Growth Portfolio Class										
Series A Units	1,214,881	661,880	–	178,016	1,698,745	497,265	506,309	–	97,479	906,095
Series T Units	199,786	147,751	2,034	22,418	327,153	85,739	22,864	702	7,176	102,129
Scotia Partners Balanced Income Portfolio Class										
Series A Units	1,883,759	889,784	22	349,505	2,424,060	630,856	686,318	–	116,119	1,201,055
Series T Units	226,633	77,453	2,166	32,530	273,722	92,477	129,169	1,732	40,044	183,334
Scotia Partners Growth Portfolio Class										
Series A Units	658,987	454,987	–	63,411	1,050,563	285,082	253,324	–	54,689	483,717
Series T Units	65,949	28,168	655	18,826	75,946	15,887	9,952	378	642	25,575
Scotia Partners Maximum Growth Portfolio Class										
Series A Units	224,419	83,588	–	45,059	262,948	86,485	69,443	–	19,453	136,475
Series T Units	17,176	18,316	463	1,336	34,619	345	10,814	167	54	11,272
Scotia U.S. Equity Blend Class										
Series A Units	268,390	65,214	–	24,874	308,730	324,542	21,049	–	70,055	275,536

8. Income Taxes

Mutual fund trusts

Each of the Trust Funds, except Scotia Private Global Credit Pool, Scotia Private Fundamental Canadian Equity Pool and Scotia Private Canadian All Cap Equity Pool, qualifies as a mutual fund trust under the *Income Tax Act* (Canada). Scotia Private Global Credit Pool, Scotia Private Fundamental Canadian Equity Pool and Scotia Private Canadian All Cap Equity Pool are unit trusts. The Trust Funds are subject to tax on their net investment income, including the taxable portion of net realized capital gains that are not paid or payable to their unitholders. Scotia Private Global Credit Pool, Scotia Private Fundamental Canadian Equity Pool and Scotia Private Canadian All Cap Equity Pool, in certain circumstances, may also be subject to alternative minimum tax under the *Income Tax Act* (Canada). Each Trust Fund distributes sufficient amounts of its net investment income, including net realized capital gains, less the amount retained to enable each Trust Fund to utilize any available tax losses or, if applicable, tax credits attributable to redemptions during the period to its unitholders such that no income tax (other than alternative minimum tax, if applicable) will be paid or payable by the Trust Funds. Such net investment income, including net realized capital gains are taxable in the hands of the unitholders.

Accordingly, the Trust Funds do not record Canadian income taxes in their financial statements.

The Trust Funds may distribute a return of capital. A return of capital is generally not taxable to unitholders but will reduce the adjusted cost base of the units held.

Mutual fund Corporation

The Corporation qualifies as a mutual fund corporation under the *Income Tax Act* (Canada). The Corporation may consist of one or more Corporate Class Funds. Each Corporate Class Fund within the Corporation represents a class of shares of the Corporation and therefore, is treated as one legal entity and a single taxpayer. As a result, the Corporation must combine its income, expenses, capital gains and capital losses of all of its Corporate Class Funds in order to determine the Corporation's tax payable as a whole and whether the Corporation will pay capital gains dividends to its shareholders.

The Corporation is subject to Part IV federal tax of 38 1/3% on the amount of taxable dividends received from taxable Canadian corporations. This tax is refundable to the Corporation at the rate of 38 1/3% on the amount of taxable dividends paid to its shareholders. The Corporation will pay out sufficient taxable dividends such that the Corporation would not be subject to Part IV tax.

The Corporation is also subject to Part I tax on other income and taxable capital gains for the year. Part I tax on taxable capital gains can be reduced by the capital gains refund available to the Corporation which is calculated based on the level of redemptions by shareholders and on capital gains dividends distributed to shareholders. Switches between Corporate Class Funds of the Corporation are treated as taxable dispositions, and accordingly, are included in redemptions for capital gains refund purposes. The Corporation will pay out sufficient capital gains dividends such that the Corporation would not be subject to Part I tax on taxable capital gains.

As a result of the capital gains refund mechanism and Part IV tax refund, the Corporation can recover any Canadian income taxes paid with respect to taxable capital gains and taxable dividends received from taxable Canadian Corporations, respectively. At this time, the Corporation is expected to have sufficient expenses to offset other income such that the Corporation would not be subject to Part I tax on other income. As a result, the Corporation does not record any provision for such income taxes.

Losses carried forward

Capital losses can be carried forward indefinitely to reduce future net realized capital gains. Non-capital losses for income tax purposes may be carried forward up to twenty years and applied against all sources of income. Since the Funds do not record income taxes, the tax benefit of capital and non-capital losses have not been reflected in the Statements of Financial Position as a deferred income tax asset.

As of the 2017 tax year-end, the Corporation has no unused capital or non-capital losses.

As of the 2017 tax year end, the Trust Funds have capital and non-capital losses available to carry forward as presented below:

Trust Funds	Year of expiry	Non-Capital Loss \$	Capital Loss \$
Scotia Aria Conservative Defend Portfolio	–	–	188,411
Scotia Bond Fund	–	–	112,416
Scotia Canadian Bond Index Fund	–	–	1,600,825
Scotia Canadian Income Fund	–	–	16,782,454
Scotia Canadian Index Fund	–	–	33,916,271
Scotia Canadian Small Cap Fund	2032	142,967	11,341,148
Scotia CanAm Index Fund	–	–	80,234,986
Scotia Conservative Income Fund	–	–	164,470
Scotia Dividend Balanced Fund	–	–	19,307,048
Scotia European Fund	–	–	50,253,025
Scotia Floating Rate Income Fund	–	–	8,260,873
Scotia Global Bond Fund	2033	859,839	28,954,300
Scotia Global Growth Fund	–	–	65,816,952
Scotia Global Opportunities Fund	–	–	4,221,103
Scotia Global Small Cap Fund	–	–	27,590,402
Scotia International Index Fund	–	–	12,669,307
Scotia International Value Fund	–	–	37,281,592
Scotia Latin American Fund	–	–	22,441,432
Scotia Mortgage Income Fund	–	–	7,243,160
Scotia Nasdaq Index Fund	–	–	3,751,954
Scotia Pacific Rim Fund	2036	5,581	10,213,147
Scotia Partners Growth Portfolio	2037	12,079,729	–
Scotia Partners Maximum Growth Portfolio	2037	7,061,689	–
Scotia Private Canadian All Cap Equity Pool	–	–	17,207,507
Scotia Private Canadian Equity Pool	–	–	18,424,683
Scotia Private Canadian Preferred Share Pool	–	–	47,441,756
Scotia Private Fundamental Canadian Equity Pool	–	–	1,540,707
Scotia Private Global Low Volatility Equity Pool	–	–	902,054
Scotia Private International Core Equity Pool	–	–	196,711,695
Scotia Private North American Dividend Pool	–	–	52,812,847
Scotia Private Short-Mid Government Bond Pool	–	–	17,188,067
Scotia Resource Fund	2029	432,698	44,812,674
	2035	2,396,149	–
	2036	871,997	–
	2037	970,321	–
Scotia Selected Growth Portfolio	2037	1,404,913	–
Scotia Selected Maximum Growth Portfolio	2037	1,807,144	–
Scotia Short Term Bond Fund	–	–	4,922,628
Scotia U.S. \$ Balanced Fund	2032	9,668	–
Scotia U.S. \$ Bond Fund	–	–	3,984,064
Scotia U.S. \$ Money Market Fund	–	–	46,731,448
Scotia U.S. Blue Chip Fund	2028	367,040	127,669,289
	2029	232,487	–

Trust Funds	Year of expiry	Non-Capital Loss \$	Capital Loss \$
	2030	83,350	–
	2031	201,686	–
	2032	404,417	–
	2037	435,817	–
Scotia U.S. Dividend Fund	2037	119,026	–
Scotia U.S. Index Fund	–	–	34,710,441
Scotia U.S. Opportunities Fund	2026	489,880	35,748,208
	2037	248,728	–

Withholding taxes

The Funds currently incur withholding taxes imposed by certain countries on investment income and in some cases, capital gains. Such income and gains are recorded on a gross basis and the related withholding taxes are shown as a separate expense in the Statements of Comprehensive Income.

Uncertain income taxes

The Funds invest in securities issued by entities which are domiciled in countries other than Canada. These foreign countries may impose taxes on capital gains realized by non-residents. In addition, the Funds may be required to determine these capital gains taxes on a self-assessment basis; therefore, such taxes may not be deducted by the Funds' broker on a "withholding" basis.

As at June 30, 2018 and December 31, 2017, the Funds have recorded uncertain tax liabilities and related interest and penalties with respect to foreign capital gains taxes. These are included in the Statements of Financial Position as "Provision for uncertain tax", as applicable. While this represents the Manager's best estimate, the estimated value could differ significantly from the amount ultimately payable.

9. Client Brokerage Commissions

Client brokerage commissions are arrangements pursuant to which products or services, other than the execution of portfolio securities transactions, are obtained by a portfolio advisor from or through a broker-dealer in exchange for directing client securities transactions to the broker-dealer. The ascertainable client brokerage commissions paid in connection with investment portfolio transactions for the periods ended June 30, 2018 and 2017 are set out below.

Fund	2018	2017
Scotia Balanced Opportunities Fund	\$ 26,517	\$ 14,976
Scotia Canadian Balanced Fund	58,420	47,557
Scotia Canadian Blue Chip Fund	16,083	14,008
Scotia Canadian Dividend Fund	138,929	203,532
Scotia Canadian Growth Fund	41,028	57,283
Scotia Canadian Small Cap Fund	572	2,050
Scotia Diversified Monthly Income Fund	527,061	235,543
Scotia Dividend Balanced Fund	5,635	20,955
Scotia European Fund	–	2,764
Scotia Global Balanced Fund	8,539	–
Scotia Global Dividend Fund	103,392	–
Scotia Global Opportunities Fund	35,236	28,148
Scotia Global Small Cap Fund	25,561	13,407
Scotia Income Advantage Fund	39,876	22,580
Scotia International Value Fund	1,018	6,978
Scotia Pacific Rim Fund	456	5,641
Scotia Private Canadian All Cap Equity Pool	286,041	209,891
Scotia Private Canadian Equity Pool	17,219	–
Scotia Private Canadian Preferred Share Pool	15,807	–
Scotia Private Fundamental Canadian Equity Pool	–	–

Fund	2018	2017
Scotia Private International Core Equity Pool	\$228,245	\$ 74,700
Scotia Private North American Dividend Pool	1,740	–
Scotia Private Options Income Pool	703	101,889
Scotia Private Real Estate Income Pool	40,529	9,894
Scotia Private U.S. Dividend Pool	127,774	–
Scotia Resource Fund	3,402	10,697
Scotia U.S. \$ Balanced Fund	137	4,793
Scotia U.S. Blue Chip Fund	691	1,039
Scotia U.S. Dividend Fund	4,326	–
Scotia U.S. Opportunities Fund	45	1,927

10. Related Party Transactions

The Manager is a wholly-owned subsidiary of The Bank of Nova Scotia ("Scotiabank"). Scotiabank also owns, directly or indirectly, 100% of Scotia Securities Inc. and Tangerine Investment Funds Limited, each a mutual fund dealer, and Scotia Capital Inc. (which includes ScotiaMcLeod and Scotia iTRADE), an investment dealer.

Effective May 1, 2018, Jarislowsky, Fraser Limited, sub-advisor to Scotia Private Fundamental Canadian Equity Pool, was acquired by The Bank of Nova Scotia and is now a related party to the Fund. The Manager pays to the sub-advisor a sub-advisory fee out of its management fees for portfolio advisory services.

The Manager, on behalf of the Funds, may enter into transactions or arrangements with other members of Scotiabank or certain other companies that are related or connected to the Manager (each a "related party"). All transactions between the Funds and the related parties are in the normal course of business and are carried out at arm's length terms.

- The Manager earns management fees for acting as trustee and/or manager of the Funds, as applicable and a Fixed Administration Fee in return for paying certain operating expenses of certain Funds as detailed in note 5 and note 6 respectively. In addition, Scotiabank as custodian for certain Funds during the period earned a fee for providing custody and related services. The management fees, fixed administration fees, and custodian fees (for Funds that are not subject to Fixed Administration Fee) are disclosed in separate lines in the Statements of Comprehensive Income. The custodian fee charged to Funds that are subject to Fixed Administration Fee is paid by the Manager, in exchange for a portion of the Fixed Administration Fee received from these Funds.
- Decisions about the purchase and sale of each Fund's portfolio securities are made by appointed Portfolio Managers of each Fund. Provided that the pricing, service and other terms are comparable to those offered by other dealers, a portion of the portfolio transactions may be executed for the Funds, by a related party to the Funds. In such cases, the related party will receive commissions from the Funds. Brokerage fees paid to related parties for the periods ended June 30, 2018 and 2017 are as follows:

Fund	June 30, 2018	June 30, 2017
Scotia Balanced Opportunities Fund	\$21,525	\$ 21,567
Scotia Canadian Balanced Fund	6,016	25,409
Scotia Canadian Blue Chip Fund	4,702	5,816
Scotia Canadian Dividend Fund	13,292	161,698
Scotia Canadian Growth Fund	22,860	27,436

Fund	June 30, 2018	June 30, 2017
Scotia Canadian Index Fund	\$ 116	\$ 1,582
Scotia Canadian Small Cap Fund	2,745	3,119
Scotia Diversified Monthly Income Fund	71,168	76,316
Scotia Dividend Balanced Fund	11,711	19,306
Scotia European Fund	–	–
Scotia Global Dividend Fund	–	1,504
Scotia Global Opportunities Fund	3,801	–
Scotia Income Advantage Fund	6,468	5,204
Scotia International Value Fund	129	–
Scotia Latin American Fund	1,012	5,994
Scotia Private Canadian All Cap Equity Pool	5,360	6,070
Scotia Private Canadian Equity Pool	16,544	1,804
Scotia Private Canadian Preferred Share Pool	87,497	4,800
Scotia Private Fundamental Canadian Equity Pool	822	831
Scotia Private International Core Equity Pool	12,841	–
Scotia Private North American Dividend Pool	48	576
Scotia Private Real Estate Income Pool	43,263	15,308
Scotia Resource Fund	2,796	238
Scotia U.S. Dividend Fund	41	–

- (c) Certain registered dealers through which units or shares of the Funds are distributed are related parties to the Funds and the Manager. The Manager pays to these related parties a trailer commission out of its management fees, representing distribution and servicing fees, based on the amount of assets held in the investors' accounts. These fees are paid on the basis and at the same rates that the Manager pays to non-affiliated dealers.
- (d) The Manager received approval from the Independent Review Committee to invest the Funds' overnight cash with Scotiabank with interest paid by Scotiabank to the Funds based on prevailing market rates. The interest earned by the Funds is included in "Interest for distribution purposes" in the Statements of Comprehensive Income.
- (e) The Funds may invest in investment funds managed by the Manager or a related party, which are disclosed in the Schedule of Investment Portfolio for the respective Funds. These include Scotia Funds, Scotia Private Pools, Pinnacle Portfolios, Scotia ETFs, Dynamic Funds, Marquis Funds and Dynamic Private Investment Pools.
- (f) Units held by the Manager in the Funds as at June 30, 2018 and December 31, 2017, are disclosed below:

Fund	June 30, 2018	June 30, 2017
Scotia Aria Conservative Defend Portfolio (formerly Scotia Aria Conservative Core Portfolio)	–	363 Series Premium T Units
Scotia Aria Conservative Defend Portfolio (formerly Scotia Aria Conservative Core Portfolio)	711 Series Premium TL Units	351 Series Premium TL Units
Scotia Aria Conservative Defend Portfolio (formerly Scotia Aria Conservative Core Portfolio)	–	354 Series TL Units
Scotia Aria Conservative Pay Portfolio	–	363 Series Premium TL Units
Scotia Aria Conservative Pay Portfolio	–	357 Series TL Units
Scotia Aria Moderate Defend Portfolio (formerly Scotia Aria Moderate Core Portfolio)	–	356 Series Premium TL Units
Scotia Aria Moderate Defend Portfolio (formerly Scotia Aria Moderate Core Portfolio)	–	361 Series TL Units
Scotia Aria Moderate Pay Portfolio	–	369 Series Premium TL Units
Scotia Aria Moderate Pay Portfolio	–	366 Series TL Units
Scotia Aria Progressive Defend Portfolio (formerly Scotia Aria Progressive Core Portfolio)	–	389 Series Premium T Units

Fund	June 30, 2018	June 30, 2017
Scotia Aria Progressive Defend Portfolio (formerly Scotia Aria Progressive Core Portfolio)	–	411 Series Premium TH Units
Scotia Aria Progressive Defend Portfolio (formerly Scotia Aria Progressive Core Portfolio)	747 Series Premium TL Units	365 Series Premium TL Units
Scotia Aria Progressive Defend Portfolio (formerly Scotia Aria Progressive Core Portfolio)	–	384 Series T Units
Scotia Aria Progressive Defend Portfolio (formerly Scotia Aria Progressive Core Portfolio)	–	366 Series TL Units
Scotia Aria Progressive Pay Portfolio	–	388 Series Premium T Units
Scotia Aria Progressive Pay Portfolio	–	414 Series Premium TH Units
Scotia Aria Progressive Pay Portfolio	744 Series Premium TL Units	364 Series Premium TL Units
Scotia Aria Progressive Pay Portfolio	–	375 Series TL Units
Scotia Balanced Opportunities Fund	28 Series F Units	26 Series F Units
Scotia Bond Fund	107 Series M Units	103 Series M Units
Scotia Canadian Blue Chip Fund	18 Series F Units	18 Series F Units
Scotia Canadian Bond Index Fund	44 Series F Units	43 Series F Units
Scotia Canadian Small Cap Fund	20 Series F Units	20 Series F Units
Scotia Canadian Small Cap Fund	100 Series K Units	100 Series K Units
Scotia CanAm Index Fund	39 Series F Units	32 Series F Units
Scotia European Fund	36 Series F Units	36 Series F Units
Scotia Global Bond Fund	49 Series F Units	49 Series F Units
Scotia Global Growth Fund	8 Series F Units	8 Series F Units
Scotia Global Opportunities Fund	43 Series F Units	43 Series F Units
Scotia Global Small Cap Fund	52 Series F Units	52 Series F Units
Scotia Income Advantage Fund	54 Series D Units	52 Series D Units
Scotia Income Advantage Fund	111 Series K Units	105 Series K Units
Scotia International Index Fund	58 Series F Units	53 Series F Units
Scotia International Value Fund	61 Series F Units	61 Series F Units
Scotia Latin American Fund	35 Series F Units	34 Series F Units
Scotia Money Market Fund	–	101 Series K Units
Scotia Mortgage Income Fund	–	103 Series K Units
Scotia Nasdaq Index Fund	72 Series F Units	57 Series F Units
Scotia Pacific Rim Fund	43 Series F Units	43 Series F Units
Scotia Partners Balanced Income Portfolio	37 Series F Units	36 Series F Units
Scotia Partners Growth Portfolio Class	370 Series T Units	353 Series T Units
Scotia Partners Maximum Growth Portfolio Class	370 Series T Units	353 Series T Units
Scotia Private Canadian Equity Pool	–	103 Series K Units
Scotia Private North American Dividend Pool	103 Series K Units	102 Series K Units
Scotia Private U.S. Equity Pool	–	104 Series K Units
Scotia Resource Fund	22 Series F Units	22 Series F Units
Scotia Selected Balanced Growth Portfolio	36 Series F Units	35 Series F Units
Scotia Selected Balanced Income Portfolio	39 Series F Units	38 Series F Units
Scotia Selected Growth Portfolio	27 Series F Units	27 Series F Units
Scotia Selected Maximum Growth Portfolio	26 Series F Units	26 Series F Units
Scotia U.S. Blue Chip Fund	46 Series F Units	46 Series F Units
Scotia U.S. Opportunities Fund	40 Series F Units	40 Series F Units

- (g) The Manager has received approval from the Independent Review Committee for the Funds to purchase securities of related parties. Any related party securities held by the Funds are disclosed in the Schedule of Investment Portfolio for the respective Funds.
- (h) Distributions received from related party funds are included in "Interest for distribution purposes", "Dividends" or "Net realized gain (loss) on non-derivative financial assets", as applicable in the Statements of Comprehensive Income.
- (i) Scotia Mortgage Income Fund purchases and sells mortgages from Scotia Mortgage Corporation (SMC) and from Scotiabank at an amount which will produce a yield to Scotia Mortgage Income Fund of not more than one-quarter of one percent less than the interest rate at which Scotiabank is making similar commitments.

For conventional uninsured mortgages, Scotia Mortgage Income Fund pays SMC or Scotiabank a guarantee fee equal to 0.25 percent applied to the present value of each mortgage at the time of purchase. This guarantee fee is deferred and amortized over the remaining term to maturity of the mortgages purchased. Scotiabank has agreed to purchase from Scotia Mortgage Income Fund any mortgage purchased from SMC or from Scotiabank at such time if the mortgage is in default. The price of such purchase is equal to the outstanding principal value plus unpaid interest. Unamortized guarantee fees are included in "Non-derivative financial assets" in the Statements of Financial Position. Amortized guarantee fees are included in "Interest for distribution purposes" in the Statements of Comprehensive Income. As at June 30, 2018, unamortized guarantee fees is \$111,472 (December 31, 2017 – \$165,625).

Scotia Mortgage Income Fund pays SMC mortgage service fees for administering all mortgages it holds. The fee is equal to an annualized rate of 3/8 of 1% of the outstanding principal balance of mortgages held, paid by the Manager in return for the Fixed Administration Fee paid to Manager by the Fund (See Note 6).

11. Securities Lending

Some of the Funds may enter into securities lending transactions under a securities lending program with State Street Bank and Trust

The aggregate market value of the securities on loan and the collateral received by the Funds as at June 30, 2018 and December 31, 2017 are presented below along with the income earned for the periods ended June 30, 2018 and 2017.

	As at June 30, 2018		For the period ended June 30, 2018		
	Market value of securities on loan (\$)	Market value of collateral on loan (\$)	Net amount received by the Fund (\$)	Amount earned by lending agent (\$)	Gross securities lending revenue earned (\$)
Scotia Balanced Opportunities Fund	29,560,430	31,272,908	24,729	10,598	35,327
Scotia Bond Fund	–	–	98	42	140
Scotia Canadian Balanced Fund	37,598,335	39,669,903	26,637	11,416	38,053
Scotia Canadian Blue Chip Fund	5,938,350	6,265,537	4,143	1,776	5,919
Scotia Canadian Bond Index Fund	10,339,736	10,793,440	2,061	883	2,944
Scotia Canadian Dividend Fund	31,164,562	32,881,646	136,946	58,691	195,637
Scotia Canadian Growth Fund	6,387,302	6,713,853	1,569	672	2,241
Scotia Canadian Income Fund	170,399,653	180,553,911	105,536	45,230	150,766
Scotia Canadian Index Fund	8,320,459	9,043,685	20,756	8,895	29,651
Scotia Canadian Small Cap Fund	742,589	812,405	2,975	1,275	4,250
Scotia CanAm Index Fund	30,300,846	31,373,044	6,478	2,776	9,254
Scotia Diversified Monthly Income Fund	67,350,713	72,507,465	27,343	11,718	39,061
Scotia Dividend Balanced Fund	3,602,117	3,940,778	3,764	1,613	5,377
Scotia European Fund	698,946	736,524	1,178	505	1,683
Scotia Floating Rate Income Fund	10,476,563	10,935,613	6,482	2,778	9,260
Scotia Global Balanced Fund	1,093,464	1,153,711	355	152	507
Scotia Global Bond Fund	2,026,323	2,135,071	293	126	419
Scotia Global Dividend Fund	10,420,206	11,077,160	18,310	7,847	26,157
Scotia Global Growth Fund	94,959,785	100,122,245	67,906	29,103	97,009
Scotia Global Opportunities Fund	13,942,937	14,774,297	12,912	5,534	18,446
Scotia Global Small Cap Fund	8,491,940	8,945,230	11,064	4,742	15,806
Scotia Income Advantage Fund	7,637,280	8,024,102	2,142	918	3,060
Scotia International Index Fund	3,888,853	4,026,460	1,574	675	2,249
Scotia International Value Fund	269,653	284,150	862	369	1,231
Scotia Latin American Fund	80,203	84,383	123	53	176
Scotia Money Market Fund	–	–	1,332	571	1,903
Scotia Pacific Rim Fund	790,311	830,475	658	282	940
Scotia Premium T-Bill Fund	14,642,155	15,361,889	10,924	4,682	15,606
Scotia Private Canadian All Cap Equity Pool	6,196,469	6,592,330	30,306	12,988	43,294
Scotia Private Canadian Corporate Bond Pool	22,601,259	23,472,723	9,901	4,243	14,144
Scotia Private Canadian Equity Pool	5,231,020	5,576,058	12,082	5,178	17,260
Scotia Private Canadian Preferred Share Pool	126,553	133,159	24	10	34
Scotia Private Fundamental Canadian Equity Pool	4,199,045	4,413,722	4,080	1,749	5,829
Scotia Private Global Credit Pool	28,158,862	29,668,896	8,160	3,497	11,657

	As at June 30, 2018		For the period ended June 30, 2018		
	Market value of securities on loan (\$)	Market value of collateral on loan (\$)	Net amount received by the Fund (\$)	Amount earned by lending agent (\$)	Gross securities lending revenue earned (\$)
Scotia Private Global Low Volatility Equity Pool	5,371,129	5,686,535	5,290	2,267	7,557
Scotia Private International Core Equity Pool	27,871,490	29,386,931	89,662	38,427	128,089
Scotia Private North American Dividend Pool	2,102,815	2,235,390	484	207	691
Scotia Private Options Income Pool	–	–	8	3	11
Scotia Private Real Estate Income Pool	70,052,311	73,780,703	55,908	23,961	79,869
Scotia Private Total Return Bond Pool	39,992,290	41,853,721	32,481	13,920	46,401
Scotia Private U.S. Dividend Pool	1,960,811	2,063,151	7,630	3,270	10,900
Scotia Resource Fund	4,942,005	5,218,798	21,705	9,302	31,007
Scotia Short Term Bond Fund	–	–	3,909	1,675	5,584
Scotia T-Bill Fund	–	–	2,519	1,080	3,599
Scotia U.S. \$ Balanced Fund	5,853,839	6,975,143	1,184	507	1,691
Scotia U.S. \$ Bond Fund	–	–	147	63	210
Scotia U.S. Blue Chip Fund	3,975,356	4,225,987	98	42	140
Scotia U.S. Dividend Fund	6,799,302	7,227,971	205	88	293
Scotia U.S. Index Fund	2,813,925	2,959,423	549	235	784

Trust Funds	As at December 31, 2017		For the period ended June 30, 2017		
	Market value of securities on loan (\$)	Market value of collateral received (\$)	Net amount received by the Fund (\$)	Amount earned by lending agent (\$)	Gross securities lending revenue earned (\$)
Scotia Balanced Opportunities Fund	28,353,418	29,829,663	36,122	15,498	51,620
Scotia Bond Fund	–	–	299	128	427
Scotia Canadian Balanced Fund	5,298,094	5,836,237	16,380	7,022	23,402
Scotia Canadian Blue Chip Fund	–	–	2,828	1,214	4,042
Scotia Canadian Bond Index Fund	2,325,542	2,415,356	18,030	7,753	25,783
Scotia Canadian Dividend Fund	131,650,927	144,020,156	121,319	52,001	173,320
Scotia Canadian Growth Fund	–	–	27,208	11,662	38,870
Scotia Canadian Income Fund	324,655,308	338,948,673	72,970	31,284	104,254
Scotia Canadian Index Fund	7,399,247	7,775,773	28,534	12,243	40,777
Scotia CanAm Index Fund	15,121,206	15,705,197	4,801	2,059	6,860
Scotia Diversified Monthly Income Fund	50,646,760	53,224,331	34,594	14,828	49,422
Scotia Dividend Balanced Fund	4,906,344	5,156,014	49,334	21,149	70,483
Scotia European Fund	–	–	603	258	861
Scotia Floating Rate Income Fund	29,325,995	30,584,489	42,543	18,250	60,793
Scotia Global Bond Fund	–	–	95	41	136
Scotia Global Dividend Fund	–	–	11,850	5,079	16,929
Scotia Global Growth Fund	57,531,327	62,481,911	136,123	58,345	194,468
Scotia Global Opportunities Fund	–	–	18,902	8,101	27,003
Scotia Global Small Cap Fund	–	–	9,617	4,123	13,740
Scotia Income Advantage Fund	2,328,331	2,443,739	7,508	3,219	10,727
Scotia International Index Fund	5,241,240	5,443,660	248	106	354
Scotia International Value Fund	–	–	106	46	152
Scotia Latin American Fund	360,538	390,027	958	411	1,369
Scotia Money Market Fund	–	–	5,677	2,435	8,112
Scotia Nasdaq Index Fund	–	–	890	382	1,272
Scotia Premium T-Bill Fund	17,285,391	18,029,583	8,908	3,817	12,725
Scotia Private Canadian Corporate Bond Pool	43,221,935	44,902,642	72,672	31,185	103,857
Scotia Private Canadian Equity Pool	–	–	15,045	6,451	21,496
Scotia Private Canadian Preferred Share Pool	289,668	304,408	11,392	4,889	16,281
Scotia Private International Core Equity Pool	326,505	353,210	79,662	34,141	113,803
Scotia Private North American Dividend Pool	–	–	721	309	1,030
Scotia Private Real Estate Income Pool	48,520,859	51,157,377	44,528	19,089	63,617
Scotia Private Short-Mid Government Bond Pool	–	–	52,641	22,561	75,202
Scotia Private U.S. Dividend Pool	335,704	363,161	8,537	3,659	12,196
Scotia Private U.S. Equity Pool	–	–	14,049	6,025	20,074
Scotia Resource Fund	3,771,362	3,964,945	73,968	31,705	105,673
Scotia Short Term Bond Fund	16,733,520	17,459,167	13,631	5,845	19,476
Scotia T-Bill Fund	7,261,187	7,551,366	1,786	766	2,552
Scotia U.S. \$ Bond Fund	–	–	88	37	125
Scotia U.S. \$ Money Market Fund	–	–	97	42	139
Scotia U.S. Blue Chip Fund	–	–	64	28	92
Scotia U.S. Dividend Fund	386,046	417,620	688	295	983
Scotia U.S. Index Fund	–	–	763	331	1,094
Scotia U.S. Opportunities Fund	–	–	526	226	752

12. Unfunded Credit Agreements

Certain Funds may enter into credit agreements, all or a portion of which may be unfunded. These Funds are obligated to fund the credit agreements at the issuer's discretion. The funded portions of the

agreements are marked to market daily and any unrealized gain or loss is included in the Statements of Financial Position and the Statements of Comprehensive Income. The unfunded portion of the credit agreements will be marked to market and any unrealized gain or loss will be included in the Statements of Financial Position and the

Statements of Comprehensive Income when the issuer has called for the amounts and has met all the conditions of the call in accordance with the credit agreement. The funded portions of credit agreements are presented on the Schedule of Investment Portfolio. The unfunded portions as at June 30, 2018 and December 31, 2017 are listed below.

	June 30, 2018	December 31, 2017
	\$	\$
Blackstone Tactical Opportunities Fund II LP		
Scotia Income Advantage Fund	1,368,003	1,251,159
Timbercreek Ireland Subordinated Debenture		
Scotia Diversified Monthly Income Fund	3,263,339	—
Scotia Income Advantage Fund	247,130	—
GSO Capital Solutions Fund III LP		
Scotia Diversified Monthly Income Fund	31,399,675	—
Scotia Income Advantage Fund	2,392,841	—

13. Currency Legend

The following is a list of abbreviations that may be used in the Financial Statements:

AUD Australian Dollar	KRW South Korean Won
BMD Bermuda Dollar	MXN Mexican Peso
BRL Brazilian Real	MYR Malaysian Ringgit
CAD Canadian Dollar	NOK Norwegian Krone
CHF Swiss Franc	NZD New Zealand Dollar
DKK Danish Krone	PHP Philippine Peso
EUR Euro	PKR Pakistani Rupee
GBP Pound Sterling	SEK Swedish Krona
HKD Hong Kong Dollar	SGD Singapore Dollar
IDR Indonesian Rupiah	THB Thailand Baht
ILS Israeli Shekel	TWD New Taiwan Dollar
INR Indian Rupee	USD US Dollar
JPY Japanese Yen	ZAR South African Rand

Management Responsibility For Financial Reporting

The accompanying financial statements of the Funds (as defined in Note 1) have been prepared by 1832 Asset Management L.P., in its capacity as manager (the “Manager”) of the Funds, and have been approved by the Board of Directors of Scotia Corporate Class Inc. (“SCCI”), with respect to the Funds that are corporate funds (the “Corporate Funds”), and by the Board of Directors of 1832 Asset Management G.P. Inc., as general partner for and on behalf of 1832 Asset Management L.P., in its capacity as trustee (the “Trustee”) of the Funds, with respect to the Funds that are trust funds (the “Trust Funds”). The Board of Directors of SCCI, with respect to the Corporate Funds, and the Board of Directors of 1832 Asset Management G.P. Inc., as general partner for and on behalf of 1832 Asset Management L.P., with respect to the Trust Funds, are responsible for the information and representations contained in these financial statements and the management report of fund performance.

The Manager maintains appropriate processes to ensure that relevant and reliable financial information is produced. The financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) and include certain amounts that are based on estimates and judgments made by the Manager. The significant accounting policies which the Manager believes are appropriate for the Funds are described in Note 2 to the financial statements.

The Board of Directors of 1832 Asset Management G.P. Inc. has delegated responsibility for oversight of the financial reporting process to the Finance Committee of the Board of Directors of 1832 Asset Management G.P. Inc. (the “Finance Committee”). The Finance Committee is responsible for reviewing the financial statements and the management report of fund performance and recommending them to the Boards of Directors of SCCI and 1832 Asset Management G.P. Inc. for approval, in addition to meeting with management, internal auditors and external auditors to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues.

PricewaterhouseCoopers LLP is the external auditor of the Funds, appointed by the Trustee of the Funds. The auditor of the Funds has not reviewed these financial statements. Applicable securities laws require that if an external auditor has not reviewed the Fund’s financial statements, this must be disclosed in an accompanying notice.



Glen Gowland
President
1832 Asset Management L.P.



Anil Mohan
Chief Financial Officer
1832 Asset Management L.P.

August 21, 2018

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