ScotiaFunds®

Annual Report

December 31, 2017

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
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Equity Funds

Canadian Equity Funds

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Index Funds

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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

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Scotia Aria Conservative Pay Portfolio
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Economic & Financial Market Outlook

Jean-François Perrault
SVP and Chief Economist
Scotiabank Economics

Peak Growth

The global economy continues to impress. Household spending and business activity are accelerating or remain strong in most of the economies we track, and measures of confidence and/or activity are at cycle highs. With still extremely accommodative monetary policies in much of the advanced world, this is contributing to a powerful positive feedback loop amongst economies. Against this backdrop of synchronized growth, wage and inflation developments continue to diverge. In Canada, the United States and the United Kingdom, wage and/or inflation dynamics require a continued withdrawal of monetary stimulus. In Europe and Japan, inflation remains stubbornly low with little sign of acceleration. These divergent paths for inflation imply that policy will tighten further in countries with rising inflation, but the extent to which these moves in short-term rates are translated up the yield curve risks being capped by ongoing quantitative easing programs in Europe and Japan. All this is occurring in an environment of heightened geopolitical concerns, trade and political developments in the United States, and more generalized concerns about the length and sustainability of the current expansion.

In Canada, we forecast growth to slow somewhat in 2018 from the nearly 3% pace set in 2017. This slower performance nevertheless represents a very solid and broad-based expansion of activity, as our estimate of the rate of potential output growth remains 1.6%. The economy will move further into excess demand in 2018, leading to more inflationary pressure and higher interest rates. Capacity constraints will become even more prominent. Nowhere is this more evident than in the labour market, where jobs are being created at an extraordinary rate, wages are rising rapidly, the unemployment rate is at its lowest level since 1974 and the participation rate of those in their prime working-age years is near historic highs. Inflation, after disappointing on the downside for years, is on the rebound. The strength in activity continues to benefit federal government finances, as we now expect narrower deficits this fiscal year and next.

A number of risks cloud this outlook. First and foremost on the downside are the ongoing negotiations to update NAFTA. Our assumption is that negotiations will extend well beyond the March 31 deadline, and uncertainty associated with the eventual outcome is bound to be a drag on the outlook. The newly implemented B-20 rules risk triggering a slowdown in the Canadian housing market, a risk the Bank of Canada has flagged, though the fundamental drivers of the housing market remain solid.

There are a number of positive risks that potentially offset these concerns. With labour income growing rapidly, fed by strong employment and wage gains, and asset prices remaining high, it is quite possible that consumption continues to increase much more rapidly than we currently forecast. The same is true for residential investment. We anticipate a slowdown in housing starts and softer markets in Toronto, but fundamentals remain strong and housing markets may prove to be more resilient than currently expected.

Based on the economic environment alone, the case for higher interest rates in Canada is airtight. Other factors cloud the outlook. The Governor of the Bank of Canada remains concerned about the level of household indebtedness and how that will interact with rising interest rates. He is worried about a potential slowdown in the housing market triggered by the regulatory B-20 changes implemented on January 1. And though he is placing less public emphasis on this in recent communications, NAFTA-related concerns presumably still loom large. The challenge for the BoC will be to weigh these risks against incoming data – data that we expect to support a case for higher interest rates throughout the year. Incorporating some of these risks in our model-based approach leads us to forecast at least 50 basis points of additional tightening throughout 2018. With a relatively unchanged interest rate differential against the US and oil prices expected to remain roughly at current levels, we forecast that the Canadian dollar will hover around 80 cents for most of the year.

Growth in the US is expected to mildly outpace that in Canada. As in Canada, the labour market remains reasonably strong and, in conjunction with high household wealth, this should support consumption. Capital spending is forecast to remain upbeat as the industrial rebound broadens, and capacity pressures necessitate an increase in productive capacity. As confirmation, tracking shows orders of capital goods in the US are at their highest level in 5 years.

A key issue affecting our US forecast is the treatment of the tax reform package. On net, the package is expected to have only a marginal impact on the outlook. At least

two factors are at play. The sizeable cut in corporate and personal income taxes is likely to merely provide a modest boost to growth based on the historical experience with tax cuts in the US. In addition, this modest boost hits when the economy is in excess demand and a withdrawal in stimulus is required. As a result, the Federal Reserve is expected to tighten rates a bit more rapidly than earlier anticipated, and thus dampen some of the potential impact of lower taxes.

A strong acceleration in growth is anticipated in the Pacific Alliance countries. This is most evident in Peru, Chile and Colombia, where a combination of higher commodity prices and political developments is expected to lead to higher business confidence, investment, and infrastructure spending. In Mexico, the upcoming Presidential election and NAFTA negotiations are weighing on the outlook, but growth is nevertheless expected to accelerate in 2018 owing to strong household spending and rising investment. For Mexico, as in Canada, the strength in the US and the rest of the world is proving to be a powerful tonic against trade-related uncertainties.

Scotia T-Bill Fund

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	December 31, 2017	December 31, 2016
ASSETS		
Current assets		
Investments		
Non-derivative financial assets	34,609,402	40,552,568
Cash	97,984	28,664
Subscriptions receivable	12,205	53,437
Accrued investment income and other	3,139	1,401
Due from Manager	726	–
	34,723,456	40,636,070
LIABILITIES		
Current liabilities		
Redemptions payable	32,969	7,768
Accrued expenses	–	1,889
Distributions payable	124	5
	33,093	9,662
Net assets attributable to holders of redeemable units	34,690,363	40,626,408
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series A	34,690,363	40,626,408
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series A	10.00	10.00

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except average units)	2017	2016
INCOME		
Net gain (loss) on investments		
Interest for distribution purposes	291,921	278,116
Net gain (loss) on investments	291,921	278,116
Securities lending (note 11)	2,684	825
Total income (loss), net	294,605	278,941
EXPENSES		
Management fees (note 5)	371,772	445,504
Independent Review Committee fees	1,154	1,184
Audit fees	8,393	777
Custodian fees	1,159	1,234
Filing fees	18,920	18,973
Legal fees	36	181
Unitholder administration costs	89,541	82,995
Unitholder reporting costs	7,538	15,925
Other fund costs	6	–
Harmonized Sales Tax/Goods and Services Tax	33,568	33,198
Total expenses	532,087	599,971
Expenses absorbed by the Manager	(288,331)	(361,330)
Net expenses	243,756	238,641
Increase (decrease) in net assets attributable to holders of redeemable units from operations	50,849	40,300
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A	50,849	40,300
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT†		
Series A	0.01	0.01
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series A	3,728,118	4,455,102

† 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.

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

For the periods ended December 31 (note 1),

(in dollars)	2017	2016
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series A	40,626,408	48,579,634
	40,626,408	48,579,634
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A	50,849	40,300
	50,849	40,300
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net investment income		
Series A	(50,848)	(40,300)
	(50,848)	(40,300)
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A	6,132,533	6,281,849
Reinvested distributions		
Series A	50,252	39,918
Payments on redemption		
Series A	(12,118,831)	(14,274,993)
	(5,936,046)	(7,953,226)
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A	(5,936,045)	(7,953,226)
	(5,936,045)	(7,953,226)
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series A	34,690,363	40,626,408
	34,690,363	40,626,408

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	50,849	40,300
Adjustments for:		
Purchases of portfolio investments	(90,185,959)	(95,932,420)
Proceeds from sale of portfolio investments	96,129,125	103,871,778
Accrued investment income and other	(1,738)	886
Accrued expenses and other payables	(1,889)	1,889
Receivable for management fees rebate	(726)	–
Net cash provided by (used in) operating activities	5,989,662	7,982,433
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	6,173,765	6,228,412
Amounts paid on redemption of redeemable units	(12,093,630)	(14,267,225)
Distributions to unitholders of redeemable units	(477)	(389)
Net cash provided by (used in) financing activities	(5,920,342)	(8,039,202)
Unrealized foreign currency translation gain (loss)	–	–
Net increase (decrease) in cash	69,320	(56,769)
Cash (bank overdraft), beginning of period	28,664	85,433
CASH (BANK OVERDRAFT), END OF PERIOD	97,984	28,664
Interest received(1)	290,183	279,002

(1) Classified as operating items.

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

Scotia T-Bill Fund (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2017

Issuer	Face Value ($)	Average Cost ($)	Carrying Value ($)
Short Term Bonds – 42.7%			
Ontario Hydro Corporation Coupon Strip 0.00% Apr 15, 2018	500,000	496,020	498,555
Canada Housing Trust No. 1 (Floating Rate) 0.83% Sep 15, 2018	7,200,000	7,213,537	7,213,531
Province of Manitoba (Floating Rate) 1.14% Apr 02, 2018	1,000,000	1,002,940	1,004,365
Province of Nova Scotia 1.12% Aug 15, 2018	4,700,000	4,712,753	4,716,635
Province of Ontario (Floating Rate) 1.52% Dec 03, 2018	1,380,000	1,384,761	1,385,748
		14,810,011	14,818,834
Promissory Notes – 4.9%			
Province of Saskatchewan 0.00% Jan 10, 2018	1,690,000	1,684,119	1,689,412
Treasury Bills – 52.2%			
Government of Canada 0.00% Feb 08, 2018	3,585,000	3,566,585	3,582,629
Government of Canada 0.00% Jan 11, 2018	4,395,000	4,382,754	4,393,560
Government of Canada 0.00% Jan 25, 2018	3,070,000	3,056,062	3,068,009
Government of Canada 0.00% Jul 26, 2018	2,270,000	2,252,884	2,255,041
Government of Canada 0.00% May 31, 2018	4,825,000	4,793,325	4,801,917
		18,051,610	18,101,156
TOTAL INVESTMENT PORTFOLIO		34,545,740	34,609,402
OTHER ASSETS, LESS LIABILITIES – 0.2%			80,961
NET ASSETS – 100.0%			34,690,363

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 T-Bill Fund (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	December 31, 2017 ($)	December 31, 2016 ($)
Less than 1 year	34,609,402	39,547,956
1-3 years	–	1,004,612
3-5 years	–	–
5-10 years	–	–
> 10 years	–	–
	34,609,402	40,552,568

As at December 31, 2017, 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 would have decreased or increased, respectively, by $11,475 or approximately 0.0% (December 31, 2016 – $19,937 or approximately 0.0%).

Currency risk

The Fund did not have significant currency risk exposure as at December 31, 2017 or December 31, 2016.

Price risk

The Fund did not have significant price risk exposure to equities, underlying funds, derivatives or commodities, if applicable, as at December 31, 2017 and December 31, 2016.

Credit risk

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

	December 31, 2017		December 31, 2016	
Credit ratings	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+	57.2	57.2	48.7	48.7
A-1	–	–	7.5	7.4
Bond Credit Rating				
AAA	20.9	20.9	22.2	22.2
AA	1.4	1.4	8.0	8.0
A	20.5	20.3	13.6	13.5
	100.1	99.8	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 (%)	
	December 31, 2017	December 31, 2016
Promissory Notes	4.9	–
Short Term Bonds	42.7	43.8
Treasury Bills	52.2	56.0

Fair Value Classification (note 2)

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

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

December 31, 2016	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Bonds and debentures	–	17,782,407	–	17,782,407
Money market instruments	–	22,770,161	–	22,770,161
	–	40,552,568	–	40,552,568

Transfers between levels

During the periods ended December 31, 2017 and December 31, 2016, there were no significant transfers between Level 1 and Level 2.

Offsetting of financial assets and liabilities (note 2)

As at December 31, 2017 and December 31, 2016, 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 December 31, 2017 or December 31, 2016.

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

As at December 31, 2017 or December 31, 2016, 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

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	December 31, 2017	December 31, 2016
ASSETS		
Current assets		
Investments		
Non-derivative financial assets	142,158,897	171,620,152
Cash	92,839	57,385
Subscriptions receivable	–	4,000
Accrued investment income and other	12,985	5,864
Due from Manager	35,909	36,496
	142,300,630	171,723,897
LIABILITIES		
Current liabilities		
Management fee payable	–	7,656
Redemptions payable	176,884	14,656
Accrued expenses	–	445
Distributions payable	4,594	2,375
	181,478	25,132
Net assets attributable to holders of redeemable units	142,119,152	171,698,765
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series A	142,119,152	171,698,765
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series A	10.00	10.00

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except average units)	2017	2016
INCOME		
Net gain (loss) on investments		
Interest for distribution purposes	1,216,932	1,120,103
Net gain (loss) on investments	1,216,932	1,120,103
Securities lending (note 11)	14,617	7,445
Total income (loss), net	1,231,549	1,127,548
EXPENSES		
Management fees (note 5)	427,131	469,823
Independent Review Committee fees	1,154	1,181
Audit fees	8,459	3,125
Custodian fees	3,643	3,662
Filing fees	18,972	18,292
Legal fees	140	732
Unitholder administration costs	24,204	29,496
Unitholder reporting costs	3,639	4,879
Other fund costs	223	–
Harmonized Sales Tax/Goods and Services Tax	47,250	92,617
Total expenses	534,815	623,807
Expenses absorbed by the Manager	(38,403)	(91,846)
Net expenses	496,412	531,961
Increase (decrease) in net assets attributable to holders of redeemable units from operations	735,137	595,587
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A	735,137	595,587
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT†		
Series A	0.05	0.03
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series A	15,496,822	18,040,370

† 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 December 31 (note 1),

(in dollars)	2017	2016
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series A	171,698,765	191,138,128
	171,698,765	191,138,128
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A	735,137	595,587
	735,137	595,587
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net investment income		
Series A	(735,138)	(595,587)
	(735,138)	(595,587)
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A	23,845,804	35,518,636
Reinvested distributions		
Series A	702,217	563,557
Payments on redemption		
Series A	(54,127,633)	(55,521,556)
	(29,579,612)	(19,439,363)
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A	(29,579,613)	(19,439,363)
	(29,579,613)	(19,439,363)
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series A	142,119,152	171,698,765
	142,119,152	171,698,765

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	735,137	595,587
Adjustments for:		
Purchases of portfolio investments	(391,450,648)	(423,510,377)
Proceeds from sale of portfolio investments	420,911,903	442,935,675
Accrued investment income and other	(7,121)	3,108
Accrued expenses and other payables	(8,101)	8,101
Receivable for management fees rebate	587	4,147
Net cash provided by (used in) operating activities	30,181,757	20,036,241
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	23,849,804	35,514,636
Amounts paid on redemption of redeemable units	(53,965,405)	(55,506,900)
Distributions to unitholders of redeemable units	(30,702)	(32,568)
Net cash provided by (used in) financing activities	(30,146,303)	(20,024,832)
Unrealized foreign currency translation gain (loss)	–	–
Net increase (decrease) in cash	35,454	11,409
Cash (bank overdraft), beginning of period	57,385	45,976
CASH (BANK OVERDRAFT), END OF PERIOD	92,839	57,385
Interest received(1)	1,209,811	1,123,211

(1) Classified as operating items.

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

Scotia Premium T-Bill Fund (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2017

Issuer	Face Value ($)	Average Cost ($)	Carrying Value ($)
Short Term Bonds – 1.5%			
Ontario Hydro Corporation Coupon Strip 0.00% Apr 15, 2018	2,100,000	2,083,284	2,093,933
Federal Bonds – 20.8%			
Canada Housing Trust No. 1 (Floating Rate) 0.83% Sep 15, 2018	29,500,000	29,555,460	29,555,437
Provincial Bonds – 21.2%			
Province of Manitoba (Floating Rate) 1.14% Apr 02, 2018	4,100,000	4,112,054	4,117,897
Province of Nova Scotia 1.12% Aug 15, 2018	19,900,000	19,953,985	19,970,469
Province of Ontario (Floating Rate) 1.52% Dec 03, 2018	5,975,000	5,995,614	5,999,890
		30,061,653	30,088,256
Promissory Notes – 5.1%			
Province of Saskatchewan 0.00% Jan 10, 2018	7,250,000	7,224,770	7,247,477
Treasury Bills – 51.5%			
Government of Canada 0.00% Feb 08, 2018	14,600,000	14,524,934	14,590,342
Government of Canada 0.00% Jan 11, 2018	13,740,000	13,697,131	13,735,407
Government of Canada 0.00% Jan 25, 2018	13,800,000	13,737,348	13,791,050
Government of Canada 0.00% Jul 26, 2018	9,650,000	9,577,239	9,586,411
Government of Canada 0.00% May 31, 2018	21,575,000	21,429,369	21,470,584
		72,966,021	73,173,794
TOTAL INVESTMENT PORTFOLIO		141,891,188	142,158,897
OTHER ASSETS, LESS LIABILITIES – (0.1%)			(39,745)
NET ASSETS – 100.0%			142,119,152

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 Premium T-Bill Fund (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	December 31, 2017 ($)	December 31, 2016 ($)
Less than 1 year	142,158,897	167,501,244
1-3 years	–	4,118,908
3-5 years	–	–
5-10 years	–	–
> 10 years	–	–
	142,158,897	171,620,152

As at December 31, 2017, 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 would have decreased or increased, respectively, by $47,723 or approximately 0.0% (December 31, 2016 – $82,302 or approximately 0.0%).

Currency risk

The Fund did not have significant currency risk exposure as at December 31, 2017 or December 31, 2016.

Price risk

The Fund did not have significant price risk exposure to equities, underlying funds, derivatives or commodities, if applicable, as at December 31, 2017 and December 31, 2016.

Credit risk

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

	December 31, 2017		December 31, 2016	
Credit ratings	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+	56.5	56.6	50.2	50.2
A-1	–	–	8.3	8.3
Bond Credit Rating				
AAA	20.8	20.8	21.4	21.4
AA	1.5	1.5	8.2	8.2
A	21.2	21.2	11.9	11.9
Total	100.0	100.1	100.0	100.0

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 (%)	
	December 31, 2017	December 31, 2016
Federal Bonds	20.8	–
Promissory Notes	5.1	–
Provincial Bonds	21.2	20.0
Short Term Bonds	1.5	21.4
Treasury Bills	51.5	58.6

Fair Value Classification (note 2)

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

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

December 31, 2016	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Bonds and debentures	–	71,110,375	–	71,110,375
Money market instruments	–	100,509,777	–	100,509,777
	–	171,620,152	–	171,620,152

Transfers between levels

During the periods ended December 31, 2017 and December 31, 2016, there were no significant transfers between Level 1 and Level 2.

Offsetting of financial assets and liabilities (note 2)

As at December 31, 2017 and December 31, 2016, 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 December 31, 2017 or December 31, 2016.

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

As at December 31, 2017 or December 31, 2016, 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

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	December 31, 2017	December 31, 2016
ASSETS		
Current assets		
Investments		
Non-derivative financial assets	1,237,504,941	1,351,378,989
Cash	2,179,428	3,567
Subscriptions receivable	6,910,836	4,345,847
Accrued investment income and other	133,522	84,174
Due from Manager	9,416	–
	1,246,738,143	1,355,812,577
LIABILITIES		
Current liabilities		
Redemptions payable	3,012,573	2,861,427
Accrued expenses	–	20,544
Distributions payable	8,134	4,449
	3,020,707	2,886,420
Net assets attributable to holders of redeemable units	1,243,717,436	1,352,926,157
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
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
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series A	10.00	10.00
Advisor Series	10.00	10.00
Series K	10.00	10.00
Series M	10.00	10.00
Premium Series	10.00	10.00

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except average units)	2017	2016
INCOME		
Net gain (loss) on investments		
Interest for distribution purposes	14,997,206	15,582,687
Net gain (loss) on investments	14,997,206	15,582,687
Securities lending (note 11)	10,431	14,931
Total income (loss), net	15,007,637	15,597,618
EXPENSES		
Management fees (note 5)	2,615,743	3,601,909
Independent Review Committee fees	1,154	1,181
Interest expense and bank overdraft charges	4,763	102
Audit fees	8,869	26,379
Custodian fees	34,421	32,790
Filing fees	35,107	54,700
Legal fees	1,001	6,169
Unitholder administration costs	355,054	369,331
Unitholder reporting costs	17,201	38,390
Other fund costs	202	355
Harmonized Sales Tax/Goods and Services Tax	228,621	289,804
Total expenses	3,302,136	4,421,110
Expenses absorbed by the Manager	(947,516)	(1,281,998)
Net expenses	2,354,620	3,139,112
Increase (decrease) in net assets attributable to holders of redeemable units from operations	12,653,017	12,458,506
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A	727,201	803,787
Advisor Series	869	1,696
Series K	11,895	5
Series M	11,308,428	10,275,909
Premium Series	604,624	1,377,109
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT†		
Series A	0.03	0.03
Advisor Series	0.03	0.03
Series K	0.12	0.05
Series M	0.11	0.10
Premium Series	0.08	0.07
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series A	20,853,519	26,806,024
Advisor Series	28,850	56,667
Series K	100,450	100
Series M	103,129,028	104,843,381
Premium Series	7,780,753	20,180,307

† 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 Money Market Fund (Continued)

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

For the periods ended December 31 (note 1),

(in dollars)	2017	2016
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series A	218,470,612	311,337,658
Advisor Series	450,468	676,361
Series K	1,004	–
Series M	1,038,195,157	1,038,899,571
Premium Series	95,808,916	202,043,990
	1,352,926,157	1,552,957,580
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A	727,201	803,787
Advisor Series	869	1,696
Series K	11,895	5
Series M	11,308,428	10,275,909
Premium Series	604,624	1,377,109
	12,653,017	12,458,506
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net investment income		
Series A	(727,202)	(803,774)
Advisor Series	(869)	(1,695)
Series K	(11,895)	(5)
Series M	(11,308,427)	(10,275,926)
Premium Series	(604,623)	(1,377,106)
	(12,653,016)	(12,458,506)
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A	106,043,342	110,227,580
Series K	1,822,600	1,000
Series M	2,177,123,387	2,169,433,184
Premium Series	22,967	123,762,773
Reinvested distributions		
Series A	706,676	792,642
Advisor Series	869	1,692
Series K	11,895	4
Series M	11,137,999	10,186,915
Premium Series	585,357	1,348,940
Payments on redemption		
Series A	(131,667,808)	(203,887,281)
Advisor Series	(240,322)	(227,586)
Series K	(125,503)	–
Series M	(2,241,023,258)	(2,180,324,496)
Premium Series	(33,606,923)	(231,346,790)
	(109,208,722)	(200,031,423)
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A	(24,917,791)	(92,867,046)
Advisor Series	(239,453)	(225,893)
Series K	1,708,992	1,004
Series M	(52,761,871)	(704,414)
Premium Series	(32,998,598)	(106,235,074)
	(109,208,721)	(200,031,423)
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END 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
	1,243,717,436	1,352,926,157

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	12,653,017	12,458,506
Adjustments for:		
Purchases of portfolio investments	(6,564,025,419)	(10,036,907,616)
Proceeds from sale of portfolio investments	6,677,899,469	10,238,322,431
Accrued investment income and other	(49,348)	35,462
Accrued expenses and other payables	(20,544)	20,544
Receivable for management fees rebate	(9,416)	–
Net cash provided by (used in) operating activities	126,447,759	213,929,327
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	2,282,257,308	2,399,078,690
Amounts paid on redemption of redeemable units	(2,406,322,670)	(2,612,924,725)
Distributions to unitholders of redeemable units	(206,536)	(126,866)
Net cash provided by (used in) financing activities	(124,271,898)	(213,972,901)
Unrealized foreign currency translation gain (loss)	–	–
Net increase (decrease) in cash	2,175,861	(43,574)
Cash (bank overdraft), beginning of period	3,567	47,141
CASH (BANK OVERDRAFT), END OF PERIOD	2,179,428	3,567
Interest paid[1]	4,763	102
Interest received[1]	14,947,858	15,618,150

[1] Classified as operating items.

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

Scotia Money Market Fund (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2017

Issuer	Face Value ($)	Average Cost ($)	Carrying Value ($)
MONEY MARKET INSTRUMENTS – 99.5%			
Short Term Bonds – 64.9%			
Bank of Montreal (Floating Rate) 1.47% Mar 29, 2018	48,086,000	48,253,889	48,149,358
Bank of Montreal 6.02% May 02, 2018	7,000,000	7,213,206	7,172,956
Bank of Nova Scotia, The (Floating Rate) 1.45% Oct 12, 2018	10,000,000	10,000,600	10,006,135
Bank of Nova Scotia, The (Floating Rate) 1.52% Apr 20, 2018	28,558,000	28,674,215	28,693,477
Bank of Nova Scotia, The 2.24% Mar 22, 2018	7,000,000	7,065,520	7,061,272
Bank of Nova Scotia, The 2.37% Jan 11, 2018	9,600,000	9,711,264	9,709,505
BMW Canada Inc. 2.27% Nov 26, 2018	22,026,000	22,171,257	22,203,667
BMW Canada Inc. 2.33% May 23, 2018	9,404,000	9,466,900	9,459,090
BMW Canada Inc. 2.33% Sep 26, 2018	800,000	803,995	807,975
Canadian Imperial Bank of Commerce (Floating Rate) 1.43% Jan 28, 2019	7,000,000	7,004,900	7,021,783
Canadian Imperial Bank of Commerce (Floating Rate) 1.56% Feb 08, 2018	48,300,000	48,300,000	48,439,295
City of Toronto 4.95% Jun 27, 2018	29,000,000	29,977,474	29,533,657
GE Capital Canada Funding Company 2.42% May 31, 2018	5,749,000	5,792,152	5,773,342
GE Capital Canada Funding Company 4.40% Feb 08, 2018	6,924,000	7,037,900	7,065,512
Genesis Trust II 1.68% Sep 17, 2018	57,000,000	56,917,703	57,208,025
Greater Toronto Airports Authority 5.26% Apr 17, 2018	29,174,000	30,294,281	29,843,789
Honda Canada Finance Inc. (Floating Rate) 2.02% Dec 03, 2018	12,645,000	12,724,737	12,734,711
HSBC Bank of Canada 2.08% Nov 26, 2018	7,500,000	7,511,625	7,525,797
John Deere Canada Funding Inc. 2.30% Jan 17, 2018	4,507,000	4,550,327	4,556,287
John Deere Canada Funding Inc. 2.65% Jul 16, 2018	27,700,000	27,893,741	28,175,448
Manulife Bank of Canada (Floating Rate) 1.51% Jun 01, 2018	30,000,000	30,010,306	30,048,960
Master Credit Card Trust II 2.72% Nov 21, 2018	9,187,000	9,259,026	9,285,459
National Bank of Canada (Floating Rate) 1.39% Jun 14, 2018	50,497,000	50,661,649	50,613,925
National Bank of Canada 2.79% Aug 09, 2018	5,000,000	5,058,400	5,091,485
NAV Canada 1.95% Apr 19, 2018	30,301,767	30,567,134	30,501,447
OMERS Realty Corporation 2.50% Jun 05, 2018	15,000,000	15,094,250	15,087,491
OMERS Realty Corporation 4.74% Jun 04, 2018	31,781,000	32,573,998	32,323,508
Province of Manitoba (Floating Rate) 1.22% Apr 02, 2019	18,925,000	18,983,634	19,040,236
Province of New Brunswick Canada (Floating Rate) 1.42% Aug 01, 2019	20,000,000	20,078,000	20,113,340
Province of Ontario Canada (Floating Rate) 1.40% Aug 26, 2019	54,700,000	54,881,251	54,923,982
Royal Bank of Canada (Floating Rate) 1.02% Jul 30, 2018	50,500,000	50,500,000	50,629,833
Royal Bank of Canada (Floating Rate) 1.59% Apr 09, 2019	1,415,000	1,421,232	1,425,574
Royal Bank of Canada 2.82% Jul 12, 2018	4,000,000	4,044,120	4,079,110
Toronto-Dominion Bank, The (Floating Rate) 1.49% Mar 28, 2018	53,795,000	53,817,872	53,807,501
Toyota Credit Canada Inc. 2.75% Jul 18, 2018	13,346,000	13,493,575	13,596,979
Toyota Credit Canada Inc. 2.80% Nov 21, 2018	3,700,000	3,732,264	3,743,040
Wells Fargo Canada Corporation 2.78% Nov 15, 2018	31,966,000	32,281,216	32,360,809
		807,823,613	807,813,760
Bankers' Acceptances – 4.0%			
Citigroup Inc. 0.00% Jan 10, 2018	6,200,000	6,194,172	6,197,710
Citigroup Inc. 0.00% Jan 19, 2018	1,500,000	1,498,440	1,498,960
Fédération des caisses Desjardins du Québec 0.00% Jan 11, 2018	22,000,000	21,977,120	21,991,143
HSBC Bank of Canada 0.00% Jan 10, 2018	11,805,000	11,792,930	11,800,542
HSBC Bank of Canada 0.00% Jan 16, 2018	2,170,000	2,162,796	2,168,640
HSBC Bank of Canada 1.33% Jan 05, 2018	6,250,000	6,243,612	6,248,713
		49,869,070	49,905,708
Bearers' Deposit Notes – 1.2%			
Fédération des caisses Desjardins du Québec 0.00% Jan 12, 2018	10,000,000	9,990,000	9,995,667
HSBC Bank of Canada 0.00% Mar 26, 2018	4,480,000	4,455,718	4,465,084
		14,445,718	14,460,751
Commercial Paper – 25.9%			
Enbridge Gas Distribution Inc. 0.00% Jan 15, 2018	7,120,000	7,111,954	7,115,847
Enbridge Gas Distribution Inc. 0.00% Jan 16, 2018	29,600,000	29,566,178	29,582,081
Enbridge Pipelines Inc. 0.00% Jan 19, 2018	6,375,000	6,367,742	6,370,131
Enbridge Pipelines Inc. 0.00% Jan 22, 2018	7,190,000	7,181,228	7,183,492
FortisBC Energy Inc. 0.00% Feb 28, 2018	7,000,000	6,984,250	6,984,508
FortisBC Energy Inc. 0.00% Jan 03, 2018	6,555,000	6,545,570	6,554,104
FortisBC Energy Inc. 0.00% Jan 09, 2018	4,000,000	3,987,280	3,998,504
FortisBC Energy Inc. 0.00% Jan 29, 2018	8,000,000	7,991,120	7,991,406
FortisBC Energy Inc. 0.00% Mar 01, 2018	3,470,000	3,459,884	3,462,795

Issuer	Face Value ($)	Average Cost ($)	Carrying Value ($)
MONEY MARKET INSTRUMENTS (cont'd)			
Commercial Paper (cont'd)			
Honda Canada Finance Inc. 0.00% Apr 03, 2018	11,000,000	10,883,730	10,969,725
Husky Energy Inc. 0.00% Feb 01, 2018	8,500,000	8,471,525	8,489,199
Husky Energy Inc. 0.00% Feb 23, 2018	1,800,000	1,794,006	1,796,211
Husky Energy Inc. 0.00% Mar 12, 2018	23,000,000	22,920,190	22,935,435
Imperial Oil Ltd. 0.00% Jan 11, 2018	27,000,000	26,988,660	26,990,280
Inter Pipeline (Corridor) Inc. 0.00% Feb 08, 2018	10,900,000	10,862,504	10,883,335
Inter Pipeline (Corridor) Inc. 0.00% Jan 08, 2018	7,500,000	7,487,572	7,497,517
Inter Pipeline (Corridor) Inc. 0.00% Jan 18, 2018	12,600,000	12,555,923	12,590,656
Lower Mattagami Energy Limited Partnership 0.00% Jan 11, 2018	15,300,000	15,284,241	15,293,696
Lower Mattagami Energy Limited Partnership 0.00% Jan 16, 2018	17,000,000	16,980,960	16,989,885
Nissan Canada Financial Services Inc. 0.00% Jan 17, 2018	2,245,000	2,242,755	2,243,503
Nova Scotia Power Inc. 0.00% Jan 10, 2018	5,012,000	5,006,136	5,010,045
Nova Scotia Power Inc. 0.00% Jan 16, 2018	2,000,000	1,997,720	1,998,789
Nova Scotia Power Inc. 0.00% Jan 18, 2018	3,120,000	3,116,568	3,117,897
Nova Scotia Power Inc. 0.00% Jan 19, 2018	6,000,000	5,993,100	5,995,548
Nova Scotia Power Inc. 0.00% Jan 26, 2018	10,000,000	9,988,900	9,989,666
Nova Scotia Power Inc. 0.00% Jan 30, 2018	6,000,000	5,992,440	5,992,898
Omers Finance Trust 0.00% Mar 05, 2018	9,400,000	9,369,074	9,377,665
Ontario Teachers Financial Trust 0.00% Feb 02, 2018	16,000,000	15,919,360	15,982,196
Ontario Teachers Financial Trust 0.00% Jan 05, 2018	8,000,000	7,967,040	7,998,455
Ontario Teachers Financial Trust 0.00% Jan 24, 2018	25,000,000	24,878,500	24,979,195
Ontario Teachers Financial Trust 0.00% Jan 31, 2018	1,100,000	1,098,174	1,098,808
Toyota Credit Canada Inc. 0.00% Jan 04, 2018	13,000,000	12,911,300	12,998,320
Toyota Credit Canada Inc. 0.00% May 03, 2018	2,045,000	2,024,795	2,035,097
		321,930,379	322,496,889
Promissory Notes – 1.1%			
Province of Prince Edward Island 0.00% Jan 18, 2018	13,171,000	13,157,039	13,164,017
Treasury Bills – 2.4%			
Ontario Teachers Financial Trust 0.00% Mar 29, 2018	6,000,000	5,974,260	5,980,910
Province of New Brunswick 0.00% Jan 18, 2018	16,240,000	16,224,572	16,231,625
Province of Newfoundland and Labrador 0.00% Jan 18, 2018	755,000	754,207	754,593
Province of Quebec 0.00% Jan 19, 2018	3,000,000	2,996,850	2,998,342
Province of Saskatchewan 0.00% Jan 15, 2018	3,700,000	3,696,485	3,698,346
		29,646,374	29,663,816
TOTAL INVESTMENT PORTFOLIO		1,236,872,193	1,237,504,941
OTHER ASSETS, LESS LIABILITIES – 0.5%			6,212,495
NET ASSETS – 100.0%			1,243,717,436

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 Money Market Fund (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	December 31, 2017 ($)	December 31, 2016 ($)
Less than 1 year	1,134,980,026	1,154,939,602
1-3 years	102,524,915	196,439,387
3-5 years	–	–
5-10 years	–	–
> 10 years	–	–
	1,237,504,941	1,351,378,989

As at December 31, 2017, 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 would have decreased or increased, respectively, by $664,371 or approximately 0.1% (December 31, 2016 – $548,160 or approximately 0.0%).

Currency risk

The Fund did not have significant currency risk exposure as at December 31, 2017 or December 31, 2016.

Price risk

The Fund did not have significant price risk exposure to equities, underlying funds, derivatives or commodities, if applicable, as at December 31, 2017 and December 31, 2016.

Credit risk

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

	December 31, 2017		December 31, 2016	
Credit ratings	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+	11.0	10.9	15.5	15.5
A-1	19.6	19.6	18.5	18.5
A-2	4.1	4.1	–	–
Bond Credit Rating				
AAA	5.4	5.3	9.8	9.8
AA	31.4	31.3	32.8	32.8
A	23.8	23.7	23.4	23.3
NOT RATED	4.7	4.6	–	–
Total	100.0	99.5	100.0	99.9

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 (%)	
	December 31, 2017	December 31, 2016
Bankers' Acceptances	4.0	2.9
Bearers' Deposit Notes	1.2	0.1
Commercial Paper	25.9	29.4
Promissory Notes	1.1	–
Short Term Bonds	64.9	66.3
Treasury Bills	2.4	1.2

Fair Value Classification (note 2)

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

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

December 31, 2016	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Bonds and debentures	–	897,111,783	–	897,111,783
Money market instruments	–	454,267,206	–	454,267,206
	–	1,351,378,989	–	1,351,378,989

Transfers between levels

During the periods ended December 31, 2017 and December 31, 2016, there were no significant transfers between Level 1 and Level 2.

Offsetting of financial assets and liabilities (note 2)

As at December 31, 2017 and December 31, 2016, 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 December 31, 2017 or December 31, 2016.

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

As at December 31, 2017 or December 31, 2016, 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

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	December 31, 2017	December 31, 2016
	U.S. $	U.S. $
ASSETS		
Current assets		
Investments		
Non-derivative financial assets	55,443,810	42,977,908
Cash	99,055	71,255
Subscriptions receivable	200,000	–
Accrued investment income and other	181,030	177,732
	55,923,895	43,226,895
LIABILITIES		
Current liabilities		
Redemptions payable	–	84,715
Accrued expenses	–	3,440
Distributions payable	674	52
	674	88,207
Net assets attributable to holders of redeemable units	55,923,221	43,138,688
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series A	36,582,820	39,293,860
Series M	19,340,401	3,844,828
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series A	10.00	10.00
Series M	10.00	10.00

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except average units)	2017	2016
	U.S. $	U.S. $
INCOME		
Net gain (loss) on investments		
Interest for distribution purposes	596,467	414,579
Net gain (loss) on investments	596,467	414,579
Securities lending (note 11)	97	6
Other income	–	6
Total income (loss), net	596,564	414,591
EXPENSES		
Management fees (note 5)	381,405	576,591
Independent Review Committee fees	1,142	895
Interest expense and bank overdraft charges	27	–
Audit fees	8,347	1,025
Custodian fees	3,398	2,946
Filing fees	5,098	17,007
Legal fees	22	233
Unitholder administration costs	23,282	21,781
Unitholder reporting costs	3,651	5,155
Other fund costs	9	–
Harmonized Sales Tax/Goods and Services Tax	34,842	34,036
Total expenses	461,223	659,669
Expenses absorbed by the Manager	(67,687)	(277,737)
Net expenses	393,536	381,932
Increase (decrease) in net assets attributable to holders of redeemable units from operations	203,028	32,659
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A	52,367	29,415
Series M	150,661	3,244
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT†		
Series A	0.01	0.01
Series M	0.12	0.01
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series A	3,775,408	5,764,957
Series M	1,282,086	249,130

† 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 (Continued)

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

For the periods ended December 31 (note 1),

(in dollars)	2017	2016
	U.S. $	U.S. $
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series A	39,293,860	61,769,026
Series M	3,844,828	–
	43,138,688	61,769,026
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A	52,367	29,415
Series M	150,661	3,244
	203,028	32,659
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net investment income		
Series A	(52,366)	(29,415)
Series M	(150,662)	(3,244)
	(203,028)	(32,659)
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A	21,415,356	26,808,630
Series M	37,583,314	4,934,864
Reinvested distributions		
Series A	48,117	28,665
Series M	144,843	2,699
Payments on redemption		
Series A	(24,174,514)	(49,312,461)
Series M	(22,232,583)	(1,092,735)
	12,784,533	(18,630,338)
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A	(2,711,040)	(22,475,166)
Series M	15,495,573	3,844,828
	12,784,533	(18,630,338)
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series A	36,582,820	39,293,860
Series M	19,340,401	3,844,828
	55,923,221	43,138,688

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2017	2016
	U.S. $	U.S. $
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	203,028	32,659
Adjustments for:		
Purchases of portfolio investments	(304,255,259)	(318,960,756)
Proceeds from sale of portfolio investments	291,789,357	337,494,226
Accrued investment income and other	(3,298)	(477)
Accrued expenses and other payables	(3,440)	3,440
Net cash provided by (used in) operating activities	(12,269,612)	18,569,092
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	58,798,669	31,743,494
Amounts paid on redemption of redeemable units	(46,491,812)	(50,320,482)
Distributions to unitholders of redeemable units	(9,445)	(1,298)
Net cash provided by (used in) financing activities	12,297,412	(18,578,286)
Net increase (decrease) in cash	27,800	(9,194)
Cash (bank overdraft), beginning of period	71,255	80,449
CASH (BANK OVERDRAFT), END OF PERIOD	99,055	71,255
Interest paid[1]	27	–
Interest received[1]	593,597	414,102

[1] Classified as operating items.

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

Scotia U.S. $ Money Market Fund (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2017

Issuer	Face Value ($)	Average Cost ($)	Carrying Value ($)
	U.S. $	U.S. $	U.S. $
Short Term Bonds – 45.4%			
American Honda Finance Corporation (Floating Rate) 1.60% Nov 19, 2018	800,000	802,288	803,142
American Honda Finance Corporation (Floating Rate) 1.80% Apr 12, 2018	215,000	215,616	216,147
American Honda Finance Corporation 1.51% Jan 22, 2019	300,000	300,306	301,136
Apple Inc. (Floating Rate) 2.27% Feb 22, 2019	130,000	131,188	131,453
Bank of Montreal (Floating Rate) 1.90% Apr 09, 2018	1,100,000	1,103,388	1,106,418
Bank of Montreal 2.00% Jul 18, 2019	1,000,000	1,007,622	1,011,407
Bank of Nova Scotia (Floating Rate) 1.38% Nov 09, 2018	500,000	500,175	501,215
Bank of Nova Scotia (Floating Rate) 1.53% Feb 28, 2019	600,000	600,111	600,905
Bank of Nova Scotia (Floating Rate) 1.54% Jul 18, 2018	1,400,000	1,404,662	1,407,008
Canadian Imperial Bank of Commerce (Floating Rate) 1.23% Feb 27, 2018	900,000	900,000	901,314
Canadian Imperial Bank of Commerce (Floating Rate) 1.41% Jul 13, 2018	500,000	500,970	502,170
Fédération des caisses Desjardins du Québec (Floating Rate) 1.70% Jan 29, 2018	2,600,000	2,607,856	2,610,221
General Electric Co (Floating Rate) 2.05% Apr 02, 2018	1,400,000	1,404,578	1,409,676
International Business Machines Corporation (Floating Rate) 1.37% Feb 06, 2018	200,000	200,414	200,521
John Deere Capital Corporation (Floating Rate) 1.57% Oct 15, 2018	654,000	656,086	657,521
John Deere Capital Corporation (Floating Rate) 1.92% Jan 08, 2019	800,000	804,624	807,945
National Australia Bank Ltd. (Floating Rate) 1.79% Jul 23, 2018	890,000	894,671	896,090
National Australia Bank Ltd. 2.30% Jul 25, 2018	300,000	302,178	304,263
National Bank of Canada (Floating Rate) 1.35% Feb 13, 2018	900,000	900,052	900,607
National Bank of Canada (Floating Rate) 2.08% Dec 14, 2018	1,700,000	1,715,468	1,712,620
Pfizer Inc. (Floating Rate) 1.62% Jun 15, 2018	1,200,000	1,202,760	1,202,601
Royal Bank of Canada (Floating Rate) 1.58% Jul 30, 2018	960,000	964,309	965,372
Royal Bank of Canada (Floating Rate) 1.66% Mar 15, 2019	660,000	663,663	662,779
Royal Bank of Canada (Floating Rate) 1.70% Mar 22, 2018	200,000	201,104	200,332
Royal Bank of Canada (Floating Rate) 2.07% Apr 15, 2019	500,000	504,355	505,912
Toronto-Dominion Bank, The (Floating Rate) 1.43% Aug 21, 2018	400,000	400,044	400,159
Toronto-Dominion Bank, The (Floating Rate) 1.44% Apr 30, 2018	700,000	702,849	702,924
Toronto-Dominion Bank, The (Floating Rate) 1.96% Aug 13, 2019	418,000	421,816	422,213
Toronto-Dominion Bank, The (Floating Rate) 1.99% Jan 22, 2019	900,000	908,932	910,332
Toyota Motor Credit Corporation (Floating Rate) 1.19% Jan 12, 2018	699,000	700,341	701,578
Toyota Motor Credit Corporation (Floating Rate) 1.48% Dec 24, 2018	697,000	697,861	697,812
Wells Fargo & Company (Floating Rate) 1.89% Jan 22, 2018	305,000	306,513	306,343
Wells Fargo Bank NA (Floating Rate) 1.82% Nov 28, 2018	723,000	726,723	726,920
		25,353,523	25,387,056
Federal Bonds – 2.7%			
Export Development Canada 1.00% Jun 15, 2018	1,500,000	1,495,170	1,496,077
Provincial Bonds – 21.9%			
Province of New Brunswick Canada 2.75% Jun 15, 2018	7,200,000	7,237,944	7,243,100
Province of Ontario 1.20% Feb 14, 2018	5,000,000	4,995,850	5,021,906
		12,233,794	12,265,006
Commercial Paper – 14.0%			
Export Development Canada 0.00% Jan 22, 2018	4,440,000	4,434,228	4,435,718
Farm Credit Canada 0.00% Jan 08, 2018	3,395,000	3,391,605	3,393,727
		7,825,833	7,829,445
Promissory Notes – 15.1%			
Province of British Columbia 0.00% Apr 09, 2018	200,000	198,994	199,094
Province of British Columbia 0.00% Jan 19, 2018	475,000	474,235	474,652
Province of Quebec 0.00% Jan 29, 2018	7,800,000	7,769,425	7,792,480
		8,442,654	8,466,226
TOTAL INVESTMENT PORTFOLIO		55,350,974	55,443,810
OTHER ASSETS, LESS LIABILITIES – 0.9%			479,411
NET ASSETS – 100.0%			55,923,221

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 U.S. $ Money Market Fund (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	December 31, 2017 ($)	December 31, 2016 ($)
Less than 1 year	50,089,728	41,571,489
1-3 years	5,354,082	1,406,419
3-5 years	–	–
5-10 years	–	–
> 10 years	–	–
	55,443,810	42,977,908

As at December 31, 2017, 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 would have decreased or increased, respectively, by $12,944 or approximately 0.0% (December 31, 2016 – $12,449 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. The Fund did not have significant currency risk exposure as at December 31, 2016.

	December 31, 2017			
Currency	Gross currency exposure ($)	Currency contracts ($)	Net exposure ($)	Percentage of net assets (%)
Canadian Dollar	3,069	–	3,069	0.0
	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 of the Fund would have decreased or increased, respectively, by $307 or 0.0% of net assets (December 31, 2016 – nil). 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 December 31, 2017 and December 31, 2016.

Credit risk

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

	December 31, 2017		December 31, 2016	
Credit ratings	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+	29.4	29.1	43.5	43.3
A-1	–	–	2.5	2.5
Bond Credit Rating				
AAA	2.7	2.7	–	–
AA	16.8	16.7	24.6	24.5
A	41.7	41.3	29.4	29.3
NOT RATED	9.4	9.3	–	–
	100.0	99.1	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 (%)	
	December 31, 2017	December 31, 2016
Commercial Paper	14.0	25.0
Federal Bonds	2.7	–
Promissory Notes	15.1	3.7
Provincial Bonds	21.9	12.7
Short Term Bonds	45.4	49.6
Treasury Bills	–	8.6

Fair Value Classification (note 2)

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

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

December 31, 2016	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Bonds and debentures	–	26,918,759	–	26,918,759
Money market instruments	–	16,059,149	–	16,059,149
	–	42,977,908	–	42,977,908

Transfers between levels

During the periods ended December 31, 2017 and December 31, 2016, there were no significant transfers between Level 1 and Level 2.

Scotia U.S. $ Money Market Fund (Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1
All amounts are in U.S. $ unless otherwise stated

Offsetting of financial assets and liabilities (note 2)

As at December 31, 2017 and December 31, 2016, 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 December 31, 2017 or December 31, 2016.

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

As at December 31, 2017 or December 31, 2016, 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

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	December 31, 2017	December 31, 2016
ASSETS		
Current assets		
Investments		
Non-derivative financial assets	329,094,669	390,125,243
Cash	2,110,674	3,010,606
Subscriptions receivable	117,898	822,506
Accrued investment income and other	902,587	1,175,607
	332,225,828	395,133,962
LIABILITIES		
Current liabilities		
Redemptions payable	262,046	947,429
Accrued expenses	–	1,197
	262,046	948,626
Net assets attributable to holders of redeemable units	331,963,782	394,185,336
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series I	1,290,692	1,514,068
Series K	17,892,000	4,502,047
Series M	312,781,090	388,169,221
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series I	9.65	9.83
Series K	9.71	9.90
Series M	9.59	9.77

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except average units)	2017	2016
INCOME		
Net gain (loss) on investments		
Interest for distribution purposes	8,207,253	7,683,754
Net realized gain (loss) on non-derivative financial assets	(1,313,591)	(1,818,000)
Change in unrealized gain (loss) on non-derivative financial assets	(5,223,851)	(1,055,289)
Net gain (loss) on investments	1,669,811	4,810,465
Securities lending (note 11)	22,081	25,474
Total income (loss), net	1,691,892	4,835,939
EXPENSES		
Management fees (note 5)	358,715	269,999
Fixed administration fees (note 6)	121,117	116,900
Independent Review Committee fees	1,135	1,184
Interest expense and bank overdraft charges	–	89
Other fund costs	–	67
Harmonized Sales Tax/Goods and Services Tax	42,040	43,777
Total expenses	523,007	432,016
Expenses absorbed by the Manager	(107,442)	–
Net expenses	415,565	432,016
Increase (decrease) in net assets attributable to holders of redeemable units from operations	1,276,327	4,403,923
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series I	7,024	20,980
Series K	(17,635)	(4,034)
Series M	1,286,938	4,386,977
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT†		
Series I	0.05	0.13
Series K	(0.01)	(0.03)
Series M	0.03	0.11
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series I	146,438	164,640
Series K	1,214,234	138,584
Series M	37,136,061	39,193,755

† 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 Short Term Bond Fund (Continued)

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

For the periods ended December 31 (note 1),

(in dollars)	2017	2016
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series I	1,514,068	1,567,103
Series K	4,502,047	–
Series M	388,169,221	350,726,382
	394,185,336	352,293,485
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series I	7,024	20,980
Series K	(17,635)	(4,034)
Series M	1,286,938	4,386,977
	1,276,327	4,403,923
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net investment income		
Series I	(31,816)	(31,501)
Series K	(259,653)	(12,586)
Series M	(7,753,831)	(7,193,170)
	(8,045,300)	(7,237,257)
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series I	184,500	371,675
Series K	15,547,534	4,542,165
Series M	58,060,782	120,641,778
Reinvested distributions		
Series I	31,816	31,501
Series K	259,653	12,586
Series M	7,387,963	6,914,133
Payments on redemption		
Series I	(414,900)	(445,690)
Series K	(2,139,946)	(36,084)
Series M	(134,369,983)	(87,306,879)
	(55,452,581)	44,725,185
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series I	(223,376)	(53,035)
Series K	13,389,953	4,502,047
Series M	(75,388,131)	37,442,839
	(62,221,554)	41,891,851
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END 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
	331,963,782	394,185,336

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	1,276,327	4,403,923
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	1,313,591	1,818,000
Change in unrealized (gain) loss on non-derivative financial assets	5,223,851	1,055,289
Purchases of portfolio investments	(483,182,626)	(1,197,668,298)
Proceeds from sale of portfolio investments	537,675,760	1,143,663,071
Accrued investment income and other	273,020	134,219
Accrued expenses and other payables	(1,197)	1,197
Net cash provided by (used in) operating activities	62,578,726	(46,592,599)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	74,491,575	125,614,028
Amounts paid on redemption of redeemable units	(137,604,364)	(87,185,314)
Distributions to unitholders of redeemable units	(365,869)	(279,037)
Net cash provided by (used in) financing activities	(63,478,658)	38,149,677
Net increase (decrease) in cash	(899,932)	(8,442,922)
Cash (bank overdraft), beginning of period	3,010,606	11,453,528
CASH (BANK OVERDRAFT), END OF PERIOD	2,110,674	3,010,606
Interest paid[1]	–	89
Interest received[1]	8,480,274	7,817,973

[1] Classified as operating items.

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

Scotia Short Term Bond Fund (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2017

Issuer	Face Value ($)	Average Cost ($)	Carrying Value ($)
BONDS AND DEBENTURES – 99.1%			
Corporate Bonds – 39.6%			
AltaGas Ltd. 4.07% Jun 01, 2020	3,000,000	3,219,960	3,105,343
Bank of Montreal 1.88% Mar 31, 2021	10,000,000	9,999,499	9,849,787
bcIMC Realty Corporation 2.79% Aug 02, 2018	7,500,000	7,745,400	7,550,435
Bell Canada 3.25% Jun 17, 2020	5,000,000	5,220,150	5,106,877
Canadian Imperial Bank of Commerce 1.90% Apr 26, 2021	10,100,000	10,094,748	9,952,139
Daimler Canada Finance Inc. 2.27% Mar 26, 2018	5,000,000	5,078,550	5,008,147
Enbridge Gas Distribution Inc. 4.04% Nov 23, 2020	5,000,000	5,449,800	5,254,150
Ford Credit Canada Ltd. 2.58% May 10, 2021	5,000,000	5,000,000	4,964,012
Fortified Trust 1.67% Jul 23, 2021	7,000,000	7,000,000	6,822,756
Genesis Trust II 1.68% Sep 17, 2018	2,900,000	2,900,000	2,898,409
Hydro One Inc. 4.40% Jun 01, 2020	5,000,000	5,619,400	5,264,285
John Deere Canada Funding Inc. 2.63% Sep 21, 2022	5,000,000	4,997,900	5,009,616
Manulife Bank of Canada 2.08% May 26, 2022	8,500,000	8,500,000	8,295,264
Master Credit Card Trust II 2.72% Nov 21, 2018	3,040,000	3,040,000	3,063,891
National Bank of Canada 2.40% Oct 28, 2019	4,810,000	4,866,125	4,835,183
NAV Canada 5.30% Apr 17, 2019	3,571,000	4,051,050	3,716,208
Nissan Canada Financial Services Inc. 1.58% Oct 07, 2019	5,000,000	5,000,000	4,944,973
Rogers Communications Inc. 2.80% Mar 13, 2019	4,750,000	4,825,140	4,792,654
Royal Bank of Canada 2.03% Mar 15, 2021	8,000,000	7,996,960	7,915,529
Royal Bank of Canada 2.89% Oct 11, 2018	8,000,000	8,271,600	8,068,446
Shaw Communications Inc. 5.50% Dec 07, 2020	5,000,000	5,658,750	5,422,971
Toronto-Dominion Bank, The 1.99% Mar 23, 2022	10,000,000	10,000,000	9,820,670
		134,535,032	131,661,745
Federal Bonds – 44.9%			
Canada Housing Trust No 1 1.75% Jun 15, 2022	20,000,000	19,710,600	19,705,928
Canada Housing Trust No. 1 1.15% Dec 15, 2021	31,500,000	30,758,225	30,435,110
Canada Housing Trust No. 1 1.20% Jun 15, 2020	10,000,000	9,898,400	9,848,245
Canada Housing Trust No. 1 1.95% Jun 15, 2019	63,900,000	64,695,598	64,138,369
Government of Canada 3.25% Jun 01, 2021	23,800,000	26,027,680	24,950,229
		151,090,503	149,077,881
Provincial Bonds – 14.6%			
Province of Ontario 4.20% Jun 02, 2020	30,000,000	32,915,550	31,612,343
Province of Ontario Generic Coupon Strip 0.00% Jun 02, 2021	18,000,000	16,901,640	16,742,700
		49,817,190	48,355,043
TOTAL BONDS AND DEBENTURES		335,442,725	329,094,669
Transaction Costs		–	
TOTAL INVESTMENT PORTFOLIO		335,442,725	329,094,669
Unrealized Gain (Loss) on Derivatives – 0.0%			–
OTHER ASSETS, LESS LIABILITIES – 0.9%			2,869,113
NET ASSETS – 100.0%			331,963,782

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

Scotia Short Term Bond Fund (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 (earlier of maturity date or interest reset date) of the Fund's portfolio, excluding underlying funds, preferred shares, cash and overdrafts, as applicable.

Interest rate exposure	December 31, 2017 ($)	December 31, 2016 ($)
Less than 1 year	26,589,328	13,596,188
1-3 years	148,041,601	147,033,266
3-5 years	154,463,740	229,495,789
5-10 years	–	–
> 10 years	–	–
	329,094,669	390,125,243

As at December 31, 2017, 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 would have decreased or increased, respectively, by $2,131,627 or approximately 0.6% (December 31, 2016 – $2,826,295 or approximately 0.7%).

Currency risk

The Fund did not have significant currency risk exposure as at December 31, 2017 or December 31, 2016.

Price risk

The Fund did not have significant price risk exposure to equities, underlying funds, derivatives or commodities, if applicable, as at December 31, 2017 and December 31, 2016.

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.

	December 31, 2017		December 31, 2016	
Credit ratings	Percentage of total credit rated instruments (%)	Percentage of net assets (%)	Percentage of total credit rated instruments (%)	Percentage of net assets (%)
AAA	49.2	48.8	40.7	40.2
AA	22.4	22.1	21.8	21.5
A	21.3	21.2	29.2	29.0
BBB	7.1	7.0	8.3	8.3
	100.0	99.1	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 (%)	
	December 31, 2017	December 31, 2016
Corporate Bonds	39.6	41.1
Federal Bonds	44.9	37.0
Provincial Bonds	14.6	20.9

Fair Value Classification (note 2)

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

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

December 31, 2016	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Bonds and debentures	–	390,125,243	–	390,125,243
	–	390,125,243	–	390,125,243

Transfers between levels

During the periods ended December 31, 2017 and December 31, 2016, there were no significant transfers between Level 1 and Level 2.

Offsetting of financial assets and liabilities (note 2)

As at December 31, 2017 and December 31, 2016, 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 December 31, 2017 or December 31, 2016.

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

As at December 31, 2017 or December 31, 2016, 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

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	December 31, 2017	December 31, 2016
ASSETS		
Current assets		
Investments		
Non-derivative financial assets	816,951,061	1,246,757,201
Unrealized gain on futures contracts	–	957,600
Cash	2,192,524	27,709,343
Margin deposited on derivatives	–	4,997,428
Subscriptions receivable	199,358	1,347,788
Accrued investment income and other	2,268,979	2,937,062
	821,611,922	1,284,706,422
LIABILITIES		
Current liabilities		
Redemptions payable	726,378	1,247,254
Accrued expenses	–	2,546
	726,378	1,249,800
Net assets attributable to holders of redeemable units	820,885,544	1,283,456,622
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series I	395,446,536	454,425,468
Series K	42,421,802	11,900,030
Series M	383,017,206	817,131,124
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series I	10.26	10.45
Series K	9.57	9.76
Series M	10.27	10.45

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except average units)	2017	2016
INCOME		
Net gain (loss) on investments		
Interest for distribution purposes	20,317,846	29,362,295
Net realized gain (loss) on non-derivative financial assets	(10,481,887)	8,092,472
Net realized gain (loss) on futures contracts	(1,041,988)	(563,973)
Change in unrealized gain (loss) on non-derivative financial assets	(2,286,256)	(28,534,985)
Change in unrealized gain (loss) on futures contracts	(957,600)	1,586,382
Net gain (loss) on investments	5,550,115	9,942,191
Securities lending (note 11)	61,223	121,472
Total income (loss), net	5,611,338	10,063,663
EXPENSES		
Management fees (note 5)	480,877	584,997
Fixed administration fees (note 6)	218,411	256,285
Independent Review Committee fees	1,135	1,184
Interest expense and bank overdraft charges	56	–
Other fund costs	–	221
Harmonized Sales Tax/Goods and Services Tax	61,418	92,227
Transaction costs	3,511	7,569
Total expenses	765,408	942,483
Expenses absorbed by the Manager	(143,394)	–
Net expenses	622,014	942,483
Increase (decrease) in net assets attributable to holders of redeemable units from operations	4,989,324	9,121,180
Increase (decrease) in net assets attributable to holders of redeemable units from operations per series		
Series I	1,920,082	3,194,152
Series K	(66,193)	(41,690)
Series M	3,135,435	5,968,718
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT†		
Series I	0.04	0.08
Series K	(0.02)	(0.15)
Series M	0.07	0.08
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series I	43,643,074	41,276,408
Series K	3,000,385	287,107
Series M	46,484,096	78,619,319

† 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 Short-Mid Government Bond Pool (Continued)

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

For the periods ended December 31 (note 1),

(in dollars)	2017	2016
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series I	454,425,468	434,963,090
Series K	11,900,030	–
Series M	817,131,124	822,065,381
	1,283,456,622	1,257,028,471
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series I	1,920,082	3,194,152
Series K	(66,193)	(41,690)
Series M	3,135,435	5,968,718
	4,989,324	9,121,180
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net investment income		
Series I	(10,881,358)	(10,719,846)
Series K	(672,240)	(25,109)
Series M	(11,122,049)	(19,817,019)
	(22,675,647)	(30,561,974)
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series I	40,059,639	36,789,155
Series K	34,542,647	11,970,186
Series M	61,777,140	166,636,607
Reinvested distributions		
Series I	10,881,358	10,719,846
Series K	672,240	25,109
Series M	10,211,760	17,962,405
Payments on redemption		
Series I	(100,958,653)	(20,520,929)
Series K	(3,954,682)	(28,466)
Series M	(498,116,204)	(175,684,968)
	(444,884,755)	47,868,945
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series I	(58,978,932)	19,462,378
Series K	30,521,772	11,900,030
Series M	(434,113,918)	(4,934,257)
	(462,571,078)	26,428,151
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END 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
	820,885,544	1,283,456,622

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	4,989,324	9,121,180
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	10,481,887	(8,092,472)
Change in unrealized (gain) loss on non-derivative financial assets	2,286,256	28,534,985
Change in unrealized (gain) loss on futures contracts	957,600	(1,586,382)
Purchases of portfolio investments	(1,296,748,918)	(2,325,981,650)
Proceeds from sale of portfolio investments	1,713,786,915	2,301,498,767
Margin deposited on derivatives	4,997,428	(3,780,206)
Accrued investment income and other	668,083	(670,670)
Accrued expenses and other payables	(2,546)	2,546
Net cash provided by (used in) operating activities	441,416,029	(953,902)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	137,522,139	215,702,056
Amounts paid on redemption of redeemable units	(603,544,698)	(196,573,135)
Distributions to unitholders of redeemable units	(910,289)	(1,854,614)
Net cash provided by (used in) financing activities	(466,932,848)	17,274,307
Net increase (decrease) in cash	(25,516,819)	16,320,405
Cash (bank overdraft), beginning of period	27,709,343	11,388,938
CASH (BANK OVERDRAFT), END OF PERIOD	2,192,524	27,709,343
Interest paid[1]	56	–
Interest received[1]	20,985,928	28,691,625

[1] Classified as operating items.

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

Scotia Private Short-Mid Government Bond Pool (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2017

Issuer	Face Value ($)	Average Cost ($)	Carrying Value ($)
Corporate Bonds – 8.4%			
Hydro Quebec Interest Strip 0.00% Feb 15, 2023	50,000,000	41,898,950	44,062,500
Hydro-Quebec 1.00% May 25, 2019	25,000,000	24,790,000	24,748,652
		66,688,950	68,811,152
Federal Bonds – 50.7%			
Canada Housing Trust No. 1 1.45% Jun 15, 2020	65,000,000	65,217,650	64,398,261
Canada Housing Trust No. 1 1.90% Sep 15, 2026	157,000,000	151,619,463	151,155,229
Canada Housing Trust No. 1 1.95% Jun 15, 2019	78,700,000	80,006,877	78,993,579
Canada Housing Trust No. 1 2.40% Dec 15, 2022	30,000,000	30,549,600	30,355,950
Canada Housing Trust No. 1 2.55% Mar 15, 2025	90,000,000	93,096,548	91,470,569
		420,490,138	416,373,588
Provincial Bonds – 40.4%			
Financement-Quebec 2.40% Dec 01, 2018	24,000,000	24,238,560	24,176,329
Province of Nova Scotia 4.10% Jun 01, 2021	45,000,000	49,277,100	48,017,066
Province of Ontario 2.85% Jun 02, 2023	38,500,000	40,354,653	39,567,971
Province of Ontario 4.20% Jun 02, 2020	104,000,000	113,602,340	109,589,455
Province of Ontario Generic Coupon Strip 0.00% Jun 02, 2022	25,000,000	22,864,000	22,618,000
Province of Ontario Generic Coupon Strip 0.00% Jun 02, 2023	100,000,000	88,011,400	87,797,500
		338,348,053	331,766,321
TOTAL INVESTMENT PORTFOLIO		825,527,141	816,951,061
OTHER ASSETS, LESS LIABILITIES – 0.5%			3,934,483
NET ASSETS – 100.0%			820,885,544

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

Scotia Private Short-Mid Government Bond Pool (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	December 31, 2017 ($)	December 31, 2016 ($)
Less than 1 year	24,176,329	–
1-3 years	277,729,947	282,527,140
3-5 years	100,991,016	359,147,196
5-10 years	414,053,769	605,082,865
> 10 years	–	–
	816,951,061	1,246,757,201

As at December 31, 2017, 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 would have decreased or increased, respectively, by $9,131,481 or approximately 1.1% (December 31, 2016 – $16,196,238 or approximately 1.3%).

Currency risk

The Fund did not have significant currency risk exposure as at December 31, 2017 or December 31, 2016.

Price risk

The Fund did not have significant price risk exposure to equities, underlying funds, derivatives or commodities, if applicable, as at December 31, 2017 and December 31, 2016.

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.

	December 31, 2017		December 31, 2016	
Credit ratings	Percentage of total credit rated instruments (%)	Percentage of net assets (%)	Percentage of total credit rated instruments (%)	Percentage of net assets (%)
AAA	51.0	50.7	33.4	32.5
AA	19.5	19.4	25.0	24.3
A	29.5	29.4	41.6	40.3
	100.0	99.5	100.0	97.1

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 (%)	
	December 31, 2017	December 31, 2016
Corporate Bonds	8.4	3.4
Federal Bonds	50.7	32.5
Provincial Bonds	40.4	61.2

Fair Value Classification (note 2)

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

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

December 31, 2016	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Bonds and debentures	–	1,246,757,201	–	1,246,757,201
Unrealized gain on futures contracts	957,600	–	–	957,600
	957,600	1,246,757,201	–	1,247,714,801

Transfers between levels

During the periods ended December 31, 2017 and December 31, 2016, there were no significant transfers between Level 1 and Level 2.

Offsetting of financial assets and liabilities (note 2)

As at December 31, 2017 and December 31, 2016, 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 December 31, 2017 or December 31, 2016.

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

As at December 31, 2017 or December 31, 2016, 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

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	December 31, 2017	December 31, 2016
ASSETS		
Current assets		
Investments		
Non-derivative financial assets	113,997,554	134,179,113
Cash	8,823,413	13,407,090
Subscriptions receivable	10,870	267,470
Accrued investment income and other	161,140	201,098
Mortgage payments receivable	57,832	944,937
	123,050,809	148,999,708
LIABILITIES		
Current liabilities		
Redemptions payable	122,532	108,664
Accrued expenses	–	5,347
Distributions payable	65	57
	122,597	114,068
Net assets attributable to holders of redeemable units	122,928,212	148,885,640
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
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
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series A	10.60	10.64
Series F	10.57	10.62
Series I	10.52	10.57
Series K	9.96	10.01
Series M	9.86	9.90

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except average units)	2017	2016
INCOME		
Net gain (loss) on investments		
Interest for distribution purposes	4,104,416	4,462,589
Net realized gain (loss) on non-derivative financial assets	(77,252)	(70,767)
Change in unrealized gain (loss) on non-derivative financial assets	(453,002)	(11,569)
Net gain (loss) on investments	3,574,162	4,380,253
Other income	4,010	328
Total income (loss), net	3,578,172	4,380,581
EXPENSES		
Management fees (note 5)	901,463	1,192,170
Fixed administration fees (note 6)	344,125	685,955
Independent Review Committee fees	1,135	1,184
Interest expense and bank overdraft charges	3,358	9
Other fund costs	–	28
Harmonized Sales Tax/Goods and Services Tax	139,326	210,210
Total expenses	1,389,407	2,089,556
Increase (decrease) in net assets attributable to holders of redeemable units from operations	2,188,765	2,291,025
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A	907,758	849,428
Series F	3,137	2,711
Series I	24,371	30,105
Series K	71,034	3,500
Series M	1,182,465	1,405,281
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT†		
Series A	0.12	0.10
Series F	0.17	0.16
Series I	0.24	0.25
Series K	0.23	0.10
Series M	0.22	0.22
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series A	7,400,961	8,615,784
Series F	18,208	16,439
Series I	100,021	119,111
Series K	309,270	35,884
Series M	5,323,240	6,478,708

† 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 Mortgage Income Fund (Continued)

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

For the periods ended December 31 (note 1),

(in dollars)	2017	2016
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series A	85,328,884	99,411,616
Series F	142,945	212,419
Series I	1,107,947	1,246,856
Series K	1,274,890	–
Series M	61,030,974	59,808,372
	148,885,640	160,679,263
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A	907,758	849,428
Series F	3,137	2,711
Series I	24,371	30,105
Series K	71,034	3,500
Series M	1,182,465	1,405,281
	2,188,765	2,291,025
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net investment income		
Series A	(1,176,908)	(899,724)
Series F	(4,138)	(2,826)
Series I	(29,005)	(31,214)
Series K	(87,477)	(4,036)
Series M	(1,387,136)	(1,452,812)
	(2,684,664)	(2,390,612)
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A	7,778,072	4,119,768
Series F	161,751	2,912
Series I	103,500	351,781
Series K	3,670,373	1,271,390
Series M	11,060,157	18,638,143
Reinvested distributions		
Series A	1,108,705	848,019
Series F	3,734	2,621
Series I	29,005	31,214
Series K	87,477	4,036
Payments on redemption		
Series A	(21,333,542)	(19,000,223)
Series F	(190,091)	(74,892)
Series I	(262,756)	(520,795)
Series K	(281,091)	–
Series M	(27,396,823)	(17,368,010)
	(25,461,529)	(11,694,036)
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A	(12,715,915)	(14,082,732)
Series F	(25,607)	(69,474)
Series I	(134,885)	(138,909)
Series K	3,460,316	1,274,890
Series M	(16,541,337)	1,222,602
	(25,957,428)	(11,793,623)
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END 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
	122,928,212	148,885,640

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	2,188,765	2,291,025
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	77,252	70,767
Change in unrealized (gain) loss on non-derivative financial assets	453,002	11,569
Purchases of portfolio investments	(186,210,762)	(168,660,930)
Proceeds from sale of portfolio investments	206,749,169	193,820,757
Accrued investment income and other	39,958	47,574
Accrued expenses and other payables	(5,347)	5,347
Net cash provided by (used in) operating activities	23,292,037	27,586,109
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	22,878,703	24,280,746
Amounts paid on redemption of redeemable units	(49,298,683)	(36,924,921)
Distributions to unitholders of redeemable units	(1,455,734)	(1,504,722)
Net cash provided by (used in) financing activities	(27,875,714)	(14,148,897)
Net increase (decrease) in cash	(4,583,677)	13,437,212
Cash (bank overdraft), beginning of period	13,407,090	(30,122)
CASH (BANK OVERDRAFT), END OF PERIOD	8,823,413	13,407,090
Interest paid[1]	3,358	9
Interest received[1]	4,144,374	4,510,163

[1] Classified as operating items.

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

Scotia Mortgage Income Fund (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2017

Interest Rate (%)	Number	Principal Balance ($)	Amortized Cost ($)	Carrying Value ($)
CONVENTIONAL MORTGAGES – 92.7%				
1.00 – 1.24	1	67,075	66,470	66,129
2.00 – 2.24	20	3,555,767	3,535,231	3,523,447
2.25 – 2.49	55	8,206,081	8,203,774	8,177,943
2.50 – 2.74	81	11,685,929	11,720,121	11,664,422
2.75 – 2.99	193	31,508,277	31,587,026	31,456,471
3.00 – 3.24	76	8,798,882	8,833,647	8,822,400
3.25 – 3.49	46	6,186,113	6,214,180	6,219,183
3.50 – 3.74	18	1,253,136	1,265,320	1,261,159
3.75 – 3.99	3	290,796	291,755	290,571
4.00 – 4.24	3	305,484	307,441	306,914
4.50 – 4.74	173	20,798,862	20,802,778	20,802,847
4.75 – 4.99	142	21,229,112	21,251,757	21,256,275
5.00 – 5.24	1	106,783	106,846	107,037
5.25 – 5.49	1	40,937	42,706	42,756
TOTAL	813	114,033,234	114,229,052	113,997,554
TOTAL INVESTMENT PORTFOLIO			114,229,052	113,997,554
OTHER ASSETS, LESS LIABILITIES – 7.3%				8,930,658
NET ASSETS – 100.0%				122,928,212

Mortgages by Geographic Location

As at December 31, 2017

	Number of Mortgages	Principal Balance ($)	Carrying Value ($)
Ontario	303	45,913,927	45,871,116
Alberta	133	24,893,132	24,899,462
British Columbia	112	17,943,976	17,930,940
Quebec	74	8,077,568	8,078,883
Nova Scotia	46	4,573,528	4,580,151
Saskatchewan	43	5,812,251	5,809,471
New Brunswick	50	3,542,106	3,550,242
Newfoundland and Labrador	27	1,746,134	1,745,263
Manitoba	15	1,243,461	1,244,881
Prince Edward Island	7	134,110	134,176
Yukon Territories	3	153,041	152,969
TOTAL	813	114,033,234	113,997,554

Mortgages by Type of Property

As at December 31, 2017

	Number of Mortgages	Principal Balance ($)	Carrying Value ($)
Single Family Dwelling	589	82,927,707	82,908,511
Multi-Unit Dwelling of up to 8 Units	76	11,322,483	11,314,783
Condominiums	148	19,783,044	19,774,260
TOTAL	813	114,033,234	113,997,554

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

Scotia Mortgage Income Fund (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 (earlier of maturity date or interest reset date) of the Fund's portfolio, excluding underlying funds, preferred shares, cash and overdrafts, as applicable.

	December 31, 2017	December 31, 2016
	Percentage of net assets (%)	Percentage of net assets (%)
Mortgages of 6 months or less	56.7	37.0
Mortgages of more than 6 months to 1 year	12.3	4.7
Mortgages of more than 1 years to 2 years	15.1	29.2
Mortgages of more than 2 years to 3 years	4.1	11.6
Mortgages of more than 3 years to 4 years	1.3	0.8
Mortgages of more than 4 years to 5 years	3.2	6.8
	92.7	90.1

As at December 31, 2017, 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 would have decreased or increased, respectively, by $25,043 or approximately 0.0% (December 31, 2016 – $41,993 or approximately 0.0%).

Currency risk

The Fund did not have significant currency risk exposure as at December 31, 2017 or December 31, 2016.

Price risk

The Fund did not have significant price risk exposure to equities, underlying funds, derivatives or commodities, if applicable, as at December 31, 2017 and December 31, 2016.

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 (%)	
	December 31, 2017	December 31, 2016
Conventional Mortgages	92.7	90.1

Fair Value Classification (note 2)

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

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

December 31, 2016	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Conventional Mortgages	–	134,179,113	–	134,179,113
	–	134,179,113	–	134,179,113

Transfers between levels

During the periods ended December 31, 2017 and December 31, 2016, there were no significant transfers between Level 1 and Level 2.

Offsetting of financial assets and liabilities (note 2)

As at December 31, 2017 and December 31, 2016, 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 December 31, 2017 or December 31, 2016.

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

As at December 31, 2017 or December 31, 2016, 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

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	December 31, 2017	December 31, 2016
ASSETS		
Current assets		
Investments		
Non-derivative financial assets	1,264,636,333	1,168,882,861
Unrealized gain on currency forward contracts	1,560,613	139,762
Unrealized gain on swap contracts	21,894,301	4,217,494
Cash*	13,323,601	52,387,585
Subscriptions receivable	1,034,001	929,805
Accrued investment income and other	7,375,991	7,032,524
	1,309,824,840	1,233,590,031
LIABILITIES		
Current liabilities		
Margin payable on derivatives	3,720,000	–
Payable for securities purchased	–	4,010,000
Redemptions payable	934,181	626,085
Accrued expenses	8	2,496
Unrealized loss on currency forward contracts	294,895	949,630
Unrealized loss on swap contracts	689,620	7,974,886
	5,638,704	13,563,097
Net assets attributable to holders of redeemable units	1,304,186,136	1,220,026,934
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series I	761,968,521	719,903,327
Series K	22,975,702	4,140,889
Series M	519,241,913	495,982,718
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series I	9.92	9.86
Series K	10.07	10.03
Series M	9.91	9.85

* $6,170,000 held by brokers as collateral for derivatives (December 31, 2016 – $4,260,654)

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except average units)	2017	2016
INCOME		
Net gain (loss) on investments		
Interest for distribution purposes	32,976,291	28,957,886
Net realized gain (loss) on non-derivative financial assets	(1,732,293)	3,168,524
Net realized gain (loss) on currency forward contracts	4,869,735	(59,119)
Net realized gain (loss) on swap contracts	(5,572,097)	(5,849,768)
Change in unrealized gain (loss) on non-derivative financial assets	(21,645,783)	(9,812,238)
Change in unrealized gain (loss) on currency forward contracts	2,075,586	2,039,493
Change in unrealized gain (loss) on swap contracts	24,962,073	11,197,722
Net gain (loss) on investments	35,933,512	29,642,500
Securities lending (note 11)	63,201	62,074
Net realized and unrealized foreign currency translation gain (loss)	(488,540)	(365,198)
Total income (loss), net	35,508,173	29,339,376
EXPENSES		
Management fees (note 5)	358,628	332,972
Fixed administration fees (note 6)	496,109	445,131
Independent Review Committee fees	1,135	1,184
Interest expense and bank overdraft charges	4,322	–
Other fund costs	–	198
Harmonized Sales Tax/Goods and Services Tax	91,398	93,581
Total expenses	951,592	873,066
Increase (decrease) in net assets attributable to holders of redeemable units from operations	34,556,581	28,466,310
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series I	20,688,381	17,012,455
Series K	351,119	12,969
Series M	13,517,081	11,440,886
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT†		
Series I	0.27	0.24
Series K	0.24	0.10
Series M	0.26	0.24
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series I	75,798,591	70,102,147
Series K	1,462,076	127,017
Series M	52,088,652	48,470,430

† 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 Floating Rate Income Fund (Continued)

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

For the periods ended December 31 (note 1),

(in dollars)	2017	2016
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series I	719,903,327	669,766,899
Series K	4,140,889	–
Series M	495,982,718	428,530,318
	1,220,026,934	1,098,297,217
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series I	20,688,381	17,012,455
Series K	351,119	12,969
Series M	13,517,081	11,440,886
	34,556,581	28,466,310
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net investment income		
Series I	(16,290,366)	(13,429,455)
Series K	(315,605)	(11,000)
Series M	(10,678,444)	(8,810,284)
	(27,284,415)	(22,250,739)
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series I	56,297,782	48,004,890
Series K	21,051,658	4,139,729
Series M	115,405,062	136,871,621
Reinvested distributions		
Series I	16,290,366	13,429,455
Series K	315,605	11,000
Payments on redemption		
Series I	(34,920,969)	(14,880,917)
Series K	(2,567,964)	(11,809)
Series M	(94,984,504)	(72,049,823)
	76,887,036	115,514,146
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series I	42,065,194	50,136,428
Series K	18,834,813	4,140,889
Series M	23,259,195	67,452,400
	84,159,202	121,729,717
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END 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
	1,304,186,136	1,220,026,934

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	34,556,581	28,466,310
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	1,732,293	(3,168,524)
Unrealized foreign currency translation (gain) loss	(59,488)	(57,186)
Change in unrealized (gain) loss on non-derivative financial assets	21,645,783	9,812,238
Change in unrealized (gain) loss on currency forward contracts	(2,075,586)	(2,039,493)
Change in unrealized (gain) loss on swap contracts	(24,962,073)	(11,197,722)
Purchases of portfolio investments	(1,323,243,563)	(962,880,246)
Proceeds from sale of portfolio investments	1,200,102,014	697,169,917
Margin payable on derivatives	3,720,000	–
Accrued investment income and other	(343,467)	(1,148,899)
Accrued expenses and other payables	(2,488)	2,496
Net cash provided by (used in) operating activities	(88,929,994)	(245,041,109)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	192,381,667	189,616,656
Amounts paid on redemption of redeemable units	(131,896,701)	(86,578,621)
Distributions to unitholders of redeemable units	(10,678,444)	(8,810,284)
Net cash provided by (used in) financing activities	49,806,522	94,227,751
Unrealized foreign currency translation gain (loss)	59,488	57,186
Net increase (decrease) in cash	(39,123,472)	(150,813,358)
Cash (bank overdraft), beginning of period	52,387,585	203,143,757
CASH (BANK OVERDRAFT), END OF PERIOD	13,323,601	52,387,585
Interest paid[1]	4,322	–
Interest received[1]	32,649,834	27,808,987

[1] Classified as operating items.

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

Scotia Floating Rate Income Fund (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2017

Issuer		Face Value ($)	Average Cost ($)	Carrying Value ($)
BONDS AND DEBENTURES – 97.0%				
Corporate Bonds – 84.9%				
Algonquin Power & Utilities Corporation 4.65% Feb 15, 2022		2,500,000	2,680,041	2,660,807
Algonquin Power & Utilities Corporation 4.82% Feb 15, 2021		3,400,000	3,634,365	3,603,754
Alimentation Couche-Tard Inc. 3.32% Nov 01, 2019		9,500,000	9,931,680	9,678,344
Alimentation Couche-Tard Inc. 3.90% Nov 01, 2022		4,500,000	4,882,500	4,713,984
AltaGas Ltd. (Callable) 3.57% Mar 12, 2023		3,120,000	3,185,801	3,183,201
AltaGas Ltd. 3.72% Sep 28, 2021		4,715,000	4,976,635	4,866,027
Anheuser-Busch InBev Finance Inc. (Callable) 2.60% Mar 15, 2024		5,800,000	5,798,550	5,675,528
Anheuser-Busch InBev Finance Inc. (Callable) 2.65% Jan 01, 2021	USD	2,500,000	3,574,753	3,160,181
AT&T Inc. 3.60% Feb 17, 2023	USD	10,575,000	13,791,114	13,617,384
AT&T Inc. 3.83% Nov 25, 2020	USD	27,584,000	29,334,409	28,542,829
Bank of Montreal 1.61% Oct 28, 2021		21,145,000	21,009,786	20,519,738
Bank of Montreal 1.88% Mar 31, 2021		18,200,000	18,106,090	17,926,611
Bank of Montreal 2.10% Oct 06, 2020		42,000,000	41,921,270	41,797,993
Bank of Montreal 2.27% Jul 11, 2022		7,050,000	7,049,648	6,977,538
Bank of Montreal 2.70% Sep 11, 2024		7,325,000	7,324,048	7,322,516
Bank of Nova Scotia, The 2.09% Sep 09, 2020		30,000,000	29,889,600	29,848,958
Bank of Nova Scotia, The 2.36% Nov 08, 2022		8,125,000	8,123,863	8,048,158
bcIMC Realty Corporation (Callable) 2.15% Jul 11, 2022		11,000,000	10,996,810	10,805,162
bcIMC Realty Corporation 2.10% Jun 03, 2021		14,000,000	13,994,540	13,865,131
bcIMC Realty Corporation 2.96% Mar 07, 2019		4,750,000	4,904,950	4,806,647
Bell Canada (Callable) 3.00% Sep 03, 2022		43,300,000	43,982,297	43,824,234
Bell Canada (Callable) 3.15% Aug 29, 2021		7,160,000	7,545,369	7,299,894
Bell Canada (Callable) 3.35% Dec 22, 2022		4,450,000	4,725,989	4,557,851
Bell Canada 2.00% Oct 01, 2021		11,500,000	11,477,460	11,261,430
Bell Canada 3.25% Jun 17, 2020		4,170,000	4,351,907	4,259,135
BMW Canada Inc. 1.88% Dec 11, 2020		5,600,000	5,600,000	5,522,832
Brookfield Asset Management Inc. 3.95% Apr 09, 2019		12,200,000	12,682,340	12,464,538
Brookfield Infrastructure Finance ULC (Callable) 3.32% Dec 22, 2023		6,000,000	6,042,955	5,976,752
Brookfield Infrastructure Finance ULC 3.54% Oct 30, 2020		5,500,000	5,500,000	5,636,159
Cadillac Fairview Finance Trust (Callable) 3.13% Feb 20, 2022	USD	6,300,000	8,572,064	8,014,413
Cameco Corporation 5.67% Sep 02, 2019		4,453,000	4,975,268	4,619,320
Canadian Imperial Bank of Commerce 1.64% Jul 12, 2021		5,025,000	5,022,839	4,897,548
Canadian Imperial Bank of Commerce 1.90% Apr 26, 2021		10,745,000	10,877,353	10,587,697
Canadian Imperial Bank of Commerce 2.04% Mar 21, 2022		11,500,000	11,455,208	11,300,440
Canadian Imperial Bank of Commerce 2.30% Jul 11, 2022		3,000,000	2,999,850	2,973,203
Canadian Imperial Bank of Commerce 2.47% Dec 05, 2022		13,300,000	13,298,803	13,247,201
Canadian Natural Resources Ltd. 2.05% Jun 01, 2020		6,350,000	6,348,540	6,284,117
Canadian Oil Sands Ltd. 4.50% Apr 01, 2022	USD	9,650,000	13,260,040	12,559,519
CARDS II Trust 2.16% Oct 15, 2020		13,300,000	13,300,000	13,245,387
Choice Properties LP (Callable) 3.60% Jan 20, 2020		19,600,000	20,099,250	20,054,591
Choice Properties LP (Callable) 3.60% Jun 20, 2021		1,000,000	1,060,900	1,026,804
Choice Properties LP (Callable) 3.60% Jun 20, 2022		4,510,000	4,744,295	4,637,814
Choice Properties Real Estate Investment Trust (Callable) 3.20% Feb 07, 2023		4,700,000	4,837,663	4,730,916
Choice Properties Real Estate Investment Trust 3.50% Feb 08, 2021		4,650,000	4,826,484	4,766,658
CI Financial Corporation 2.65% Dec 07, 2020		13,840,000	13,839,560	13,865,485
CIT Group Inc. 5.00% Aug 15, 2022	USD	2,365,000	3,213,889	3,158,432
Citigroup Inc. 2.40% Feb 18, 2020	USD	3,500,000	4,391,063	4,394,407
Citigroup Inc. 2.55% Apr 08, 2019	USD	1,600,000	1,762,487	2,017,120
Cominar Real Estate Investment Trust 3.62% Jun 21, 2019		22,041,000	22,149,203	22,133,140
Cominar Real Estate Investment Trust 4.23% Dec 04, 2019		3,400,000	3,405,202	3,446,511
CVS Health Corporation (Callable) 2.80% Jun 20, 2020	USD	1,000,000	1,272,408	1,264,970
Daimler Canada Finance Inc. 1.57% May 25, 2020		9,000,000	9,000,000	8,838,601
Daimler Canada Finance Inc. 1.91% Jul 08, 2021		7,950,000	7,827,411	7,792,872
Daimler Canada Finance Inc. 2.30% Nov 23, 2020		3,900,000	3,900,000	3,888,058
Dollarama Inc. (Callable) 2.20% Oct 10, 2022		7,650,000	7,690,604	7,458,054
Dollarama Inc. 2.34% Jul 22, 2021		8,425,000	8,425,000	8,359,338
Dollarama Inc. 3.10% Nov 05, 2018		5,000,000	5,108,814	5,049,594
Enbridge Inc. 3.19% Dec 05, 2022		10,650,000	10,957,108	10,762,176
Enbridge Inc. 4.53% Mar 09, 2020		1,400,000	1,508,304	1,460,084
Enbridge Income Fund 4.85% Nov 12, 2020		4,183,000	4,572,354	4,430,849
Fairfax Financial Holdings Limited 4.50% Mar 22, 2023		28,475,000	29,166,696	29,737,604
Fairfax Financial Holdings Limited 5.84% Oct 14, 2022		4,375,000	4,877,119	4,834,354
Ford Credit Canada Company 2.71% Feb 23, 2022		9,250,000	9,250,000	9,151,225
Ford Credit Canada Company 3.35% Sep 19, 2022		8,700,000	8,700,000	8,805,210
Ford Credit Canada Ltd. 2.45% May 07, 2020		7,700,000	7,675,050	7,673,331
Ford Credit Canada Ltd. 2.58% May 10, 2021		5,000,000	4,962,600	4,964,012
Ford Credit Canada Ltd. 2.92% Sep 16, 2020		11,475,000	11,475,180	11,550,035
Ford Credit Canada Ltd. 3.28% Jul 02, 2021		3,000,000	3,067,920	3,042,280
Fortified Trust 1.67% Jul 23, 2021		9,050,000	9,050,000	8,820,849
General Motors Financial of Canada Ltd. 3.08% May 22, 2020		14,000,000	14,277,842	14,140,241
Genesis Trust II 1.70% Apr 15, 2020		6,000,000	6,000,000	5,927,042
Genesis Trust II 2.43% May 15, 2019		8,000,000	8,133,200	8,041,543
Glacier Credit Card Trust 2.57% Sep 20, 2019		950,000	950,000	955,108
Glacier Credit Card Trust 2.76% Nov 20, 2018		2,000,000	2,056,800	2,015,068
Goldman Sachs Group Inc., The (Callable) 2.43% Apr 26, 2022		8,000,000	8,000,000	7,842,918
Goldman Sachs Group Inc., The (Callable) 3.31% Oct 31, 2024		5,000,000	5,000,000	4,999,042
Granite REIT Holdings LP (Callable) 3.87% Sep 30, 2023		6,250,000	6,250,125	6,274,327
Great-West Lifeco Finance Delaware LP II (Callable) 7.13% Jun 26, 2018		5,807,000	6,074,587	5,951,980
H&R Real Estate Investment Trust 2.92% May 06, 2022		6,175,000	6,132,418	6,089,108
H&R Real Estate Investment Trust 4.45% Mar 02, 2020		4,000,000	4,168,560	4,141,771
HCA Inc. 6.50% Feb 15, 2020	USD	4,200,000	6,097,266	5,638,963
Hollis Receivables Term Trust II 1.79% Feb 26, 2020		1,800,000	1,800,000	1,781,950
Hollis Receivables Term Trust II 2.43% Jun 26, 2019		11,300,000	11,308,456	11,358,436
Honda Canada Finance Inc. 2.27% Jul 15, 2022		3,100,000	3,100,000	3,064,288
Honda Canada Finance Inc. 2.54% Mar 01, 2023		915,000	914,405	910,178
Intact Financial Corporation 5.41% Sep 03, 2019		1,500,000	1,696,305	1,577,273
JPMorgan Chase & Co. (Callable) 2.25% Dec 23, 2019	USD	1,500,000	1,795,053	1,880,275
JPMorgan Chase & Co. 3.19% Mar 05, 2021		4,000,000	3,998,520	4,093,167
Manulife Bank of Canada 1.92% Sep 01, 2021		16,990,000	16,990,000	16,615,677
Manulife Bank of Canada 2.08% May 26, 2022		4,750,000	4,750,000	4,635,589
OMERS Realty Corporation (Callable) 1.82% Apr 09, 2022		3,500,000	3,500,000	3,404,091
OMERS Realty Corporation (Callable) 2.86% Jan 23, 2024		6,150,000	6,248,585	6,199,482
OMERS Realty Corporation 2.47% Nov 12, 2019		3,250,000	3,301,840	3,270,405
Pembina Pipeline Corporation (Callable) 2.99% Nov 22, 2023		4,802,000	4,703,708	4,733,680
Penske Truck Leasing Company LP/PTL Finance Corporation (Callable) 3.05% Dec 09, 2019	USD	2,600,000	3,002,673	3,297,070
PSP Capital Inc. 2.09% Nov 22, 2023		4,350,000	4,349,435	4,284,425
Race Point VIII CLO Ltd, Series 13-8A 0.00% Feb 20, 2030	USD	17,500,000	22,989,714	22,034,690
RioCan Real Estate Investment Trust 2.19% Apr 09, 2021		12,500,000	12,545,212	12,316,090
RioCan Real Estate Investment Trust 3.62% Jun 01, 2020		2,100,000	2,190,909	2,154,009
Rogers Communications Inc. 2.80% Mar 13, 2019		5,000,000	5,017,720	5,044,899
Royal Bank of Canada 1.58% Sep 13, 2021		22,750,000	22,495,398	22,070,815
Royal Bank of Canada 1.65% Jul 15, 2021		8,050,000	8,047,666	7,847,747
Royal Bank of Canada 1.92% Jul 17, 2020		4,750,000	4,750,000	4,710,246
Royal Bank of Canada 2.00% Mar 21, 2022		20,525,000	20,499,472	20,133,407
Royal Bank of Canada 2.03% Mar 15, 2021		3,500,000	3,498,670	3,463,044
Royal Bank of Canada 2.36% Dec 05, 2022		5,250,000	5,249,528	5,198,870
Saputo Inc. 2.20% Jun 23, 2021		9,500,000	9,500,000	9,408,361
Saputo Inc. 2.65% Nov 26, 2019		5,125,000	5,167,000	5,168,304
Shaw Communications Inc. 3.15% Feb 19, 2021		7,500,000	7,491,750	7,634,873
Smart Real Estate Investment Trust 3.75% Feb 11, 2021		5,000,000	5,003,950	5,147,700
Sprint Spectrum Co LLC / Sprint Spectrum Co II LLC / Sprint Spectrum Co III LLC 3.36% Sep 20, 2021		6,328,125	8,398,199	8,023,167
TD Capital Trust IV (Callable) 6.63% Jun 30, 2021		5,435,000	6,325,513	6,086,974
TELUS Corporation (Callable) 2.35% Feb 28, 2022		13,750,000	13,828,300	13,590,761
Toronto-Dominion Bank, The (Callable) 2.98% Sep 30, 2020		7,000,000	7,000,000	7,074,185
Toronto-Dominion Bank, The 1.99% Mar 23, 2022		21,500,000	21,499,993	21,114,432
Toronto-Dominion Bank, The 2.05% Mar 08, 2021		2,500,000	2,500,000	2,478,777
Toyota Credit Canada Inc. 1.80% Feb 19, 2020		16,300,000	16,278,315	16,169,824
Toyota Credit Canada Inc. 2.05% May 20, 2020		11,300,000	11,288,907	11,252,633
Toyota Credit Canada Inc. 2.20% Feb 25, 2021		5,000,000	4,990,100	4,978,939
Toyota Credit Canada Inc. 2.35% Jul 18, 2022		3,600,000	3,599,676	3,576,346
Toyota Credit Canada Inc. 2.62% Oct 11, 2022		9,100,000	9,100,000	9,125,792
TransAlta Corporation (Callable) 4.50% Aug 15, 2022	USD	350,000	471,098	449,632
TransAlta Corporation 5.00% Nov 25, 2020		11,042,000	11,557,768	11,469,611
Veresen Inc. 3.06% Jun 13, 2019		3,200,000	3,193,498	3,230,485

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

Scotia Floating Rate Income Fund (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2017

Issuer		Face Value ($)	Average Cost ($)	Carrying Value ($)
BONDS AND DEBENTURES (cont'd)				
Corporate Bonds (cont'd)				
Wells Fargo & Company 2.09% Apr 25, 2022		36,500,000	36,276,797	35,611,609
Wells Fargo & Company 2.22% Mar 15, 2021		5,000,000	5,000,000	4,954,652
Wells Fargo Canada Corporation 2.94% Jul 25, 2019		10,100,000	10,443,554	10,232,844
			1,120,743,784	1,107,144,350
Federal Bonds – 2.0%				
Government of Canada 1.00% Sep 01, 2022		27,600,000	26,777,520	26,542,058
United States Treasury Notes 1.88% Feb 28, 2022	USD	50,000	66,393	62,160
			26,843,913	26,604,218
Mortgage-Backed Securities – 6.2%				
Merrill Lynch Canada Inc. 1.37% Nov 01, 2021		20,000,000	18,254,694	18,025,720
Merrill Lynch Financial Assets Inc. 1.30% Aug 01, 2021		10,000,000	8,786,432	8,643,460
Octagon Investment Partners 24 Ltd. 0.00% May 21, 2027	USD	11,000,000	13,447,433	13,825,757
Octagon Investment Partners 30 Ltd. 2.35% Mar 17, 2030	USD	8,750,000	11,377,674	11,136,904
BONDS AND DEBENTURES (cont'd)				
Mortgage-Backed Securities (cont'd)				
OPB Finance Trust 1.88% Feb 24, 2022		10,650,000	10,394,015	10,476,200
Telos CLO 2014-5 Ltd. 2.43% Apr 17, 2025	USD	13,050,000	17,164,471	16,427,296
Toronto-Dominion Bank, The 1.27% Jul 01, 2021		2,000,000	1,721,239	1,692,660
			81,145,958	80,227,997
Provincial Bonds – 3.9%				
Province of Ontario 1.35% Mar 08, 2022		25,000,000	24,952,000	24,190,676
Province of Quebec 3.50% Dec 01, 2022		25,000,000	27,194,000	26,469,092
			52,146,000	50,659,768
TOTAL INVESTMENT PORTFOLIO			1,280,879,655	1,264,636,333
Unrealized Gain (Loss) on Derivatives – 1.7%				22,470,399
OTHER ASSETS, LESS LIABILITIES – 1.3%				17,079,404
NET ASSETS – 100.0%				1,304,186,136

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	Jan. 24, 2018	Canadian Dollar	385,302	US Dollar	300,000	0.779	0.795	8,162
Canadian Imperial Bank of Commerce	A-1	Feb. 21, 2018	Canadian Dollar	5,085,360	US Dollar	4,000,000	0.787	0.796	57,329
Bank of Montreal	A-1	Feb. 21, 2018	Canadian Dollar	11,583,180	US Dollar	9,000,000	0.777	0.796	270,110
Canadian Imperial Bank of Commerce	A-1	Feb. 21, 2018	Canadian Dollar	127,540	US Dollar	100,000	0.784	0.796	1,839
Canadian Imperial Bank of Commerce	A-1	Mar. 15, 2018	Canadian Dollar	35,336,302	US Dollar	27,800,000	0.787	0.796	399,829
Bank of Montreal	A-1	Apr. 18, 2018	Canadian Dollar	35,622,339	US Dollar	27,700,000	0.778	0.796	823,344
									1,560,613

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	Jan. 24, 2018	Canadian Dollar	35,012,040	US Dollar	28,000,000	0.8	0.795	(187,719)
Toronto-Dominion Bank, The	A-1+	Jan. 24, 2018	US Dollar	1,200,000	Canadian Dollar	1,526,388	1.272	1.257	(17,827)
Bank of Montreal	A-1	Feb. 21, 2018	Canadian Dollar	16,754,556	US Dollar	13,400,000	0.8	0.796	(89,349)
									(294,895)

INTEREST RATE SWAP CONTRACTS

Description	Counterparty	Currency	Termination Date	Notional Amount	Interest Rate %	Appreciation/ (Depreciation) ($)
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)	1.130%	623,526
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)	1.290%	(2,803)
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)	1.292%	(15,983)
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)	1.296%	(91,593)
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)	1.296%	(62,605)
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)	1.296%	(57,803)
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	Merrill Lynch International	CAD	Feb. 11, 2019	20,000,000	2.003%	–
Fixed to Floating Interest Rate Swap – CAD-BA-CDOR Variable Rate Coupon	Merrill Lynch International	CAD	Feb. 11, 2019	(20,000,000)	1.298%	(82,238)
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)	1.298%	83,580
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	Bank of Nova Scotia, The	CAD	Feb. 26, 2018	5,000,000	0.933%	–
Fixed to Floating Interest Rate Swap – CAD-BA-CDOR Variable Rate Coupon	Bank of Nova Scotia, The	CAD	Feb. 26, 2018	(5,000,000)	1.302%	10,741
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	Merrill Lynch International	CAD	Feb. 26, 2019	10,000,000	1.950%	–
Fixed to Floating Interest Rate Swap – CAD-BA-CDOR Variable Rate Coupon	Merrill Lynch International	CAD	Feb. 26, 2019	(10,000,000)	1.310%	(29,801)
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)	1.310%	(44,922)
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	Bank of Nova Scotia, The	CAD	Feb. 27, 2018	2,400,000	1.665%	–
Fixed to Floating Interest Rate Swap – CAD-BA-CDOR Variable Rate Coupon	Bank of Nova Scotia, The	CAD	Feb. 27, 2018	(2,400,000)	1.310%	(3,668)

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

Scotia Floating Rate Income Fund (Continued)

SCHEDULE OF DERIVATIVE INSTRUMENTS

INTEREST RATE SWAP CONTRACTS

Description	Counterparty	Currency	Termination Date	Notional Amount	Interest Rate %	Appreciation/ (Depreciation) ($)
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)	1.368%	35,218
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)	1.440%	(30,043)
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)	1.458%	421,284
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)	1.456%	553,905
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)	1.437%	612,785
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)	1.436%	585,799
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	Merrill Lynch International	CAD	Mar. 26, 2018	6,250,000	0.918%	–
Fixed to Floating Interest Rate Swap – CAD-BA-CDOR Variable Rate Coupon	Merrill Lynch International	CAD	Mar. 26, 2018	(6,250,000)	1.434%	17,379
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)	1.432%	(31,709)
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	Merrill Lynch International	CAD	Mar. 27, 2019	3,800,000	1.105%	–
Fixed to Floating Interest Rate Swap – CAD-BA-CDOR Variable Rate Coupon	Merrill Lynch International	CAD	Mar. 27, 2019	(3,800,000)	1.434%	40,102
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)	1.415%	976,609
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	Merrill Lynch International	CAD	Apr. 4, 2019	5,000,000	2.100%	–
Fixed to Floating Interest Rate Swap – CAD-BA-CDOR Variable Rate Coupon	Merrill Lynch International	CAD	Apr. 4, 2019	(5,000,000)	1.408%	(20,102)
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)	1.425%	125,400
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)	1.430%	942,788
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)	1.430%	739,595
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	Merrill Lynch International	CAD	May. 7, 2018	5,000,000	1.815%	–
Fixed to Floating Interest Rate Swap – CAD-BA-CDOR Variable Rate Coupon	Merrill Lynch International	CAD	May. 7, 2018	(5,000,000)	1.411%	(7,137)
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)	1.408%	(66,758)
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	Merrill Lynch International	CAD	May. 13, 2019	5,500,000	2.005%	–
Fixed to Floating Interest Rate Swap – CAD-BA-CDOR Variable Rate Coupon	Merrill Lynch International	CAD	May. 13, 2019	(5,500,000)	1.402%	(9,660)
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)	1.402%	(8)
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)	1.402%	(5,405)
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)	1.402%	887,277
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)	1.408%	311,528
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)	1.420%	220,896
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)	1.434%	(3,310)
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)	1.436%	890,832
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	Merrill Lynch International	CAD	Jun. 11, 2018	4,000,000	1.785%	–
Fixed to Floating Interest Rate Swap – CAD-BA-CDOR Variable Rate Coupon	Merrill Lynch International	CAD	Jun. 11, 2018	(4,000,000)	1.432%	(4,232)
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)	1.432%	(8,703)
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	Merrill Lynch International	CAD	Jun. 17, 2019	45,000,000	2.000%	–
Fixed to Floating Interest Rate Swap – CAD-BA-CDOR Variable Rate Coupon	Merrill Lynch International	CAD	Jun. 17, 2019	(45,000,000)	1.460%	(41,306)
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)	0.000%	210,594
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)	1.188%	(28,969)
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)	1.196%	622,561
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)	1.228%	1,080,691
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)	1.264%	470,221
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)	1.288%	245,554
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)	1.301%	1,134,605
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)	1.306%	1,103,492
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)	1.450%	(12,743)
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	Merrill Lynch International	CAD	Sep. 20, 2018	7,400,000	0.968%	–
Fixed to Floating Interest Rate Swap – CAD-BA-CDOR Variable Rate Coupon	Merrill Lynch International	CAD	Sep. 20, 2018	(7,400,000)	1.437%	49,837
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)	1.434%	(7,159)
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)	1.432%	25,351

Scotia Floating Rate Income Fund (Continued)

SCHEDULE OF DERIVATIVE INSTRUMENTS

INTEREST RATE SWAP CONTRACTS

Description	Counterparty	Currency	Termination Date	Notional Amount	Interest Rate %	Appreciation/ (Depreciation) ($)
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)	1.434%	41,627
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)	1.415%	1,000,917
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)	1.411%	1,059,266
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)	1.414%	44,327
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)	1.426%	7,907
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)	1.426%	5,127
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	Bank of Nova Scotia, The	CAD	Oct. 29, 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. 29, 2018	(5,000,000)	1.414%	42,871
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)	1.411%	462,568
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)	1.411%	581,638
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	Merrill Lynch International	CAD	Nov. 12, 2020	25,000,000	1.325%	–
Fixed to Floating Interest Rate Swap – CAD-BA-CDOR Variable Rate Coupon	Merrill Lynch International	CAD	Nov. 12, 2020	(25,000,000)	1.402%	570,966
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)	1.402%	5,590
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)	1.402%	208,645
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)	1.402%	589,255
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)	1.402%	637,110
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)	1.402%	4,432
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)	1.404%	646,369
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)	1.434%	6,297
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)	1.434%	3,175
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)	1.436%	621,417
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)	1.430%	634,053
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)	1.432%	226,011
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)	1.445%	555,034
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)	1.514%	724,678
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)	0.000%	16,064
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)	0.000%	(20,960)
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)	1.377%	151,680
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)	1.536%	25,127
						21,204,681

The swap contracts outstanding at December 31, 2017 are placed with a financial institution with a minimum credit rating of A-1 by S&P.

Scotia Floating Rate Income Fund (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	December 31, 2017 ($)	December 31, 2016 ($)
Less than 1 year	13,122,433	109,796,335
1-3 years	414,430,931	386,927,302
3-5 years	670,153,154	574,527,305
5-10 years	148,875,928	95,321,144
> 10 years	39,258,568	–
	1,285,841,014	1,166,572,086

As at December 31, 2017, 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 would have decreased or increased, respectively, by $9,814,377 or approximately 0.8% (December 31, 2016 – $8,998,097 or approximately 0.7%).

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.

	December 31, 2017			
Currency	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)

	December 31, 2016			
Currency	Gross currency exposure ($)	Currency contracts ($)	Net exposure ($)	Percentage of net assets (%)
US Dollar	82,809,324	(83,008,087)	(198,763)	0.0
	82,809,324	(83,008,087)	(198,763)	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 of the Fund would have decreased or increased, respectively, by $126,004 or 0.0% of net assets (December 31, 2016 – $19,876 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 December 31, 2017 and December 31, 2016.

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.

	December 31, 2017		December 31, 2016	
Credit ratings	Percentage of total credit rated instruments (%)	Percentage of net assets (%)	Percentage of total credit rated instruments (%)	Percentage of net assets (%)
AAA	13.8	13.4	14.8	14.2
AA	28.3	27.4	20.6	19.8
A	19.4	18.8	29.9	28.6
BBB	36.2	35.2	34.7	33.2
BB	2.3	2.2	–	–
	100.0	97.0	100.0	95.8

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 (%)	
	December 31, 2017	December 31, 2016
Corporate Bonds	84.9	84.1
Federal Bonds	2.0	3.0
Mortgage-Backed Securities	6.2	4.5
Provincial Bonds	3.9	4.2

Fair Value Classification (note 2)

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

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

December 31, 2016	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Bonds and debentures	–	1,168,882,861	–	1,168,882,861
Unrealized gain on currency forward contracts	–	139,762	–	139,762
	–	1,169,022,623	–	1,169,022,623
Unrealized loss on currency forward contracts	–	(949,630)	–	(949,630)
Unrealized loss on swap contracts	–	(3,757,392)	–	(3,757,392)
	–	1,164,315,601	–	1,164,315,601

Scotia Floating Rate Income Fund (Continued)

FUND SPECIFIC NOTES
For the periods indicated in Note 1

Transfers between levels

During the periods ended December 31, 2017 and December 31, 2016, there were no significant transfers between Level 1 and Level 2.

Offsetting of financial assets and liabilities (note 2)

The following tables present 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.

	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

	December 31, 2016			
Financial assets – by type	Gross amount of assets ($)	Master netting offset ($)	Collateral pledged/ received ($)	Net Amount ($)
Currency forward contracts	139,762	–	–	139,762
Options contracts – OTC	–	–	–	–
Swap contracts – OTC	4,217,494	(818,340)	–	3,399,154
	4,357,256	(818,340)	–	3,538,916

Financial liabilities – by type	Gross amount of liabilities ($)	Master netting offset ($)	Collateral pledged/ received ($)	Net Amount ($)
Currency forward contracts	949,630	–	–	949,630
Options contracts – OTC	–	–	–	–
Swap contracts – OTC	7,974,886	(818,340)	–	7,156,546
	8,924,516	(818,340)	–	8,106,176

Interest in Underlying Funds (note 2)

The Fund did not hold any interest in Underlying Funds as at December 31, 2017 or December 31, 2016.

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

As at December 31, 2017 or December 31, 2016, 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 Income Fund

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	December 31, 2017	December 31, 2016
ASSETS		
Current assets		
Investments		
Non-derivative financial assets	3,495,202	4,092,842
Cash	13,622	23,240
Subscriptions receivable	1,375	2,952
Accrued investment income and other	11	8
	3,510,210	4,119,042
LIABILITIES		
Current liabilities		
Redemptions payable	–	3,408
Accrued expenses	9	151
Distributions payable	13	66
	22	3,625
Net assets attributable to holders of redeemable units	3,510,188	4,115,417
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series A	3,510,188	4,115,417
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series A	9.58	9.65

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except average units)	2017	2016
INCOME		
Net gain (loss) on investments		
Dividends	241	1,685
Interest for distribution purposes	95,035	101,865
Net realized gain (loss) on non-derivative financial assets	(9,613)	(70,803)
Change in unrealized gain (loss) on non-derivative financial assets	(14,359)	55,779
Net gain (loss) on investments	71,304	88,526
Other income	142	122
Total income (loss), net	71,446	88,648
EXPENSES		
Management fees (note 5)	42,601	51,529
Fixed administration fees (note 6)	3,873	4,664
Independent Review Committee fees	1,135	1,184
Interest expense and bank overdraft charges	48	56
Foreign withholding taxes/tax reclaims	31	173
Harmonized Sales Tax/Goods and Services Tax	5,052	6,290
Total expenses	52,740	63,896
Increase (decrease) in net assets attributable to holders of redeemable units from operations	18,706	24,752
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A	18,706	24,752
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT†		
Series A	0.05	0.05
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series A	403,894	485,237

† 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 December 31 (note 1),

(in dollars)	2017	2016
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series A	4,115,417	4,942,348
	4,115,417	4,942,348
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A	18,706	24,752
	18,706	24,752
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net investment income		
Series A	(42,124)	(39,344)
	(42,124)	(39,344)
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A	819,337	1,133,995
Reinvested distributions		
Series A	41,454	39,064
Payments on redemption		
Series A	(1,442,602)	(1,985,398)
	(581,811)	(812,339)
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A	(605,229)	(826,931)
	(605,229)	(826,931)
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series A	3,510,188	4,115,417
	3,510,188	4,115,417

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	18,706	24,752
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	9,613	70,803
Change in unrealized (gain) loss on non-derivative financial assets	14,359	(55,779)
Non-cash transactions	(95,011)	(103,131)
Purchases of portfolio investments	(307,001)	(1,052,989)
Proceeds from sale of portfolio investments	975,680	1,960,180
Accrued investment income and other	(3)	7
Accrued expenses and other payables	(142)	151
Net cash provided by (used in) operating activities	616,201	843,994
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	820,914	1,134,576
Amounts paid on redemption of redeemable units	(1,446,010)	(1,981,990)
Distributions to unitholders of redeemable units	(723)	(979)
Net cash provided by (used in) financing activities	(625,819)	(848,393)
Net increase (decrease) in cash	(9,618)	(4,399)
Cash (bank overdraft), beginning of period	23,240	27,639
CASH (BANK OVERDRAFT), END OF PERIOD	13,622	23,240
Interest paid[1]	48	56
Interest received[1]	230	255

[1] Classified as operating items.

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

Scotia Conservative Income Fund (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2017

Issuer	Number of Units	Average Cost ($)	Carrying Value ($)
FIXED INCOME FUNDS – 99.6%			
Scotia Floating Rate Income Fund Series I	97,730	975,345	969,161
Scotia Mortgage Income Fund Series I	92,507	982,838	973,576
Scotia Private American Core-Plus Bond Pool Series I	18,401	175,001	175,045
Scotia Private High Yield Income Pool Series I	9,619	90,083	86,552
Scotia Short Term Bond Fund Series I	133,771	1,325,763	1,290,868
TOTAL INVESTMENT PORTFOLIO		3,549,030	3,495,202
OTHER ASSETS, LESS LIABILITIES – 0.4%			14,986
NET ASSETS – 100.0%			3,510,188

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

Scotia Conservative Income Fund (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 December 31, 2017, approximately 99.6% (December 31, 2016 – 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 of the Fund would have decreased or increased, respectively, by approximately $349,520 (December 31, 2016 – $409,284). 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 (%)	
	December 31, 2017	December 31, 2016
Fixed Income Funds	99.6	99.5

Fair Value Classification (note 2)

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

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

December 31, 2016	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Underlying funds	4,092,842	–	–	4,092,842
	4,092,842	–	–	4,092,842

Transfers between levels

During the periods ended December 31, 2017 and December 31, 2016, there were no significant transfers between Level 1 and Level 2.

Offsetting of financial assets and liabilities (note 2)

As at December 31, 2017 and December 31, 2016, 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.

	December 31, 2017	
Underlying Fund	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	

Scotia Conservative Income Fund (Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

	December 31, 2016	
Underlying Fund	**Carrying value of the Underlying Fund ($)**	**Ownership percentage in Underlying Fund (%)**
Scotia Mortgage Income Fund Series I	1,107,957	0.7
Scotia Short Term Bond Fund Series I	1,513,983	0.4
Scotia Floating Rate Income Fund Series I	1,167,056	0.1
Scotia Private American Core-Plus Bond Pool Series I	202,322	0.0
Scotia Private High Yield Income Pool Series I	101,524	0.0
	4,092,842	

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

As at December 31, 2017 or December 31, 2016, there were no differences between the net asset value per unit and the net assets per unit for any series of the Fund.

Scotia Bond Fund

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	December 31, 2017	December 31, 2016
ASSETS		
Current assets		
Investments		
Non-derivative financial assets	63,717,312	77,662,300
Unrealized gain on futures contracts	125,716	–
Cash	184,502	22,147
Margin deposited on derivatives	44,297	–
Subscriptions receivable	18,218	24,954
Accrued investment income and other	370,658	596,417
	64,460,703	78,305,818
LIABILITIES		
Current liabilities		
Redemptions payable	76,466	110,125
Accrued expenses	–	2,777
Distributions payable	9	23
	76,475	112,925
Net assets attributable to holders of redeemable units	64,384,228	78,192,893
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series A	64,287,911	78,190,764
Series I	95,294	1,133
Series M	1,023	996
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series A	10.16	10.25
Series I	10.17	10.25
Series M	9.76	9.86

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except average units)	2017	2016
INCOME		
Net gain (loss) on investments		
Interest for distribution purposes	2,642,441	2,800,931
Net realized gain (loss) on non-derivative financial assets	(160,602)	802,176
Net realized gain (loss) on futures contracts	166,805	(25,880)
Change in unrealized gain (loss) on non-derivative financial assets	(645,053)	(2,043,902)
Change in unrealized gain (loss) on futures contracts	125,716	4,260
Net gain (loss) on investments	2,129,307	1,537,585
Securities lending (note 11)	316	1,286
Other income	741	1,362
Total income (loss), net	2,130,364	1,540,233
EXPENSES		
Management fees (note 5)	782,139	905,599
Fixed administration fees (note 6)	49,779	57,629
Independent Review Committee fees	1,135	1,184
Interest expense and bank overdraft charges	35	88
Other fund costs	–	14
Harmonized Sales Tax/Goods and Services Tax	91,344	105,255
Transaction costs	1,281	2,163
Total expenses	925,713	1,071,932
Expenses absorbed by the Manager	(1)	–
Net expenses	925,712	1,071,932
Increase (decrease) in net assets attributable to holders of redeemable units from operations	1,204,652	468,301
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A	1,204,077	468,338
Series I	548	(32)
Series M	27	(5)
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT†		
Series A	0.17	0.06
Series I	0.17	(0.32)
Series M	0.26	(0.05)
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series A	6,962,038	7,752,073
Series I	3,263	99
Series M	103	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.

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

Scotia Bond Fund (Continued)

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

For the periods ended December 31 (note 1),

(in dollars)	2017	2016
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series A	78,190,764	83,696,781
Series I	1,133	–
Series M	996	–
	78,192,893	83,696,781
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A	1,204,077	468,338
Series I	548	(32)
Series M	27	(5)
	1,204,652	468,301
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net investment income		
Series A	(1,734,278)	(1,746,926)
Series I	(1,269)	(13)
Series M	(38)	(1)
From net realized gains on investments		
Series A	–	(632,942)
Series I	–	(9)
Series M	–	(8)
	(1,735,585)	(2,379,899)
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A	7,020,534	15,535,953
Series I	116,032	1,164
Series M	–	1,000
Reinvested distributions		
Series A	1,696,298	2,322,977
Series I	1,269	23
Series M	38	10
Payments on redemption		
Series A	(22,089,484)	(21,453,417)
Series I	(22,419)	–
	(13,277,732)	(3,592,290)
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A	(13,902,853)	(5,506,017)
Series I	94,161	1,133
Series M	27	996
	(13,808,665)	(5,503,888)
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series A	64,287,911	78,190,764
Series I	95,294	1,133
Series M	1,023	996
	64,384,228	78,192,893

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	1,204,652	468,301
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	160,602	(802,176)
Change in unrealized (gain) loss on non-derivative financial assets	645,053	2,043,902
Change in unrealized (gain) loss on futures contracts	(125,716)	(4,260)
Purchases of portfolio investments	(59,493,395)	(60,330,221)
Proceeds from sale of portfolio investments	72,632,728	64,178,416
Margin deposited on derivatives	(44,297)	78,312
Accrued investment income and other	225,759	47,801
Accrued expenses and other payables	(2,777)	2,777
Net cash provided by (used in) operating activities	15,202,609	5,682,852
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	7,143,302	15,619,099
Amounts paid on redemption of redeemable units	(22,145,562)	(21,384,223)
Distributions to unitholders of redeemable units	(37,994)	(56,894)
Net cash provided by (used in) financing activities	(15,040,254)	(5,822,018)
Net increase (decrease) in cash	162,355	(139,166)
Cash (bank overdraft), beginning of period	22,147	161,313
CASH (BANK OVERDRAFT), END OF PERIOD	184,502	22,147
Interest paid[1]	35	88
Interest received[1]	2,868,201	2,848,732

[1] Classified as operating items.

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

Scotia Bond Fund (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2017

Issuer	Face Value ($)	Average Cost ($)	Carrying Value ($)
BONDS AND DEBENTURES – 99.0%			
Corporate Bonds – 30.5%			
407 International Inc. (Callable) 3.60% Nov 21, 2046	1,200,000	1,260,684	1,222,195
Apple Inc. 2.51% Aug 19, 2024	700,000	700,000	693,217
Bank of Montreal 1.61% Oct 28, 2021	700,000	699,965	679,301
Bank of Nova Scotia, The 2.29% Jun 28, 2024	780,000	769,642	760,606
Bell Canada 3.35% Jun 18, 2019	300,000	302,478	305,184
Brookfield Renewable Energy Partners ULC 5.14% Oct 13, 2020	650,000	649,747	695,364
Canadian Imperial Bank of Commerce 1.66% Jan 20, 2020	525,000	525,761	519,605
Canadian National Railway Company (Callable) 2.80% Jun 22, 2025	650,000	647,920	654,282
Canadian Natural Resources Ltd. (Callable) 3.55% Mar 03, 2024	295,000	293,917	300,629
Canadian Natural Resources Ltd. 3.31% Feb 11, 2022	550,000	549,918	561,243
Enbridge Pipelines Inc. (Callable) 4.13% Feb 09, 2046	900,000	899,694	932,031
Great-West Lifeco Inc. 6.67% Mar 21, 2033	650,000	690,621	880,498
Honda Canada Finance Inc. 2.27% Jul 15, 2022	775,000	775,000	766,072
HSBC Bank of Canada 2.94% Jan 14, 2020	650,000	650,000	658,875
John Deere Canada Funding Inc. 2.05% May 13, 2022	625,000	624,500	613,570
McDonald's Corporation 3.13% Mar 04, 2025	600,000	598,668	605,130
Nissan Canada Financial Services Inc. 1.58% Oct 07, 2019	650,000	650,000	642,847
Pepsi Co., Inc. (Callable) 2.15% Mar 06, 2024	500,000	499,675	485,046
Rogers Communications Inc. 4.00% Jun 06, 2022	655,000	652,380	692,096
Royal Bank of Canada 2.36% Dec 05, 2022	800,000	799,928	792,209
Suncor Energy Inc. (Callable) 3.00% Jun 14, 2026	700,000	698,257	690,339
TELUS Corporation (Callable) 3.35% Jan 02, 2024	650,000	646,328	661,916
Teranet Holdings LP 5.75% Dec 17, 2040	895,000	895,000	952,405
Toronto Hydro Corporation 3.54% Nov 18, 2021	525,000	524,738	549,153
Toronto-Dominion Bank, The 3.23% Jul 24, 2024	780,000	780,000	805,623
Toyota Credit Canada Inc. 2.35% Jul 18, 2022	525,000	524,953	521,550
VW Credit Canada Inc. 2.15% Jun 24, 2020	600,000	598,926	596,166
Walt Disney Co, The 2.76% Oct 07, 2024	700,000	700,000	700,347
Wells Fargo & Company 2.51% Oct 27, 2023	690,000	690,000	673,641
		19,298,700	19,611,140
Federal Bonds – 36.4%			
Canadian Government Bond 0.50% Feb 01, 2019	1,640,000	1,623,224	1,621,857
Canadian Government Bond 0.50% Nov 01, 2018	90,000	89,270	89,292
Government of Canada 5.75% Jun 01, 2029	1,595,000	2,246,825	2,182,558
Government of Canada 5.75% Jun 01, 2033	13,315,000	19,999,411	19,543,632
		23,958,730	23,437,339
Provincial Bonds – 32.1%			
Province of British Columbia 5.70% Jun 18, 2029	3,120,000	4,039,756	4,045,737
Province of Ontario 4.40% Jun 02, 2019	6,765,000	7,239,016	7,016,622
Province of Ontario 6.50% Mar 08, 2029	7,055,000	9,893,650	9,606,474
		21,172,422	20,668,833
TOTAL INVESTMENT PORTFOLIO		64,429,852	63,717,312
Unrealized Gain (Loss) on Derivatives –0.2%			125,716
OTHER ASSETS, LESS LIABILITIES – 0.8%			541,200
NET ASSETS – 100.0%			64,384,228

SCHEDULE OF DERIVATIVE INSTRUMENTS

Expiry Date	Number of Contracts	Futures Contracts	Counterparty	Credit Risk	Contractual Value ($)	Fair Value ($)	Appreciation/ (Depreciation) ($)
BOND FUTURES CONTRACTS							
Mar. 2018	(65)	Canada 10 Year Bond Future	BMO Capital Markets	A-1	(8,886,416)	(8,760,700)	125,716
							125,716

The above bond futures contracts are financial agreements to purchase/sell the bond at a contracted price on a specific future date. However, the Fund does not intend to purchase/sell the bond on settlement. Rather, it intends to close out each bond futures contracts before settlement by entering into equal, but offsetting bond futures contracts.

With respect to the above futures contracts, $500,000 of the June 1, 2029 Government of Canada Treasury Bills are held on margin.

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

Scotia Bond Fund (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	December 31, 2017 ($)	December 31, 2016 ($)
Less than 1 year	215,008	654,564
1-3 years	12,056,520	9,961,207
3-5 years	5,175,194	4,384,927
5-10 years	7,030,776	16,784,657
> 10 years	39,365,530	45,876,945
	63,843,028	77,662,300

As at December 31, 2017, 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 would have decreased or increased, respectively, by $1,240,185 or approximately 1.9% (December 31, 2016 – $1,525,423 or approximately 2.0%).

Currency risk

The Fund did not have significant currency risk exposure as at December 31, 2017 or December 31, 2016.

Price risk

The Fund did not have significant price risk exposure to equities, underlying funds, derivatives or commodities, if applicable, as at December 31, 2017 and December 31, 2016.

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.

	December 31, 2017		December 31, 2016	
Credit ratings	Percentage of total credit rated instruments (%)	Percentage of net assets (%)	Percentage of total credit rated instruments (%)	Percentage of net assets (%)
AAA	43.1	42.6	34.7	34.4
AA	5.5	5.4	11.1	11.1
A	41.5	41.2	44.5	44.2
BBB	9.9	9.8	8.8	8.7
BB	–	–	0.9	0.9
	100.0	99.0	100.0	99.3

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 (%)	
	December 31, 2017	December 31, 2016
Corporate Bonds	30.5	27.6
Federal Bonds	36.4	32.5
Provincial Bonds	32.1	39.2

Fair Value Classification (note 2)

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

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

December 31, 2016	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Bonds and debentures	–	77,662,300	–	77,662,300
	–	77,662,300	–	77,662,300

Transfers between levels

During the periods ended December 31, 2017 and December 31, 2016, there were no significant transfers between Level 1 and Level 2.

Offsetting of financial assets and liabilities (note 2)

As at December 31, 2017 and December 31, 2016, 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 December 31, 2017 or December 31, 2016.

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

As at December 31, 2017 or December 31, 2016, 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

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	December 31, 2017	December 31, 2016
ASSETS		
Current assets		
Investments		
Non-derivative financial assets	5,921,811,420	6,147,699,859
Unrealized gain on futures contracts	21,148,954	–
Cash	38,709,130	40,390,582
Margin deposited on derivatives	9,047,796	18,551,221
Receivable for securities sold	–	70,831,073
Subscriptions receivable	2,421,896	2,880,934
Accrued investment income and other	32,420,983	46,415,579
	6,025,560,179	6,326,769,248
LIABILITIES		
Current liabilities		
Payable for securities purchased	–	69,814,385
Redemptions payable	1,801,587	2,942,893
Accrued expenses	–	39,556
Distributions payable	314	–
Unrealized loss on futures contracts	–	2,345,692
	1,801,901	75,142,526
Net assets attributable to holders of redeemable units	6,023,758,278	6,251,626,722
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
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
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series A	13.46	13.52
Advisor Series	13.44	13.50
Series F	13.43	13.49
Series I	13.41	13.47
Series K	9.37	9.44
Series M	13.39	13.48

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except average units)	2017	2016
INCOME		
Net gain (loss) on investments		
Interest for distribution purposes	214,526,979	199,047,194
Net realized gain (loss) on non-derivative financial assets	5,423,897	24,045,105
Net realized gain (loss) on futures contracts	31,078,912	44,161,096
Change in unrealized gain (loss) on non-derivative financial assets	(90,638,840)	(122,214,117)
Change in unrealized gain (loss) on futures contracts	23,494,645	37,080,398
Net gain (loss) on investments	183,885,593	182,119,676
Securities lending (note 11)	112,336	434,369
Net realized and unrealized foreign currency translation gain (loss)	(233,664)	(1,793,904)
Other income	12,071	6,218
Total income (loss), net	183,776,336	180,766,359
EXPENSES		
Management fees (note 5)	9,341,184	11,903,864
Fixed administration fees and operating expense (note 6)	1,619,316	1,730,877
Independent Review Committee fees	1,135	1,184
Interest expense and bank overdraft charges	22,102	117,093
Other fund costs	–	1,090
Harmonized Sales Tax/Goods and Services Tax	1,196,206	1,514,859
Transaction costs	476,263	742,866
Total expenses	12,656,206	16,011,833
Expenses absorbed by the Manager	(239,997)	(14,199)
Net expenses	12,416,209	15,997,634
Increase (decrease) in net assets attributable to holders of redeemable units from operations	171,360,127	164,768,725
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A	14,491,790	13,962,241
Advisor Series	34,160	51,828
Series F	18,327	2,106
Series I	135,361,740	124,348,345
Series K	285,637	(71,575)
Series M	21,168,473	26,475,780
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT†		
Series A	0.25	0.22
Advisor Series	0.24	0.28
Series F	0.35	0.06
Series I	0.41	0.39
Series K	0.15	(0.44)
Series M	0.36	0.35
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series A	57,151,069	63,625,284
Advisor Series	143,254	182,926
Series F	53,062	33,285
Series I	332,798,513	316,282,748
Series K	1,960,452	161,985
Series M	58,988,986	74,773,139

† 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 Canadian Income Fund (Continued)

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

For the periods ended December 31 (note 1),

(in dollars)	2017	2016
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series A	839,983,193	908,784,909
Advisor Series	2,247,983	2,954,452
Series F	572,810	382,236
Series I	4,352,388,323	4,255,911,942
Series K	5,396,576	–
Series M	1,051,037,837	950,837,108
	6,251,626,722	6,118,870,647
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A	14,491,790	13,962,241
Advisor Series	34,160	51,828
Series F	18,327	2,106
Series I	135,361,740	124,348,345
Series K	285,637	(71,575)
Series M	21,168,473	26,475,780
	171,360,127	164,768,725
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net investment income		
Series A	(17,180,664)	(35,316,058)
Advisor Series	(42,455)	(100,289)
Series F	(20,994)	(20,979)
Series I	(159,074,365)	(231,115,793)
Series K	(659,702)	(20,815)
Series M	(27,257,592)	(54,062,633)
	(204,235,772)	(320,636,567)
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A	41,380,113	67,130,817
Advisor Series	–	1
Series F	692,579	243,557
Series I	185,709,005	231,434,217
Series K	27,338,440	5,495,355
Series M	189,722,815	281,308,894
Reinvested distributions		
Series A	16,808,795	34,477,861
Advisor Series	13,790	40,586
Series F	12,825	8,977
Series I	134,042,756	204,979,401
Series K	659,702	20,815
Series M	23,923,472	44,903,469
Payments on redemption		
Series A	(187,622,645)	(149,056,577)
Advisor Series	(545,763)	(698,595)
Series F	(387,921)	(43,087)
Series I	(106,238,665)	(233,169,789)
Series K	(3,996,505)	(27,204)
Series M	(516,505,592)	(198,424,781)
	(194,992,799)	288,623,917
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A	(132,122,611)	(68,801,716)
Advisor Series	(540,268)	(706,469)
Series F	314,816	190,574
Series I	189,800,471	96,476,381
Series K	23,627,572	5,396,576
Series M	(308,948,424)	100,200,729
	(227,868,444)	132,756,075
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END 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
	6,023,758,278	6,251,626,722

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	171,360,127	164,768,725
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(5,423,897)	(24,045,105)
Unrealized foreign currency translation (gain) loss	(906)	1,859,921
Change in unrealized (gain) loss on non-derivative financial assets	90,638,840	122,214,117
Change in unrealized (gain) loss on futures contracts	(23,494,645)	(37,080,398)
Purchases of portfolio investments	(6,117,087,196)	(2,391,061,310)
Proceeds from sale of portfolio investments	6,258,777,378	2,206,815,215
Margin deposited on derivatives	9,503,425	25,764,982
Accrued investment income and other	13,994,596	(2,457,581)
Accrued expenses and other payables	(39,556)	39,556
Net cash provided by (used in) operating activities	398,228,166	66,818,122
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	443,668,112	584,216,833
Amounts paid on redemption of redeemable units	(814,804,519)	(577,874,306)
Distributions to unitholders of redeemable units	(28,774,117)	(36,205,922)
Net cash provided by (used in) financing activities	(399,910,524)	(29,863,395)
Unrealized foreign currency translation gain (loss)	906	(1,859,921)
Net increase (decrease) in cash	(1,682,358)	36,954,727
Cash (bank overdraft), beginning of period	40,390,582	5,295,776
CASH (BANK OVERDRAFT), END OF PERIOD	38,709,130	40,390,582
Interest paid[1]	22,102	117,093
Interest received[1]	228,521,575	196,589,612

[1] Classified as operating items.

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

Scotia Canadian Income Fund (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2017

Issuer	Face Value ($)	Average Cost ($)	Carrying Value ($)
BONDS AND DEBENTURES – 98.3%			
Corporate Bonds – 30.6%			
407 International Inc. (Callable) 3.60% Nov 21, 2046	44,400,000	46,645,308	45,221,226
407 International Inc. (Callable) 4.30% Feb 26, 2021	15,000,000	15,433,280	15,922,823
AltaLink LP (Callable) 3.40% Mar 06, 2024	31,000,000	31,000,000	32,423,648
Apple Inc. 2.51% Aug 19, 2024	45,000,000	45,000,000	44,563,921
Bank of Montreal 1.61% Oct 28, 2021	40,325,000	40,322,984	39,132,582
Bank of Montreal 2.70% Dec 09, 2026	30,000,000	29,994,900	29,668,578
Bank of Nova Scotia, The (Callable) 2.58% Mar 30, 2022	40,000,000	39,990,000	39,394,362
Bank of Nova Scotia, The 2.29% Jun 28, 2024	40,000,000	39,468,800	39,005,440
Bank of Nova Scotia, The 2.62% Dec 02, 2026	30,000,000	29,734,500	29,454,212
Bell Canada (Callable) 4.70% Jun 11, 2023	19,975,000	19,954,426	21,766,897
Brookfield Renewable Energy Partners ULC 5.14% Oct 13, 2020	44,000,000	44,687,049	47,070,777
Canadian Imperial Bank of Commerce 1.66% Jan 20, 2020	60,000,000	60,045,750	59,383,484
Canadian National Railway Company (Callable) 3.95% Mar 22, 2045	60,000,000	62,814,480	65,026,651
Canadian Natural Resources Ltd. (Callable) 3.55% Mar 03, 2024	26,000,000	25,904,580	26,496,117
Canadian Natural Resources Ltd. 3.31% Feb 11, 2022	40,000,000	39,994,000	40,817,699
CU Inc. 4.80% Nov 22, 2021	27,750,000	28,864,916	30,304,765
Enbridge Gas Distribution Inc. (Callable) 3.51% May 29, 2047	29,000,000	29,000,000	29,048,198
Enbridge Pipelines Inc. (Callable) 4.13% Feb 09, 2046	12,310,000	12,374,152	12,748,115
Ford Credit Canada Company 2.71% Feb 23, 2022	30,000,000	30,000,000	29,679,650
Ford Credit Canada Ltd. 2.58% May 10, 2021	39,255,000	39,255,000	38,972,457
Fortified Trust 1.67% Jul 23, 2021	45,570,000	45,570,000	44,416,143
Genesis Trust II 1.70% Apr 15, 2020	25,000,000	25,000,000	24,696,007
Great-West Lifeco Inc. 6.67% Mar 21, 2033	38,790,000	42,165,238	52,545,387
Honda Canada Finance Inc. 2.27% Jul 15, 2022	51,000,000	51,000,000	50,412,478
HSBC Bank of Canada 2.94% Jan 14, 2020	44,000,000	44,000,000	44,600,779
Husky Energy Inc. (Callable) 3.55% Dec 12, 2024	36,000,000	35,888,760	36,453,102
Husky Energy Inc. (Callable) 3.60% Dec 10, 2026	31,000,000	30,933,040	30,914,455
Hydro-Quebec 11.00% Aug 15, 2020	34,350,000	54,597,660	42,211,735
John Deere Canada Funding Inc. 1.60% Jul 13, 2020	36,000,000	35,952,840	35,406,867
John Deere Canada Funding Inc. 2.05% May 13, 2022	24,900,000	24,880,080	24,444,643
McDonald's Corporation 3.13% Mar 04, 2025	40,000,000	39,911,200	40,341,982
Nissan Canada Financial Services Inc. 1.58% Oct 07, 2019	35,100,000	35,100,000	34,713,711
Pepsi Co., Inc. (Callable) 2.15% Mar 06, 2024	25,775,000	25,758,246	25,004,125
Rogers Communications Inc. 4.00% Jun 06, 2022	55,000,000	54,780,000	58,114,938
Royal Bank of Canada (Callable) 2.48% Jun 04, 2020	25,700,000	25,695,117	25,645,138
Royal Bank of Canada 2.36% Dec 05, 2022	60,000,000	59,994,600	59,415,661
Suncor Energy Inc. (Callable) 3.00% Jun 14, 2026	53,630,000	53,365,361	52,889,802
TELUS Corporation (Callable) 3.35% Jan 02, 2024	41,465,000	41,057,823	42,225,177
TELUS Corporation (Callable) 3.75% Dec 10, 2025	30,000,000	30,028,200	30,886,130
Teranet Holdings LP 5.75% Dec 17, 2040	45,500,000	46,170,815	48,418,372
Thomson Reuters Corporation 4.35% Sep 30, 2020	24,600,000	24,518,430	25,855,410
Toronto Hydro Corporation 3.54% Nov 18, 2021	22,000,000	22,062,673	23,012,132
Toronto-Dominion Bank, The 3.23% Jul 24, 2024	60,000,000	60,661,310	61,971,008
Toyota Credit Canada Inc. 2.35% Jul 18, 2022	22,850,000	22,847,944	22,699,862
TransCanada PipeLines Ltd. (Callable) 3.30% Apr 17, 2025	25,000,000	25,782,250	25,730,538
VW Credit Canada Inc. 2.15% Jun 24, 2020	27,000,000	26,951,670	26,827,461
Walt Disney Co, The 2.76% Oct 07, 2024	55,000,000	55,000,000	55,027,251
Wells Fargo & Company 2.09% Apr 25, 2022	29,300,000	29,300,000	28,586,854
Wells Fargo & Company 2.98% May 19, 2026	55,500,000	55,500,000	53,981,249
		1,834,957,382	1,843,549,999
Federal Bonds – 55.6%			
Canada Housing Trust No 1 2.35% Jun 15, 2027	252,360,000	251,273,350	251,457,730
Canadian Government Bond 0.50% Feb 01, 2019	119,560,000	118,340,488	118,237,314
Canadian Government Bond 0.50% Nov 01, 2018	181,985,000	180,492,945	180,553,095
Government of Canada 0.25% May 01, 2018	211,605,000	210,228,683	210,964,139
Government of Canada 5.75% Jun 01, 2029	946,365,000	1,338,992,689	1,294,981,841
Government of Canada 5.75% Jun 01, 2033	880,020,000	1,308,758,655	1,291,685,075
		3,408,086,810	3,347,879,194
Municipal Bonds – 0.4%			
Municipal Finance Authority of British Columbia 4.60% Apr 23, 2018	26,075,000	27,078,864	26,352,373
Provincial Bonds – 11.7%			
Province of British Columbia 5.70% Jun 18, 2029	32,185,000	41,910,789	41,734,634
Province of Ontario 6.50% Mar 08, 2029	486,390,000	682,606,130	662,295,220
		724,516,919	704,029,854
TOTAL INVESTMENT PORTFOLIO		5,994,639,975	5,921,811,420
Unrealized Gain (Loss) on Derivatives – 0.4%			21,148,954
OTHER ASSETS, LESS LIABILITIES – 1.3%			80,797,904
NET ASSETS – 100.0%			6,023,758,278

SCHEDULE OF DERIVATIVE INSTRUMENTS

Expiry Date	Number of Contracts	Futures Contracts	Counterparty	Credit Risk	Contractual Value ($)	Fair Value ($)	Appreciation/ (Depreciation) ($)
BOND FUTURES CONTRACTS							
Mar. 2018	(15,480)	Canada 10 Year Bond Future	BMO Capital Markets	A-1	(2,107,543,354)	(2,086,394,400)	21,148,954
							21,148,954

With respect to the above futures contracts, $28,000,000 of the June 01, 2029 Government of Canada Federal Bonds are held on margin.

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

Scotia Canadian Income Fund (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	December 31, 2017 ($)	December 31, 2016 ($)
Less than 1 year	439,018,561	485,069,251
1-3 years	484,648,683	570,970,097
3-5 years	545,327,049	546,849,295
5-10 years	930,261,362	1,989,987,894
> 10 years	3,543,704,719	2,554,823,322
	5,942,960,374	6,147,699,859

As at December 31, 2017, 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 would have decreased or increased, respectively, by $113,654,254 or approximately 1.9% (December 31, 2016 – $104,691,637 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.

	December 31, 2017			
Currency	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

	December 31, 2016			
Currency	Gross currency exposure ($)	Currency contracts ($)	Net exposure ($)	Percentage of net assets (%)
US Dollar	(5,060,062)	–	(5,060,062)	(0.1)
	(5,060,062)	–	(5,060,062)	(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 $5,456 or 0.0% of net assets (December 31, 2016 – $506,006 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 as at December 31, 2017 and December 31, 2016.

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.

	December 31, 2017		December 31, 2016	
	Percentage of total credit rated instruments (%)	Percentage of net assets (%)	Percentage of total credit rated instruments (%)	Percentage of net assets (%)
Credit ratings				
AAA	58.8	57.9	32.5	31.8
AA	4.7	4.5	10.8	10.6
A	26.4	26.0	44.5	43.8
BBB	10.1	9.9	11.5	11.4
BB	–	–	0.7	0.7
	100.0	98.3	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 (%)	
	December 31, 2017	December 31, 2016
Corporate Bonds	30.6	32.6
Federal Bonds	55.6	28.5
Municipal Bonds	0.4	0.4
Provincial Bonds	11.7	36.8

Fair Value Classification (note 2)

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

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

December 31, 2016	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Bonds and debentures	–	6,147,699,859	–	6,147,699,859
	–	6,147,699,859	–	6,147,699,859
Unrealized loss on futures contracts	(2,345,692)	–	–	(2,345,692)
	(2,345,692)	6,147,699,859	–	6,145,354,167

Scotia Canadian Income Fund (Continued)

FUND SPECIFIC NOTES
For the periods indicated in Note 1

Transfers between levels

During the periods ended December 31, 2017 and December 31, 2016, there were no significant transfers between Level 1 and Level 2.

Offsetting of financial assets and liabilities (note 2)

As at December 31, 2017 and December 31, 2016, 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 December 31, 2017 or December 31, 2016.

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

As at December 31, 2017 or December 31, 2016, 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

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	December 31, 2017	December 31, 2016
ASSETS		
Current assets		
Investments		
Non-derivative financial assets	446,108,033	–
Unrealized gain on currency forward contracts	1,325,998	–
Cash	25,121,140	150,027
Margin deposited on derivatives	939,442	–
Subscriptions receivable	1,676,055	–
Accrued investment income and other	2,255,824	55
	477,426,492	150,082
LIABILITIES		
Current liabilities		
Redemptions payable	276,792	–
Accrued expenses	8	–
Distributions payable	3,283	–
Unrealized loss on currency forward contracts	283,134	–
Unrealized loss on futures contracts	97,851	–
	661,068	–
Net assets attributable to holders of redeemable units	476,765,424	150,082
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series M	476,765,424	150,082
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series M	9.97	10.00

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except average units)	2017	2016
INCOME		
Net gain (loss) on investments		
Interest for distribution purposes	8,962,423	98
Net realized gain (loss) on non-derivative financial assets	636,908	–
Net realized gain (loss) on currency forward contracts	7,161,191	–
Change in unrealized gain (loss) on non-derivative financial assets	(4,394,552)	–
Change in unrealized gain (loss) on currency forward contracts	1,042,864	–
Change in unrealized gain (loss) on futures contracts	(97,851)	–
Net gain (loss) on investments	13,310,983	98
Securities lending (note 11)	248	–
Net realized and unrealized foreign currency translation gain (loss)	327,190	–
Other income	1	–
Total income (loss), net	13,638,422	98
EXPENSES		
Management fees (note 5)	394,563	11
Fixed administration fees (note 6)	78,681	3
Independent Review Committee fees	1,135	–
Interest expense and bank overdraft charges	5,648	–
Foreign withholding taxes/tax reclaims	31,493	–
Harmonized Sales Tax/Goods and Services Tax	32,246	2
Transaction costs	568	–
Total expenses	544,334	16
Expenses absorbed by the Manager	(119,178)	–
Net expenses	425,156	16
Increase (decrease) in net assets attributable to holders of redeemable units from operations	13,213,266	82
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series M	13,213,266	82
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT†		
Series M	0.34	0.01
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series M	39,176,276	15,000

† 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 December 31 (note 1),

(in dollars)	2017	2016
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series M	150,082	–
	150,082	–
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series M	13,213,266	82
	13,213,266	82
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net investment income		
Series M	(8,125,070)	(82)
From net realized gains on investments		
Series M	(7,411,724)	–
	(15,536,794)	(82)
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series M	558,827,467	150,000
Reinvested distributions		
Series M	15,384,860	82
Payments on redemption		
Series M	(95,273,457)	–
	478,938,870	150,082
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series M	476,615,342	150,082
	476,615,342	150,082
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series M	476,765,424	150,082
	476,765,424	150,082

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	13,213,266	82
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(636,908)	–
Unrealized foreign currency translation (gain) loss	(52,447)	–
Change in unrealized (gain) loss on non-derivative financial assets	4,394,552	–
Change in unrealized (gain) loss on currency forward contracts	(1,042,864)	–
Change in unrealized (gain) loss on futures contracts	97,851	–
Purchases of portfolio investments	(1,135,376,214)	–
Proceeds from sale of portfolio investments	685,510,537	–
Margin deposited on derivatives	(939,442)	–
Accrued investment income and other	(2,255,769)	(55)
Accrued expenses and other payables	8	–
Net cash provided by (used in) operating activities	(437,087,430)	27
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	557,151,412	150,000
Amounts paid on redemption of redeemable units	(94,996,665)	–
Distributions to unitholders of redeemable units	(148,651)	–
Net cash provided by (used in) financing activities	462,006,096	150,000
Unrealized foreign currency translation gain (loss)	52,447	–
Net increase (decrease) in cash	24,918,666	150,027
Cash (bank overdraft), beginning of period	150,027	–
CASH (BANK OVERDRAFT), END OF PERIOD	25,121,140	150,027
Interest paid[1]	5,648	–
Interest received[1]	6,675,162	43

[1] Classified as operating items.

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

Scotia Private Total Return Bond Pool (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2017

Issuer		Face Value ($)	Average Cost ($)	Carrying Value ($)
BONDS AND DEBENTURES – 93.6%				
Corporate Bonds – 39.2%				
Algonquin Power & Utilities Corporation 4.82% Feb 15, 2021		2,000,000	2,185,020	2,119,855
Alimentation Couche-Tard Inc. (Callable) 3.06% May 26, 2024		1,500,000	1,498,480	1,493,101
Alimentation Couche-Tard Inc. (Callable) 3.60% Mar 02, 2025		2,581,000	2,649,623	2,630,753
Allied Properties Real Estate Investment Trust (Callable) 3.64% Feb 21, 2025		1,500,000	1,502,715	1,460,513
Allied Properties Real Estate Investment Trust 3.93% Nov 14, 2022		2,000,000	2,059,140	2,038,362
AltaGas Ltd. 3.72% Sep 28, 2021		477,000	496,543	492,279
Anheuser-Busch InBev Finance Inc. (Callable) 2.60% Mar 15, 2024		929,000	918,722	909,063
Anheuser-Busch InBev Finance Inc. (Callable) 3.65% Nov 01, 2025	USD	3,000,000	3,985,690	3,891,496
Apple Inc. (Callable) 3.25% Nov 23, 2025	USD	3,150,000	4,098,153	4,030,508
APT Pipelines Ltd. (Callable) 4.20% Dec 23, 2024	USD	2,706,000	3,587,589	3,530,809
APT Pipelines Ltd. 4.25% Jul 24, 2019		957,000	1,002,649	980,272
Avnet Inc. (Callable) 4.63% Jan 15, 2026	USD	3,500,000	4,652,174	4,552,145
Bank of America Corporation (Callable) 3.41% Sep 20, 2024		451,000	451,000	458,944
Bank of America Corporation 3.23% Jun 22, 2022		2,711,000	2,783,586	2,765,987
Bank of America Corporation 4.10% Jul 24, 2023	USD	327,000	446,313	434,639
Bank of Montreal (Callable) 2.57% Jun 01, 2022		2,295,000	2,269,242	2,259,223
Bank of Montreal (Callable) 3.12% Sep 19, 2019		210,000	212,759	212,175
Bank of Montreal 1.61% Oct 28, 2021		1,680,000	1,664,124	1,630,322
Bank of Montreal 2.10% Oct 06, 2020		447,000	446,844	444,850
Bank of Montreal 2.70% Sep 11, 2024		1,395,000	1,394,819	1,394,527
Bank of Montreal 2.84% Jun 04, 2020		1,829,000	1,872,713	1,855,122
Bank of Nova Scotia, The 1.90% Dec 02, 2021		8,306,000	8,307,411	8,136,201
bcIMC Realty Corporation 3.51% Jun 29, 2022		205,000	216,105	213,392
Bell Canada (Callable) 3.00% Sep 03, 2022		1,193,000	1,204,143	1,207,444
Bell Canada (Callable) 3.15% Aug 29, 2021		1,807,000	1,853,874	1,842,306
Bell Canada (Callable) 3.35% Dec 22, 2022		782,000	807,040	800,953
Bow Centre Street LP 3.80% Jun 13, 2023		998,000	967,561	963,047
Brookfield Asset Management Inc. (Callable) 4.82% Oct 28, 2025		2,550,000	2,783,784	2,763,902
Brookfield Asset Management Inc. (Callable) 5.04% Dec 08, 2023		2,303,000	2,580,648	2,525,802
Brookfield Renewable Energy Partners ULC 4.79% Feb 07, 2022		955,000	1,037,646	1,026,206
Cadence Design Systems Inc. (Callable) 4.38% Jul 15, 2024	USD	1,217,000	1,605,011	1,622,119
Canadian Imperial Bank of Commerce (Callable) 3.42% Jan 26, 2021		1,665,000	1,713,978	1,697,791
Canadian Imperial Bank of Commerce 1.64% Jul 12, 2021		7,100,000	7,074,156	6,919,918
Canadian Imperial Bank of Commerce 2.47% Dec 05, 2022		556,000	555,950	553,793
Canadian Western Bank 3.08% Jan 14, 2019		1,060,000	1,085,175	1,071,071
Caterpillar Financial Services Ltd. 1.75% Jun 03, 2019		1,647,000	1,668,164	1,640,776
Choice Properties LP (Callable) 3.60% Jun 20, 2022		2,000,000	2,101,900	2,056,680
CI Financial Corporation 3.90% Sep 27, 2027		1,644,000	1,644,000	1,677,564
Coca-Cola Company, The 2.55% Jun 01, 2026	USD	1,200,000	1,513,680	1,471,486
Cominar Real Estate Investment Trust 4.25% Dec 08, 2021		1,107,000	1,142,955	1,111,069
Commonwealth Bank of Australia 2.50% Sep 20, 2018	USD	1,175,000	1,563,054	1,482,666
Commonwealth Bank of Australia 5.15% Apr 09, 2020		1,242,000	1,366,511	1,319,585
Co-operators Financial Services Ltd. 5.78% Mar 10, 2020		1,158,000	1,249,598	1,223,078
Daimler Canada Finance Inc. 1.91% Jul 08, 2021		3,000,000	2,977,020	2,940,706
Dollarama Inc. 2.34% Jul 22, 2021		2,000,000	2,019,020	1,984,413
Enbridge Southern Lights LP 4.01% Jun 30, 2040		604,350	607,130	594,886
Enercare Solutions Inc. 4.60% Feb 03, 2020		2,000,000	2,121,640	2,078,300
First Capital Realty Inc. 3.95% Dec 05, 2022		3,000,000	3,189,630	3,116,067
First Capital Realty Inc. 4.79% Aug 30, 2024		300,000	327,030	323,876
Fortis Inc. (Callable) 2.85% Oct 12, 2023		3,000,000	3,021,480	2,997,711
Gilead Sciences Inc. (Callable) 4.40% Sep 01, 2021	USD	1,000,000	1,415,280	1,338,026
Goldman Sachs Group Inc., The (Callable) 3.31% Oct 31, 2024		1,000,000	1,004,700	999,808
Heathrow Funding Ltd. 3.00% Jun 17, 2021		2,865,000	2,963,706	2,904,239
Hollis Receivables Term Trust II 1.79% Feb 26, 2020		1,285,000	1,293,353	1,272,114
Honda Canada Finance Inc. 2.16% Feb 18, 2021		2,941,000	2,966,954	2,922,980
HSBC Bank Canada 2.54% Jan 31, 2023		2,271,000	2,271,000	2,253,433
HSBC Bank of Canada 1.82% Jul 07, 2020		1,424,000	1,426,221	1,406,888
Intact Financial Corporation (Callable) 3.77% Dec 02, 2025		913,000	955,969	948,815
Inter Pipeline Ltd. 4.97% Feb 02, 2021		981,000	1,054,673	1,048,266
International Bank for Reconstruction & Development 3.50% Jan 22, 2021	NZD	4,600,000	4,229,407	4,201,424
Johnson & Johnson (Callable) 2.63% Nov 15, 2024	USD	2,315,000	2,944,417	2,899,696
JPMorgan Chase & Co. (Callable) 2.55% Feb 01, 2021	USD	141,000	182,682	176,917
JPMorgan Chase & Co. (Callable) 3.20% Mar 15, 2026	USD	2,100,000	2,670,554	2,630,539
Level 3 Financing Inc. (Callable) 5.38% Jan 15, 2019	USD	997,000	1,340,417	1,258,546
Loblaw Companies Limited (Callable) 4.86% Jun 12, 2023		2,160,000	2,405,290	2,368,277
Manufacturers Life Insurance Company, The (Callable) 2.81% Feb 21, 2019	USD	3,000,000	3,065,460	3,021,931
McDonald's Corporation 3.13% Mar 04, 2025		1,326,000	1,335,486	1,337,337
Medtronic Inc. 3.15% Mar 15, 2022	USD	256,000	335,671	328,938
Metro Inc. (Callable) 3.20% Nov 01, 2021		1,334,000	1,392,736	1,360,543
Metro Inc., Series F (Callable) 2.68% Nov 05, 2022		790,000	789,961	785,088
Molson Coors International LP 2.75% Sep 18, 2020		3,995,000	4,076,498	4,013,462
National Bank of Canada 2.11% Mar 18, 2022		1,900,000	1,916,397	1,870,854
National Hockey League Inc. 3.33% Aug 10, 2024*	USD	940,000	1,190,039	1,180,549
North West Redwater Partnership / NWR Financing Co., Ltd. (Callable) 3.20% Apr 23, 2024		2,549,000	2,625,176	2,593,604
OMERS Realty Corporation 3.33% Nov 12, 2024		265,000	276,819	274,213
OMERS Realty Corporation 3.36% Jun 05, 2023		3,000,000	3,138,450	3,110,656
Pembina Pipeline Corporation (Callable) 3.54% Nov 03, 2024		797,000	817,897	803,309
Reliance LP (Callable) 3.84% Jan 15, 2025		433,000	432,991	432,366
Rogers Communications Inc. 4.70% Sep 29, 2020		1,723,000	1,888,167	1,828,684
Rogers Communications Inc. 5.34% Mar 22, 2021		259,000	283,994	281,759
Royal Bank of Canada 1.65% Jul 15, 2021		596,000	585,773	581,026
Royal Bank of Canada 2.36% Dec 05, 2022		2,113,000	2,112,810	2,092,422
ServiceMaster Company LLC, The 7.45% Aug 15, 2027	USD	1,342,000	1,878,658	1,816,042
TELUS Corporation (Callable) 3.75% Oct 17, 2024		2,500,000	2,643,125	2,593,071
TELUS Corporation 3.60% Jan 26, 2021		397,000	413,412	410,288
TMX Group Ltd. 3.00% Dec 11, 2024		1,349,000	1,349,000	1,340,061
Toronto-Dominion Bank, The (Callable) 3.22% Jul 25, 2024		2,000,000	1,995,680	1,999,500
Toronto-Dominion Bank, The 1.91% Jul 18, 2023		6,000,000	5,916,600	5,787,818
Toronto-Dominion Bank, The 2.62% Dec 22, 2021		954,000	969,340	961,439
Toyota Credit Canada Inc. 2.20% Feb 25, 2021		1,775,000	1,780,911	1,767,523
Toyota Credit Canada Inc. 2.80% Nov 21, 2018		3,000,000	3,074,130	3,026,200
United Parcel Service Inc. (Callable) 2.13% Mar 21, 2024		2,293,000	2,234,593	2,221,508
Universal Health Services Inc. (Callable) 5.00% Jun 01, 2021	USD	770,000	1,049,552	1,002,922
Walt Disney Co, The 2.76% Oct 07, 2024		615,000	615,000	615,305
Wells Fargo & Company 2.09% Apr 25, 2022		4,681,000	4,593,372	4,567,067
Westpac Banking Corporation (Floating Rate) 1.53% Mar 06, 2020	USD	4,500,000	6,048,514	5,666,822
Westpac Banking Corporation 2.00% Mar 03, 2020	USD	1,193,000	1,564,266	1,484,665
			189,998,293	186,734,693
Federal Bonds – 25.3%				
Canadian Government Bond 1.00% Jun 01, 2027		121,729,000	111,598,077	110,936,710
Government of New Zealand 4.50% Apr 15, 2027	NZD	10,000,000	9,651,835	9,541,068
			121,249,912	120,477,778
Mortgage-Backed Securities – 1.5%				
Canadian Credit Card Trust II 1.83% Mar 24, 2020		4,000,000	4,026,400	3,961,258
CLI Funding LLC 3.62% May 18, 2042	USD	515,330	691,492	648,349
CLI Funding V LLC 2.83% Mar 18, 2028	USD	531,905	717,954	658,734
TAL Advantage VI LLC (Callable) 4.50% May 20, 2019	USD	656,147	930,617	850,092
Textainer Marine Containers V Ltd. 3.72% May 20, 2042	USD	793,244	1,085,740	1,003,192
			7,452,203	7,121,625
Provincial Bonds – 27.6%				
Province of Alberta 2.55% Jun 01, 2027		15,600,000	15,610,156	15,465,076
Province of Ontario 2.60% Jun 02, 2025		12,000,000	12,117,000	12,078,190
Province of Ontario 2.60% Jun 02, 2027		29,800,000	30,045,866	29,770,003
Province of Ontario 2.80% Jun 02, 2048		30,350,000	28,377,664	29,537,406
Province of Quebec 3.00% Sep 01, 2023		27,000,000	28,453,250	27,987,116
Queensland Treasury Corporation 2.75% Aug 20, 2027		17,800,000	17,198,241	16,936,146
			131,802,177	131,773,937
TOTAL INVESTMENT PORTFOLIO			450,502,585	446,108,033
Unrealized Gain (Loss) on Derivatives – 0.2%				1,042,864
OTHER ASSETS, LESS LIABILITIES – 6.2%				29,614,527
NET ASSETS – 100.0%				476,765,424

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

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

Scotia Private Total Return Bond Pool (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+	Jan. 18, 2018	Canadian Dollar	23,537,369	US Dollar	18,478,000	0.785	0.796	313,298
Bank of Nova Scotia, The	A-1	Jan. 24, 2018	Canadian Dollar	24,166,882	US Dollar	18,900,000	0.782	0.795	407,045
Toronto-Dominion Bank, The	A-1+	Feb. 21, 2018	Canadian Dollar	23,960,861	US Dollar	18,580,000	0.775	0.796	605,655
									1,325,998

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+	Jan. 18, 2018	Canadian Dollar	4,298,756	Australian Dollar	4,400,000	1.024	1.02	(15,646)
Bank of Nova Scotia, The	A-1	Jan. 18, 2018	Canadian Dollar	12,560,875	Australian Dollar	12,850,000	1.023	1.02	(39,141)
Toronto-Dominion Bank, The	A-1+	Jan. 18, 2018	US Dollar	18,478,000	Canadian Dollar	23,452,407	1.269	1.257	(228,347)
									(283,134)

Expiry Date	Number of Contracts	Futures Contracts	Counterparty	Credit Risk	Contractual Value Canadian ($)	Fair Value Canadian ($)	Appreciation/ (Depreciation) ($)
BOND FUTURES CONTRACTS							
Mar. 2018	(115)	CME Ultra Long Term U.S. Treasury Bond Future	RBC Dominion Securities Inc.	A-1+	(24,116,542)	(24,214,394)	(97,851)
							(97,851)

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

Scotia Private Total Return Bond Pool (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	December 31, 2017 ($)	December 31, 2016 ($)
Less than 1 year	4,411,015	–
1-3 years	33,481,053	–
3-5 years	67,753,799	–
5-10 years	305,072,156	–
> 10 years	35,292,159	–
	446,010,182	–

As at December 31, 2017, 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 would have decreased or increased, respectively, by $8,007,454 or approximately 1.7% (December 31, 2016 – nil 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. The Fund did not have significant currency exposure as at December 31, 2016.

	December 31, 2017			
Currency	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 of the Fund would have decreased or increased by $1,463,612 or 0.3% of net assets. 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 December 31, 2017 and December 31, 2016.

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.

	December 31, 2017		December 31, 2016	
Credit ratings	Percentage of total credit rated instruments (%)	Percentage of net assets (%)	Percentage of total credit rated instruments (%)	Percentage of net assets (%)
AAA	28.1	26.2	–	–
AA	22.6	21.2	–	–
A	33.3	31.1	–	–
BBB	14.7	13.8	–	–
BB	0.5	0.5	–	–
B	0.4	0.4	–	–
NOT RATED	0.4	0.4	–	–
	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 (%)	
	December 31, 2017	December 31, 2016
Cash	–	100.0
Corporate Bonds	39.2	–
Federal Bonds	25.3	–
Mortgage-Backed Securities	1.5	–
Provincial Bonds	27.6	–

Fair Value Classification (note 2)

The table below illustrates the classification of the Fund's financial instruments within the fair value hierarchy. The Fund did not have any portfolio securities as at December 31, 2016.

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 December 31, 2017 and December 31, 2016, there were no significant transfers between Level 1 and Level 2.

Scotia Private Total Return Bond Pool (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:

	December 31, 2017 ($)	December 31, 2016 ($)
Beginning of period	–	–
Purchases	1,190,039	–
Sales	–	–
Transfers into Level 3	–	–
Transfers out of Level 3	–	–
Net realized gains (losses)	–	–
Net changes in unrealized gain (loss)*	(9,490)	–
End of period	1,180,549	–

* Net change in unrealized gain (loss) for Level 3 financial instruments held as at December 31, 2017 and December 31, 2016 was $(9,490) and nil, respectively.

Level 3 valuation techniques

The table below summarizes 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 table 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 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. As at December 31, 2016, the Fund did not enter into any agreement whereby the financial instruments were eligible for offset.

	December 31, 2017			
Financial assets – by type	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	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 December 31, 2017 or December 31, 2016.

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

As at December 31, 2017 or December 31, 2016, 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

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	December 31, 2017	December 31, 2016
ASSETS		
Current assets		
Investments		
Non-derivative financial assets	5,881,960,772	5,410,124,712
Unrealized gain on futures contracts	3,854,952	3,453,250
Cash	4,720,757	11,589,940
Margin deposited on derivatives	3,318,346	17,315,742
Subscriptions receivable	3,380,150	2,708,619
Accrued investment income and other	44,126,117	45,088,650
	5,941,361,094	5,490,280,913
LIABILITIES		
Current liabilities		
Redemptions payable	2,615,512	4,110,861
Accrued expenses	–	8,333
Distributions payable	847	–
	2,616,359	4,119,194
Net assets attributable to holders of redeemable units	5,938,744,735	5,486,161,719
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
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
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series I	10.68	10.79
Series K	9.73	9.86
Series M	10.68	10.79

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except average units)	2017	2016
INCOME		
Net gain (loss) on investments		
Dividends	3,668,460	3,062,685
Interest for distribution purposes	166,702,082	170,545,859
Net realized gain (loss) on non-derivative financial assets	9,390,138	21,768,389
Net realized gain (loss) on futures contracts	9,457,547	5,838,061
Change in unrealized gain (loss) on non-derivative financial assets	(72,007,379)	(24,861,232)
Change in unrealized gain (loss) on futures contracts	401,702	22,388,294
Net gain (loss) on investments	117,612,550	198,742,056
Securities lending (note 11)	106,348	167,655
Net realized and unrealized foreign currency translation gain (loss)	(540)	281,499
Total income (loss), net	117,718,358	199,191,210
EXPENSES		
Management fees (note 5)	2,595,148	1,669,494
Fixed administration fees (note 6)	1,200,953	1,067,754
Independent Review Committee fees	1,135	1,184
Interest expense and bank overdraft charges	7,901	110,797
Other fund costs	–	907
Harmonized Sales Tax/Goods and Services Tax	315,751	284,898
Transaction costs	49,689	172,677
Total expenses	4,170,577	3,307,711
Expenses absorbed by the Manager	(778,839)	–
Net expenses	3,391,738	3,307,711
Increase (decrease) in net assets attributable to holders of redeemable units from operations	114,326,620	195,883,499
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series I	64,125,238	106,223,180
Series K	173,382	(32,063)
Series M	50,028,000	89,692,382
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT†		
Series I	0.22	0.39
Series K	0.04	(0.09)
Series M	0.21	0.41
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series I	293,369,284	271,210,991
Series K	4,739,072	367,025
Series M	241,220,175	219,573,892

† 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 Canadian Corporate Bond Pool (Continued)

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

For the periods ended December 31 (note 1),

(in dollars)	2017	2016
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series I	3,112,695,230	2,783,054,165
Series K	11,218,029	–
Series M	2,362,248,460	2,325,351,809
	5,486,161,719	5,108,405,974
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series I	64,125,238	106,223,180
Series K	173,382	(32,063)
Series M	50,028,000	89,692,382
	114,326,620	195,883,499
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net investment income		
Series I	(92,608,900)	(108,105,593)
Series K	(1,319,898)	(37,589)
Series M	(74,109,932)	(86,627,664)
From net realized gains on investments		
Series I	(5,233,125)	–
Series K	(117,443)	–
Series M	(4,348,747)	–
	(177,738,045)	(194,770,846)
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series I	191,200,938	348,873,654
Series K	69,874,145	11,286,187
Series M	761,155,886	396,052,166
Reinvested distributions		
Series I	85,893,369	96,182,601
Series K	1,437,341	37,589
Series M	68,328,218	73,957,041
Payments on redemption		
Series I	(149,896,473)	(113,532,777)
Series K	(8,111,029)	(36,095)
Series M	(503,887,954)	(436,177,274)
	515,994,441	376,643,092
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series I	93,481,047	329,641,065
Series K	61,936,498	11,218,029
Series M	297,165,471	36,896,651
	452,583,016	377,755,745
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END 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
	5,938,744,735	5,486,161,719

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	114,326,620	195,883,499
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(9,390,138)	(21,768,389)
Unrealized foreign currency translation (gain) loss	(94,080)	(106,964)
Change in unrealized (gain) loss on non-derivative financial assets	72,007,379	24,861,232
Change in unrealized (gain) loss on futures contracts	(401,702)	(22,388,294)
Purchases of portfolio investments	(3,281,172,268)	(2,144,775,015)
Proceeds from sale of portfolio investments	2,746,718,967	1,775,942,892
Margin deposited on derivatives	13,997,396	13,515,804
Accrued investment income and other	962,533	(8,123,141)
Accrued expenses and other payables	(8,333)	8,333
Net cash provided by (used in) operating activities	(343,053,626)	(186,950,043)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	1,020,785,280	757,347,796
Amounts paid on redemption of redeemable units	(662,616,647)	(547,912,802)
Distributions to unitholders of redeemable units	(22,078,270)	(24,593,615)
Net cash provided by (used in) financing activities	336,090,363	184,841,379
Unrealized foreign currency translation gain (loss)	94,080	106,964
Net increase (decrease) in cash	(6,963,263)	(2,108,664)
Cash (bank overdraft), beginning of period	11,589,940	13,591,640
CASH (BANK OVERDRAFT), END OF PERIOD	4,720,757	11,589,940
Interest paid[1]	7,901	110,797
Interest received[1]	162,304,700	167,782,634
Dividends received, net of withholding taxes[1]	3,668,460	3,062,685

[1] Classified as operating items.

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

Scotia Private Canadian Corporate Bond Pool (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2017

Issuer	Face Value ($)	Average Cost ($)	Carrying Value ($)
BONDS AND DEBENTURES – 97.4%			
Corporate Bonds – 94.0%			
407 International Inc. (Callable) 2.43% Feb 04, 2027	41,000,000	40,666,630	39,930,982
407 International Inc. (Callable) 3.35% Feb 16, 2024	20,000,000	20,182,261	20,835,837
AltaGas Ltd. (Callable) 3.84% Oct 15, 2024	50,000,000	49,985,500	51,326,274
AltaLink LP (Callable) 3.40% Mar 06, 2024	60,000,000	60,000,000	62,755,448
Anheuser-Busch InBev Finance Inc. (Callable) 2.60% Mar 15, 2024	95,000,000	94,976,250	92,961,234
Apple Inc. 2.51% Aug 19, 2024	95,000,000	94,952,900	94,079,389
Bank of Montreal (Callable) 2.57% Jun 01, 2022	50,000,000	50,000,000	49,220,552
Bank of Montreal 2.27% Jul 11, 2022	90,000,000	89,995,500	89,074,958
Bank of Montreal 2.70% Dec 09, 2026	70,000,000	70,290,650	69,226,683
Bank of Montreal 2.70% Sep 11, 2024	76,000,000	75,990,120	75,974,228
Bank of Nova Scotia, The (Callable) 2.58% Mar 30, 2022	96,000,000	94,904,760	94,546,469
Bank of Nova Scotia, The 2.29% Jun 28, 2024	60,000,000	59,204,400	58,508,160
Bank of Nova Scotia, The 2.62% Dec 02, 2026	128,000,000	127,520,670	125,671,305
bcIMC Realty Corporation (Callable) 3.00% Dec 31, 2026	50,000,000	50,000,000	50,135,973
Bell Canada (Callable) 2.70% Dec 27, 2023	80,000,000	80,575,400	78,688,356
Bell Canada (Callable) 3.55% Dec 02, 2025	85,000,000	85,616,800	86,474,821
Bell Canada (Callable) 4.70% Jun 11, 2023	40,000,000	42,042,222	43,588,279
BMW Canada Inc. 1.88% Dec 11, 2020	27,000,000	27,000,000	26,627,939
Brookfield Renewable Energy Partners ULC (Callable) 3.63% Oct 15, 2026	26,000,000	25,987,000	25,930,680
Brookfield Renewable Energy Partners ULC (Callable) 3.75% Mar 02, 2025	23,000,000	22,803,938	23,513,283
Brookfield Renewable Energy Partners ULC 5.14% Oct 13, 2020	47,000,000	47,055,200	50,280,148
Bruce Power LP (Callable) 4.01% Mar 21, 2029	30,000,000	30,001,200	31,272,496
Canadian Imperial Bank of Commerce (Callable) 3.42% Jan 26, 2021	61,000,000	61,693,000	62,201,368
Canadian Imperial Bank of Commerce 1.64% Jul 12, 2021	125,000,000	124,334,150	121,829,549
Canadian Imperial Bank of Commerce 2.30% Jul 11, 2022	69,000,000	68,996,550	68,383,661
Canadian National Railway Company (Callable) 2.80% Jun 22, 2025	85,000,000	84,728,000	85,559,968
Canadian Natural Resources Ltd. (Callable) 3.55% Mar 03, 2024	39,000,000	38,856,870	39,744,175
Canadian Natural Resources Ltd. 3.31% Feb 11, 2022	41,500,000	41,497,475	42,348,363
Daimler Canada Finance Inc. 2.23% Dec 16, 2021	40,000,000	39,996,400	39,497,229
Enbridge Gas Distribution Inc. (Callable) 3.15% May 22, 2024	35,000,000	34,901,650	36,023,031
Enbridge Gas Distribution Inc. (Callable) 3.31% Jun 11, 2025	26,500,000	27,504,085	27,512,062
Enbridge Gas Distribution Inc. 4.04% Nov 23, 2020	66,000,000	69,089,923	69,354,783
Enbridge Pipelines Inc. (Callable) 3.79% May 17, 2023	32,000,000	32,890,360	33,713,009
Enbridge Pipelines Inc. 4.45% Apr 06, 2020	41,000,000	46,269,830	42,966,469
First Capital Realty Inc. (Callable) 3.75% Apr 12, 2027	50,000,000	50,000,000	49,549,567
First Capital Realty Inc. 4.79% Aug 30, 2024	51,000,000	54,566,660	55,058,937
Ford Credit Canada Company 2.71% Feb 23, 2022	30,000,000	30,000,000	29,679,650
Ford Credit Canada Company 3.35% Sep 19, 2022	35,000,000	35,000,000	35,423,259
Ford Credit Canada Ltd. 3.28% Jul 02, 2021	35,000,000	35,000,000	35,493,270
Fortified Trust 1.67% Jul 23, 2021	46,000,000	46,000,000	44,835,255
Genesis Trust II 1.70% Apr 15, 2020	50,000,000	50,000,000	49,392,014
Greater Toronto Airports Authority 1.51% Feb 16, 2021	30,000,000	30,000,950	29,430,033
Greater Toronto Airports Authority 5.96% Nov 20, 2019	67,500,000	77,291,775	72,156,134
Great-West Lifeco Inc. 4.65% Aug 13, 2020	48,000,000	50,168,150	50,818,207
Honda Canada Finance Inc. 2.27% Jul 15, 2022	36,000,000	36,084,370	35,585,279
Honda Canada Finance Inc. 2.54% Mar 01, 2023	61,500,000	61,500,000	61,175,869
HSBC Bank Canada 2.54% Jan 31, 2023	99,000,000	99,000,000	98,234,215
HSBC Bank of Canada 2.94% Jan 14, 2020	56,000,000	56,000,000	56,764,628
Husky Energy Inc. (Callable) 3.55% Dec 12, 2024	48,000,000	47,851,680	48,604,136
Husky Energy Inc. (Callable) 3.60% Dec 10, 2026	62,000,000	61,904,240	61,828,909
Inter Pipeline Ltd. (Callable) 2.73% Feb 18, 2024	23,500,000	23,623,500	22,900,101
Inter Pipeline Ltd. (Callable) 3.48% Sep 16, 2026	35,000,000	35,075,750	34,894,762
Inter Pipeline Ltd. 3.45% Jul 20, 2020	37,000,000	36,881,996	37,872,524
John Deere Canada Funding Inc. 2.05% May 13, 2022	40,000,000	39,968,000	39,268,502
John Deere Canada Funding Inc. 2.63% Sep 21, 2022	60,000,000	60,023,660	60,115,388
JPMorgan Chase & Co. 3.19% Mar 05, 2021	25,000,000	25,126,208	25,582,294
Loblaw Companies Limited (Callable) 4.86% Jun 12, 2023	26,000,000	29,159,260	28,507,041
Manufacturers Life Insurance Company, The (Callable) 3.18% Nov 22, 2022	60,000,000	60,000,000	61,275,797
Manulife Bank of Canada 2.08% May 26, 2022	30,000,000	30,000,000	29,277,404
McDonald's Corporation 3.13% Mar 04, 2025	80,000,000	79,822,400	80,683,964
Morgan Stanley 3.00% Feb 07, 2024	80,000,000	79,984,800	79,626,122
National Bank of Canada 1.81% Jul 26, 2021	55,000,000	54,698,750	53,880,566
National Bank of Canada 1.96% Jun 30, 2022	40,000,000	40,064,500	39,048,346
NAV Canada 4.40% Feb 18, 2021	30,000,000	31,020,159	31,904,529
Nissan Canada Financial Services Inc. 1.75% Apr 09, 2020	80,000,000	79,816,900	79,007,628
North West Redwater Partnership / NWR Financing Co., Ltd. (Callable) 2.80% Mar 01, 2027	30,000,000	29,921,700	29,046,463
North West Redwater Partnership / NWR Financing Co., Ltd. (Callable) 3.20% Jan 24, 2026	80,000,000	79,829,600	80,692,056
Pepsi Co., Inc. (Callable) 2.15% Mar 06, 2024	95,000,000	94,938,250	92,158,752
RioCan Real Estate Investment Trust 3.29% Feb 12, 2024	56,500,000	56,447,075	56,584,016
RioCan Real Estate Investment Trust 3.75% May 30, 2022	20,000,000	20,000,000	20,676,290
Rogers Communications Inc. (Callable) 4.00% Dec 13, 2023	50,000,000	53,643,350	52,970,325
Rogers Communications Inc. 4.00% Jun 06, 2022	12,500,000	12,470,068	13,207,940
Rogers Communications Inc. 5.34% Mar 22, 2021	75,000,000	79,450,920	81,590,472
Royal Bank of Canada (Callable) 2.48% Jun 04, 2020	110,000,000	109,602,300	109,765,182
Royal Bank of Canada 2.33% Dec 05, 2023	85,000,000	85,000,000	83,568,717
Royal Bank of Canada 2.36% Dec 05, 2022	76,000,000	75,993,160	75,259,838
Shaw Communications Inc. (Callable) 4.35% Oct 31, 2023	27,000,000	28,091,210	28,792,115
Smart Real Estate Investment Trust 3.75% Feb 11, 2021	30,000,000	30,023,700	30,886,201
Sobeys Inc. 3.52% Aug 08, 2018	38,000,000	37,984,420	38,340,968
Suncor Energy Inc. (Callable) 3.00% Jun 14, 2026	115,000,000	114,774,200	113,412,771
TELUS Corporation (Callable) 3.35% Dec 15, 2022	30,000,000	29,964,900	30,709,222
TELUS Corporation (Callable) 3.35% Jan 02, 2024	60,000,000	59,488,100	61,099,978
TELUS Corporation (Callable) 3.75% Dec 10, 2025	75,000,000	75,218,710	77,215,326
Teranet Holdings LP (Callable) 3.65% Oct 18, 2022	50,000,000	50,681,250	50,344,759
Thomson Reuters Corporation 4.35% Sep 30, 2020	60,500,000	64,134,120	63,587,492
Toronto Hydro Corporation (Callable) 2.52% May 25, 2026	10,000,000	9,998,400	9,827,261
Toronto Hydro Corporation (Callable) 2.91% Jan 10, 2023	25,000,000	24,169,750	25,531,222
Toronto Hydro Corporation 3.54% Nov 18, 2021	25,000,000	25,220,557	26,150,150
Toronto-Dominion Bank, The (Callable) 3.22% Jul 25, 2024	63,500,000	63,500,000	63,484,129
Toronto-Dominion Bank, The 1.91% Jul 18, 2023	85,000,000	84,909,200	81,994,091
Toronto-Dominion Bank, The 3.23% Jul 24, 2024	105,000,000	107,777,502	108,449,264
Toyota Credit Canada Inc. 2.35% Jul 18, 2022	40,000,000	39,996,400	39,737,176
Toyota Credit Canada Inc. 2.62% Oct 11, 2022	60,000,000	60,000,000	60,170,060
TransCanada PipeLines Ltd. (Callable) 3.30% Apr 17, 2025	75,000,000	74,904,750	77,191,613
United Parcel Service Inc. (Callable) 2.13% Mar 21, 2024	90,000,000	89,830,800	87,193,934
VW Credit Canada Inc. 2.15% Jun 24, 2020	62,500,000	62,388,125	62,100,604
Walt Disney Co, The 2.76% Oct 07, 2024	88,000,000	88,000,000	88,043,601
Wells Fargo & Company 2.09% Apr 25, 2022	60,000,000	60,000,000	58,539,632
Wells Fargo & Company 2.51% Oct 27, 2023	24,500,000	24,500,000	23,919,152
Wells Fargo & Company 3.87% May 21, 2025	50,000,000	50,115,350	51,270,043
		5,589,111,269	5,581,142,306
Federal Bonds – 3.0%			
Canada Housing Trust No. 1 1.90% Sep 15, 2026	185,000,000	179,224,549	178,112,851
Mortgage-Backed Securities – 0.4%			
Institutional Mortgage Securities Canada Inc. 3.33% Dec 12, 2022	25,000,000	25,000,000	25,138,615
TOTAL BONDS AND DEBENTURES		5,793,335,818	5,784,393,772
EQUITIES – 1.6%			
Financials – 1.6%			
Bank of Montreal, 3.80%, Preferred, Series 33	550,000	13,534,416	13,750,000
Bank of Montreal, 4.50%, Preferred, Series 40	250,000	6,250,000	6,477,500
Canadian Imperial Bank of Commerce, 3.60%, Preferred, Series 43	550,000	12,929,755	13,563,000
Royal Bank of Canada, 3.60%, Preferred, Series BD	400,000	10,061,029	9,968,000
Royal Bank of Canada, 3.60%, Preferred, Series BF	400,000	9,304,903	9,896,000
Royal Bank of Canada, 5.50%, Preferred, Series BK	475,000	11,875,000	12,834,500
Toronto-Dominion Bank, The, 3.60%, Preferred, Series 7	510,000	11,914,943	12,699,000
Toronto-Dominion Bank, The, 4.50%, Preferred, Series 16	300,000	7,500,000	7,701,000

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

Scotia Private Canadian Corporate Bond Pool (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2017

Issuer	Number of Shares	Average Cost ($)	Carrying Value ($)
EQUITIES (cont'd)			
Financials (cont'd)			
Toronto-Dominion Bank, The, 4.85%, Preferred, Series 14	200,000	5,000,000	5,280,000
Toronto-Dominion Bank, The, 5.50%, Preferred, Series 12	200,000	5,000,000	5,398,000
		93,370,046	97,567,000
Transaction Costs		(57,400)	
TOTAL INVESTMENT PORTFOLIO		5,886,648,464	5,881,960,772
Unrealized Gain (Loss) on Derivatives – 0.1%			3,854,952
OTHER ASSETS, LESS LIABILITIES – 0.9%			52,929,011
NET ASSETS – 100.0%			5,938,744,735

SCHEDULE OF DERIVATIVE INSTRUMENTS

Expiry Date	Number of Contracts	Futures Contracts	Counterparty	Credit Risk	Contractual Value ($)	Fair Value ($)	Appreciation/ (Depreciation) ($)
BOND FUTURES CONTRACTS							
Mar. 2018	(3,000)	U.S. 10 Year Treasury Note Futures	BMO Capital Markets	A-1	(469,797,894)	(467,372,432)	2,425,462
Mar. 2018	(1,350)	Canada 10 Year Bond Future	BMO Capital Markets	A-1	(183,382,490)	(181,953,000)	1,429,490
							3,854,952

With respect to the above futures contracts, $12,000,000 of the September 15, 2026 Canada Housing Trust No. 1 1.90% are held on margin.

Scotia Private Canadian Corporate Bond Pool (Continued)

FUND SPECIFIC NOTES
For the periods indicated in Note 1

The Fund (note 1)

The Fund's objective 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	December 31, 2017 ($)	December 31, 2016 ($)
Less than 1 year	42,195,920	–
1-3 years	770,693,752	739,215,058
3-5 years	1,518,890,156	1,945,436,863
5-10 years	3,361,712,271	2,620,264,328
> 10 years	94,756,625	29,060,614
	5,788,248,724	5,333,976,863

As at December 31, 2017, 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 would have decreased or increased, respectively, by $72,897,863 or approximately 1.2% (December 31, 2016 – $66,407,699 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. The Fund did not have significant currency risk exposure as at December 31, 2016.

	December 31, 2017			
Currency	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 of the Fund would have decreased or increased, respectively, by $566,828 or 0.0% of net assets (December 31, 2016 – nil 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 December 31, 2017, approximately 1.6% (December 31, 2016 – 1.4%) 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 of the Fund would have decreased or increased, respectively, by approximately $9,756,700 (December 31, 2016 – $7,614,785). 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.

	December 31, 2017		December 31, 2016	
Credit ratings	Percentage of total credit rated instruments (%)	Percentage of net assets (%)	Percentage of total credit rated instruments (%)	Percentage of net assets (%)
AAA	5.1	5.0	9.5	9.3
AA	20.9	20.7	16.2	16.0
A	36.3	35.9	28.8	28.3
BBB	36.6	36.4	42.6	42.2
BB	1.1	1.1	2.9	2.8
	100.0	99.1	100.0	98.6

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 (%)	
	December 31, 2017	December 31, 2016
Corporate Bonds	94.0	90.7
Federal Bonds	3.0	6.0
Financials	1.6	1.4
Mortgage-Backed Securities	0.4	0.5

Fair Value Classification (note 2)

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

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

December 31, 2016	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Equities	76,147,849	–	–	76,147,849
Bonds and debentures	–	5,333,976,863	–	5,333,976,863
Unrealized gain on futures contracts	3,453,250	–	–	3,453,250
	79,601,099	5,333,976,863	–	5,413,577,962

Scotia Private Canadian Corporate Bond Pool (Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

Transfers between levels

During the periods ended December 31, 2017 and December 31, 2016, there were no significant transfers between Level 1 and Level 2.

Offsetting of financial assets and liabilities (note 2)

As at December 31, 2017 and December 31, 2016, 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 December 31, 2017 or December 31, 2016.

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

As at December 31, 2017 or December 31, 2016, 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

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	December 31, 2017	December 31, 2016
ASSETS		
Current assets		
Investments		
Non-derivative financial assets	507,199,323	426,939,230
Cash	6,825,839	1,806,531
Subscriptions receivable	573,632	558,695
Accrued investment income and other	1,203,564	1,508,482
	515,802,358	430,812,938
LIABILITIES		
Current liabilities		
Redemptions payable	662,544	749,431
Accrued expenses	–	1,249
Distributions payable	633	–
	663,177	750,680
Net assets attributable to holders of redeemable units	515,139,181	430,062,258
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series K	8,463,608	773,642
Series M	506,675,573	429,288,616
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series K	11.51	10.62
Series M	8.61	7.92

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except average units)	2017	2016
INCOME		
Net gain (loss) on investments		
Dividends	21,932,731	21,303,668
Interest for distribution purposes	35,931	9,695
Net realized gain (loss) on non-derivative financial assets	553,139	(5,720,957)
Change in unrealized gain (loss) on non-derivative financial assets	38,429,851	17,592,362
Net gain (loss) on investments	60,951,652	33,184,768
Securities lending (note 11)	17,008	40,397
Total income (loss), net	60,968,660	33,225,165
EXPENSES		
Management fees (note 5)	1,415,648	289,803
Fixed administration fees (note 6)	151,701	124,756
Independent Review Committee fees	1,135	1,184
Interest expense and bank overdraft charges	134	236
Other fund costs	–	74
Harmonized Sales Tax/Goods and Services Tax	47,693	41,990
Transaction costs	50,890	156,517
Total expenses	1,667,201	614,560
Expenses absorbed by the Manager	(1,085,342)	(72)
Net expenses	581,859	614,488
Increase (decrease) in net assets attributable to holders of redeemable units from operations	60,386,801	32,610,677
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series I	–	90,936
Series K	484,174	22,564
Series M	59,902,627	32,497,177
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT†		
Series I	–	0.30
Series K	1.07	0.91
Series M	1.06	0.59
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series I	–	301,059
Series K	451,003	24,837
Series M	56,336,432	55,309,398

† 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 Canadian Preferred Share Pool (Continued)

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

For the periods ended December 31 (note 1),

(in dollars)	2017	2016
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series I	–	2,136,162
Series K	773,642	–
Series M	429,288,616	410,612,271
	430,062,258	412,748,433
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series I	–	90,936
Series K	484,174	22,564
Series M	59,902,627	32,497,177
	60,386,801	32,610,677
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net investment income		
Series I	–	(71,214)
Series K	(251,445)	(6,277)
Series M	(21,222,545)	(20,777,838)
	(21,473,990)	(20,855,329)
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series I	–	781,750
Series K	8,126,293	751,078
Series M	125,045,510	107,443,333
Reinvested distributions		
Series I	–	71,214
Series K	251,445	6,277
Series M	19,361,297	18,727,675
Payments on redemption		
Series I	–	(3,008,848)
Series K	(920,501)	–
Series M	(105,699,932)	(119,214,002)
	46,164,112	5,558,477
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series I	–	(2,136,162)
Series K	7,689,966	773,642
Series M	77,386,957	18,676,345
	85,076,923	17,313,825
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series I	–	–
Series K	8,463,608	773,642
Series M	506,675,573	429,288,616
	515,139,181	430,062,258

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	60,386,801	32,610,677
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(553,139)	5,720,957
Change in unrealized (gain) loss on non-derivative financial assets	(38,429,851)	(17,592,362)
Purchases of portfolio investments	(56,305,622)	(72,736,898)
Proceeds from sale of portfolio investments	15,028,518	62,919,000
Accrued investment income and other	304,918	(611,048)
Accrued expenses and other payables	(1,249)	1,249
Net cash provided by (used in) operating activities	(19,569,624)	10,311,575
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	133,009,054	109,536,931
Amounts paid on redemption of redeemable units	(106,559,507)	(121,792,366)
Distributions to unitholders of redeemable units	(1,860,615)	(2,050,163)
Net cash provided by (used in) financing activities	24,588,932	(14,305,598)
Net increase (decrease) in cash	5,019,308	(3,994,023)
Cash (bank overdraft), beginning of period	1,806,531	5,800,554
CASH (BANK OVERDRAFT), END OF PERIOD	6,825,839	1,806,531
Interest paid[1]	134	236
Interest received[1]	36,898	9,335
Dividends received, net of withholding taxes[1]	21,721,930	21,207,732

[1] Classified as operating items.

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

Scotia Private Canadian Preferred Share Pool (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2017

Issuer	Number of Shares	Average Cost ($)	Carrying Value ($)
EQUITIES – 98.5%			
Consumer Discretionary – 0.5%			
Shaw Communications, Inc., 4.50%, Preferred, CI2 Series A	91,800	2,352,676	1,614,762
Thomson Reuters Corporation, 2.09%, Preferred, Series B	54,800	1,210,634	909,680
		3,563,310	2,524,442
Consumer Staples – 1.1%			
George Weston Limited, 4.75%, Preferred, Series V	135,000	3,419,650	3,053,700
George Weston Limited, 5.20%, Preferred, Series D	100,000	2,578,960	2,490,000
		5,998,610	5,543,700
Energy – 18.8%			
AltaGas Ltd., 5.00%, Preferred, Series E	200,000	5,248,000	5,016,000
AltaGas Ltd., 5.00%, Preferred, Series K	120,000	3,000,000	3,088,800
AltaGas Ltd., 5.25%, Preferred, Series I	230,000	5,750,000	6,007,600
Enbridge Inc., 4.00%, Preferred, Series 3	75,000	1,799,250	1,481,250
Enbridge Inc., 4.00%, Preferred, Series D	119,900	3,057,797	2,365,627
Enbridge Inc., 4.00%, Preferred, Series F	200,000	5,056,116	4,084,000
Enbridge Inc., 4.00%, Preferred, Series N	100,000	2,130,491	2,083,000
Enbridge Inc., 4.00%, Preferred, Series R	110,000	2,734,002	2,222,000
Enbridge Inc., 4.40%, Preferred, Series 11	200,000	4,385,382	4,210,000
Enbridge Inc., 4.40%, Preferred, Series 13	100,000	1,884,000	2,106,000
Enbridge Inc., 4.40%, Preferred, Series 15	25,000	478,390	534,750
Enbridge Inc., 4.40%, Preferred, Series 7	70,000	1,768,200	1,460,900
Enbridge Inc., 4.40%, Preferred, Series 9	145,000	3,283,575	3,063,850
Enbridge Inc., 4.90%, Preferred, Series 19	250,000	6,250,000	6,237,500
Enbridge Inc., 5.15%, Preferred, Series 17	175,000	4,375,000	4,492,250
Husky Energy Inc., 4.45%, Preferred, Series 1	74,200	1,929,408	1,271,046
Husky Energy Inc., 4.50%, Preferred, Series 3	300,000	7,500,000	7,434,000
Husky Energy Inc., 4.50%, Preferred, Series 5	200,000	5,000,000	4,994,000
Pembina Pipeline Corporation, 4.90%, Preferred, Series 21	195,000	4,875,000	4,900,350
Pembina Pipeline Corporation, 5.00%, Preferred, Series S-19	340,000	8,478,400	8,649,600
TransCanada Corporation, 3.80%, Preferred, Series 11	100,000	2,500,000	2,450,000
TransCanada Corporation, 4.00%, Preferred, Series 7	196,400	4,907,823	4,448,460
TransCanada Corporation, 4.25%, Preferred, Series 9	195,000	4,614,550	4,574,700
TransCanada Corporation, 4.90%, Preferred, Series 15	220,000	5,500,000	5,753,000
TransCanada Corporation, 5.50%, Preferred, Series 13	155,000	3,875,000	4,132,300
		100,380,384	97,060,983
Financials – 56.7%			
Bank of Montreal, 3.80%, Preferred, Series 31 Class B	100,000	2,501,000	2,315,000
Bank of Montreal, 3.80%, Preferred, Series 33	250,000	6,250,000	6,250,000
Bank of Montreal, 3.90%, Preferred, Series 29	240,000	6,042,893	5,589,600
Bank of Montreal, 4.00%, Preferred, Series 27	225,000	5,662,000	5,400,000
Bank of Montreal, 4.40%, Preferred, Series 42	250,000	6,250,000	6,372,500
Bank of Montreal, 5.00%, Preferred, Series 35	240,000	5,887,500	6,093,600
Bank of Nova Scotia, The, 2.69%, Preferred, Series 21	50,000	1,269,500	1,240,000
Bank of Nova Scotia, The, 3.03%, Preferred, Series 19	35,000	916,116	873,950
Bank of Nova Scotia, The, 3.35%, Preferred, Series 18	70,000	1,769,100	1,752,800
Bank of Nova Scotia, The, 3.83%, Preferred, Series 22	45,000	1,159,542	1,129,050
Bank of Nova Scotia, The, 5.00%, Preferred, Series 20	65,000	1,644,800	1,623,050
Brookfield Asset Management Inc., 4.50%, Preferred, Series 32	163,900	3,356,426	4,064,720
Brookfield Asset Management Inc., 4.50%, Preferred, Series 40	205,000	5,082,439	5,043,000
Brookfield Asset Management Inc., 5.00%, Preferred, Series 44	375,000	9,378,001	9,907,499
Brookfield Renewable Power Inc., 5.25%, Preferred, Series I	250,000	6,022,415	5,395,000
Canadian Imperial Bank of Commerce, 3.60%, Preferred, Series 43	250,000	6,250,000	6,165,000
Canadian Imperial Bank of Commerce, 3.75%, Preferred, Series 41	200,000	5,000,000	4,650,000
Canadian Imperial Bank of Commerce, 3.90%, Preferred, Series 39	253,100	6,381,895	5,995,939
Canadian Imperial Bank of Commerce, 4.40%, Preferred, Series 45	200,000	5,000,000	5,100,000
Great-West Lifeco Inc., 4.50%, Preferred, Series 1	113,000	2,588,820	2,493,910
Great-West Lifeco Inc., 4.80%, Preferred, Series R	71,500	1,675,010	1,662,733
Great-West Lifeco Inc., 4.85%, Preferred, Series H	105,000	2,543,226	2,443,350
Great-West Lifeco Inc., 5.15%, Preferred, Series Q	65,000	1,628,400	1,604,850
Great-West Lifeco Inc., 5.20%, Preferred, Series G	40,000	1,005,500	1,000,000
Great-West Lifeco Inc., 5.25%, Preferred, Series S	117,800	2,981,912	2,974,450
Great-West Lifeco Inc., 5.40%, Preferred, Series P	90,000	2,322,150	2,296,800

Issuer	Number of Shares/ Number of Units	Average Cost ($)	Carrying Value ($)
EQUITIES (cont'd)			
Financials (cont'd)			
Great-West Lifeco Inc., 5.65%, Preferred, Series L	40,000	1,029,000	1,036,800
Great-West Lifeco Inc., 5.80%, Preferred, Series M	53,200	1,394,364	1,379,742
HSBC Bank of Canada, 5.00%, Preferred, Series D	137,000	3,533,522	3,422,260
HSBC Bank of Canada, 5.10%, Preferred, Series C	113,600	2,928,551	2,840,000
Industrial Alliance, 4.30%, Preferred, Series G	82,700	2,178,318	1,994,724
Industrial Alliance, 4.60%, Preferred, Series A	260,000	6,535,880	5,904,600
Intact Financial Corporation, 4.20%, Preferred, Series 1	400,000	10,232,711	8,070,000
Intact Financial Corporation, 4.20%, Preferred, Series 3	119,000	3,095,530	2,766,750
Laurentian Bank of Canada, 4.30%, Preferred, Series 13	90,000	2,251,800	2,097,000
Loblaw Companies Limited, 5.30%, Preferred, Series B	100,000	2,500,000	2,522,000
Manulife Financial Corporation, 3.80%, Preferred, Series 13	55,000	1,356,600	1,248,500
Manulife Financial Corporation, 3.80%, Preferred, Series 19	240,000	6,000,000	5,594,400
Manulife Financial Corporation, 3.90%, Preferred, Series 15	65,000	1,585,491	1,471,600
Manulife Financial Corporation, 3.90%, Preferred, Series 17	90,000	2,252,000	2,090,700
Manulife Financial Corporation, 4.00%, Preferred, Series 11	77,000	1,942,685	1,901,900
Manulife Financial Corporation, 4.40%, Preferred, Series 5	50,000	1,309,500	1,237,000
Manulife Financial Corporation, 4.40%, Preferred, Series 9	40,000	1,043,200	1,002,800
Manulife Financial Corporation, 4.50%, Preferred, Series 3	150,000	3,391,743	3,288,000
Manulife Financial Corporation, 4.60%, Preferred, Series 1-7	125,000	3,296,612	3,180,000
Manulife Financial Corporation, 4.65%, Preferred, Series B	110,700	2,628,814	2,507,355
Manulife Financial Corporation, 5.60%, Preferred, Series 21	250,000	6,250,000	6,735,000
National Bank of Canada, 3.90%, Preferred, Series 32	395,300	9,879,547	9,250,020
National Bank of Canada, 4.10%, Preferred, Series 30	138,000	3,450,000	3,277,500
Power Corporation of Canada, 5.00%, Preferred, Series D	75,000	1,825,500	1,812,375
Power Corporation of Canada, 5.60%, Preferred, Series G	90,000	2,335,500	2,290,500
Power Financial Corporation, 0.00%, Preferred, Series A	32,900	731,602	592,200
Power Financial Corporation, 4.20%, Preferred, Series T	66,000	1,715,441	1,624,920
Power Financial Corporation, 4.80%, Preferred, Series S	95,000	2,204,800	2,187,850
Power Financial Corporation, 4.95%, Preferred, Series K	80,300	1,893,682	1,885,846
Power Financial Corporation, 5.10%, Preferred, Series L	68,500	1,709,140	1,667,290
Power Financial Corporation, 5.15%, Preferred, Series V	200,000	5,000,000	4,960,000
Power Financial Corporation, 5.50%, Preferred, Series R	75,000	1,916,250	1,927,500
Royal Bank of Canada, 3.60%, Preferred, Series BD	300,000	7,504,500	7,476,000
Royal Bank of Canada, 3.60%, Preferred, Series BF	275,000	6,826,250	6,803,500
Royal Bank of Canada, 3.90%, Preferred, Series BB	162,500	4,108,400	3,844,750
Royal Bank of Canada, 4.00%, Preferred, Series AZ	225,400	5,698,756	5,287,884
Royal Bank of Canada, 4.90%, Preferred, Series BH	250,000	6,250,000	6,322,500
Royal Bank of Canada, 4.90%, Preferred, Series BI	200,000	5,000,000	5,040,000
Royal Bank of Canada, 5.00%, Preferred, Series AJ	112,200	2,821,719	2,816,220
Royal Bank of Canada, 5.50%, Preferred, Series BK	225,000	5,625,000	6,079,500
Royal Bank of Canada, 5.60%, Preferred, Series AL	50,000	1,324,492	1,271,750
Sun Life Financial Inc., 4.25%, Preferred, Series 12R	96,000	2,507,437	2,369,280
Sun Life Financial Inc., 4.45%, Preferred, Series 3	140,000	3,312,600	3,028,200
Sun Life Financial Inc., 4.45%, Preferred, Series F	95,000	2,018,850	2,055,800
Sun Life Financial Inc., 4.50%, Preferred, Series 5	115,000	2,535,678	2,501,250
Sun Life Financial Inc., 4.75%, Preferred, Series A	125,300	2,831,375	2,880,647
Sun Life Financial Inc., 4.80%, Preferred, Series 2	105,000	2,529,800	2,441,250
Toronto-Dominion Bank, The (Floating Rate), Preferred, Series T	46,000	1,152,949	1,146,320
Toronto-Dominion Bank, The, 3.60%, Preferred, Series 7	200,000	4,999,714	4,980,000
Toronto-Dominion Bank, The, 3.75%, Preferred, Series 5	250,000	6,250,000	5,825,000
Toronto-Dominion Bank, The, 3.80%, Preferred, Series 3	120,000	3,000,000	2,814,000
Toronto-Dominion Bank, The, 3.90%, Preferred, Series 1	215,000	5,424,343	5,080,450
Toronto-Dominion Bank, The, 4.50%, Preferred, Series 16	250,000	6,250,000	6,417,500
Toronto-Dominion Bank, The, 4.85%, Preferred, Series 14	130,000	3,250,000	3,432,000
Toronto-Dominion Bank, The, 4.90%, Preferred, Series 11	113,400	2,835,000	2,867,319
Toronto-Dominion Bank, The, 5.50%, Preferred, Series 12	225,000	5,625,000	6,072,750
		299,648,291	292,057,803
Index Based Exchange-Traded Funds – 4.1%			
BMO S&P/TSX Laddered Preferred Share Index ETF	1,300,000	14,029,750	15,301,000
iShares S&P/TSX Canadian Preferred Share Index Fund	400,000	5,257,631	5,752,000
		19,287,381	21,053,000

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

Scotia Private Canadian Preferred Share Pool (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2017

Issuer	Number of Shares	Average Cost ($)	Carrying Value ($)
EQUITIES (cont'd)			
Telecommunication Services – 3.2%			
BCE Inc., 0.00%, Preferred, Series AB	20,000	450,800	404,600
BCE Inc., 2.85%, Preferred, Series 15	116,900	2,788,660	2,378,915
BCE Inc., 3.00%, Preferred, Series AD	125,000	2,848,750	2,540,000
BCE Inc., 4.15%, Preferred, Series 19	89,000	1,943,862	1,642,940
BCE Inc., 4.15%, Preferred, Series AK	200,000	4,446,540	3,710,000
BCE Inc., 4.25%, Preferred, Series AQ	65,000	1,694,038	1,566,175
BCE Inc., 4.60%, Preferred, Series Y	40,000	908,800	817,800
BCE Inc., 4.85%, Preferred, Series AM	90,000	2,195,313	1,751,400
BCE Inc., 5.45%, Preferred, Series AA	80,000	1,687,200	1,555,200
		18,963,963	16,367,030
Utilities – 14.1%			
Brookfield Renewable Partners LP, 5.00%, Preferred, Series 11	240,000	6,000,000	6,105,600
Brookfield Renewable Partners LP, 5.50%, Preferred, Series 7	250,000	6,250,000	6,510,000
Brookfield Renewable Partners LP, 5.75%, Preferred, Series 9	200,000	5,000,000	5,228,000
Canadian Utilities Limited, 3.80%, Preferred, Series 4	90,000	1,839,600	1,470,600
Canadian Utilities Limited, 4.00%, Preferred, Series Y	199,100	5,167,657	4,410,065
Canadian Utilities Limited, 4.50%, Preferred, Series CC	170,000	4,266,261	3,757,000
Canadian Utilities Limited, 4.50%, Preferred, Series DD	95,000	2,069,500	2,089,050
Canadian Utilities Limited, 4.90%, Preferred, Series AA	337,200	8,240,724	8,177,100
Canadian Utilities Limited, 4.90%, Preferred, Series BB	100,000	2,389,000	2,416,000
Canadian Utilities Limited, 5.25%, Preferred, Series EE	85,000	2,008,000	2,163,250
Canadian Utilities Ltd., 4.50%, Preferred, Series FF	180,000	4,500,000	4,726,800
Emera Inc., 4.10%, Preferred, Series C	100,000	2,527,700	2,430,000
Emera Inc., 4.25%, Preferred, Series F	50,000	1,267,000	1,223,500
Emera Inc., 4.50%, Preferred, Series E	40,000	899,600	872,000
Fortis Inc., 3.88%, Preferred, Series G	91,600	2,311,020	1,998,712
Fortis Inc., 4.00%, Preferred, Series K	100,000	2,508,000	2,160,000
Fortis Inc., 4.10%, Preferred, Series M	148,000	3,715,080	3,515,000
Fortis Inc., 4.75%, Preferred, Series J	120,000	2,897,400	2,778,000
Westcoast Energy Inc., 5.20%, Preferred, Series 12	160,000	4,033,150	4,184,000
Westcoast Energy Inc., 5.50%, Preferred, Series H	254,700	6,475,094	6,377,688
		74,364,786	72,592,365
Transaction Costs		(471,251)	
TOTAL INVESTMENT PORTFOLIO		521,735,474	507,199,323
OTHER ASSETS, LESS LIABILITIES – 1.5%			7,939,858
NET ASSETS – 100.0%			515,139,181

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

Scotia Private Canadian Preferred Share Pool (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 December 31, 2017 and December 31, 2016. 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 December 31, 2017 or December 31, 2016.

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 December 31, 2017, approximately 98.5% (December 31, 2016 – 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 of the Fund would have decreased or increased, respectively, by approximately $50,719,932 (December 31, 2016 – $42,693,923). 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.

	December 31, 2017		December 31, 2016	
	Percentage of total credit rated instruments (%)	Percentage of net assets (%)	Percentage of total credit rated instruments (%)	Percentage of net assets (%)
Credit ratings				
A	16.3	15.3	17.1	16.5
BBB	63.3	59.8	57.4	55.5
BB	20.4	19.3	25.5	24.7
	100.0	94.4	100.0	96.7

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 (%)	
	December 31, 2017	December 31, 2016
Consumer Discretionary	0.5	0.5
Consumer Staples	1.1	1.3
Energy	18.8	17.5
Financials	56.7	59.6
Index Based ETFs	4.1	2.6
Telecommunication Services	3.2	3.0
Utilities	14.1	14.8

Fair Value Classification (note 2)

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

December 31, 2017	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Equities	507,199,323	–	–	507,199,323
	507,199,323	–	–	507,199,323

December 31, 2016	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Equities	426,939,230	–	–	426,939,230
	426,939,230	–	–	426,939,230

Transfers between levels

During the periods ended December 31, 2017 and December 31, 2016, there were no significant transfers between Level 1 and Level 2.

Offsetting of financial assets and liabilities (note 2)

As at December 31, 2017 and December 31, 2016, 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.

	December 31, 2017	
Underlying Fund	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	

	December 31, 2016	
Underlying Fund	Carrying value of the Underlying Fund ($)	Ownership percentage in Underlying Fund (%)
BMO S&P/TSX Laddered Preferred Share Index ETF	6,420,000	0.4
iShares S&P/TSX Canadian Preferred Share Index Fund	4,637,500	0.4
	11,057,500	

Scotia Private Canadian Preferred Share Pool (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 December 31, 2017 or December 31, 2016, 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

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	December 31, 2017	December 31, 2016
	U.S. $	U.S. $
ASSETS		
Current assets		
Investments		
Non-derivative financial assets	45,780,620	54,986,982
Cash	75,431	136,208
Receivable for securities sold	–	503,837
Subscriptions receivable	5,000	4,150
Accrued investment income and other	382,003	473,087
	46,243,054	56,104,264
LIABILITIES		
Current liabilities		
Payable for securities purchased	–	476,479
Redemptions payable	3,362	4,459
Accrued expenses	–	2,624
Distributions payable	21	17
	3,383	483,579
Net assets attributable to holders of redeemable units	46,239,671	55,620,685
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series A	45,671,475	54,660,410
Series F	568,196	960,275
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series A	11.16	11.10
Series F	11.13	11.08

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except average units)	2017	2016
	U.S. $	U.S. $
INCOME		
Net gain (loss) on investments		
Interest for distribution purposes	1,240,597	1,207,619
Net realized gain (loss) on non-derivative financial assets	(528,245)	748,214
Change in unrealized gain (loss) on non-derivative financial assets	779,307	(670,234)
Net gain (loss) on investments	1,491,659	1,285,599
Securities lending (note 11)	236	2,621
Other income	228	3,922
Total income (loss), net	1,492,123	1,292,142
EXPENSES		
Management fees (note 5)	555,984	886,827
Fixed administration fees (note 6)	30,229	35,721
Independent Review Committee fees	987	895
Interest expense and bank overdraft charges	133	9
Other fund costs	–	13
Harmonized Sales Tax/Goods and Services Tax	67,878	106,839
Total expenses	655,211	1,030,304
Increase (decrease) in net assets attributable to holders of redeemable units from operations	836,912	261,838
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A	822,944	277,301
Series F	13,968	(15,463)
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT†		
Series A	0.18	0.05
Series F	0.21	(0.21)
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series A	4,467,531	5,137,110
Series F	65,664	72,680

† 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 December 31 (note 1),

(in dollars)	2017	2016
	U.S. $	U.S. $
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series A	54,660,410	62,286,574
Series F	960,275	550,563
	55,620,685	62,837,137
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A	822,944	277,301
Series F	13,968	(15,463)
	836,912	261,838
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net investment income		
Series A	(562,379)	(161,005)
Series F	(12,223)	(9,853)
	(574,602)	(170,858)
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A	2,189,467	4,909,336
Series F	135,308	761,202
Reinvested distributions		
Series A	519,823	148,920
Series F	6,394	6,360
Payments on redemption		
Series A	(11,958,790)	(12,800,716)
Series F	(535,526)	(332,534)
	(9,643,324)	(7,307,432)
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A	(8,988,935)	(7,626,164)
Series F	(392,079)	409,712
	(9,381,014)	(7,216,452)
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series A	45,671,475	54,660,410
Series F	568,196	960,275
	46,239,671	55,620,685

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2017	2016
	U.S. $	U.S. $
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	836,912	261,838
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	528,245	(748,214)
Change in unrealized (gain) loss on non-derivative financial assets	(779,307)	670,234
Purchases of portfolio investments	(51,088,299)	(69,061,563)
Proceeds from sale of portfolio investments	60,573,082	75,763,727
Accrued investment income and other	91,084	(137,675)
Accrued expenses and other payables	(2,624)	2,624
Net cash provided by (used in) operating activities	10,159,093	6,750,971
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	2,219,082	5,461,915
Amounts paid on redemption of redeemable units	(12,390,571)	(12,943,906)
Distributions to unitholders of redeemable units	(48,381)	(15,567)
Net cash provided by (used in) financing activities	(10,219,870)	(7,497,558)
Net increase (decrease) in cash	(60,777)	(746,587)
Cash (bank overdraft), beginning of period	136,208	882,795
CASH (BANK OVERDRAFT), END OF PERIOD	75,431	136,208
Interest paid[1]	133	9
Interest received[1]	1,140,743	1,260,881

[1] Classified as operating items.

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

Scotia U.S. $ Bond Fund (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2017

Issuer	Face Value ($)	Average Cost ($)	Carrying Value ($)
	U.S. $	U.S. $	U.S. $
BONDS AND DEBENTURES – 99.0%			
Corporate Bonds – 50.6%			
American Honda Finance Corporation 3.88% Sep 21, 2020	926,000	997,873	963,772
Deere & Company (Callable) 2.60% Mar 08, 2022	1,900,000	1,948,051	1,905,035
Johnson & Johnson (Callable) 2.90% Oct 15, 2027	1,000,000	998,810	1,008,845
JPMorgan Chase & Company (Callable) 2.97% Jan 15, 2022	1,500,000	1,507,980	1,509,435
McDonald's Corporation 3.63% May 20, 2021	1,500,000	1,610,722	1,557,758
Merck & Co., Inc. 2.80% May 18, 2023	480,000	488,885	483,473
Pernod Ricard SA 4.45% Jan 15, 2022	1,400,000	1,514,156	1,487,367
Reynolds American Inc. (Callable) 4.45% Mar 12, 2025	1,500,000	1,609,470	1,597,545
Shell International Finance BV 3.25% May 11, 2025	2,000,000	2,007,140	2,048,910
Thermo Fisher Scientific Inc. (Callable) 2.95% Jun 19, 2026	1,200,000	1,186,188	1,170,246
Total Capital International SA 2.70% Jan 25, 2023	1,900,000	1,941,515	1,913,756
Toyota Motor Credit Corporation 2.63% Jan 10, 2023	1,900,000	1,881,000	1,903,401
Ventas Realty LP (Callable) 3.85% Jan 01, 2027	1,000,000	1,022,570	1,020,589
Visa Inc. (Callable) 3.15% Sep 14, 2025	1,940,000	1,957,790	1,976,899
Walt Disney Co., The 3.00% Jul 30, 2046	1,500,000	1,309,035	1,338,585
Wells Fargo & Company (Callable) 3.07% Jan 24, 2022	1,500,000	1,489,500	1,512,525
		23,470,685	23,398,141
Federal Bonds – 48.4%			
United States Treasury Notes 1.63% Jun 30, 2019	9,500,000	9,678,627	9,471,547
United States Treasury Notes 1.75% Dec 31, 2020	4,750,000	4,761,717	4,719,386
United States Treasury Notes 2.00% Nov 15, 2026	1,000,000	986,147	969,045
United States Treasury Notes 2.50% May 15, 2046	1,350,000	1,289,127	1,289,000
United States Treasury Notes 2.75% Aug 15, 2042	3,320,000	3,235,135	3,352,071
United States Treasury Notes 4.50% Feb 15, 2036	2,000,000	2,557,405	2,581,430
		22,508,158	22,382,479
TOTAL INVESTMENT PORTFOLIO		45,978,843	45,780,620
OTHER ASSETS, LESS LIABILITIES – 1.0%			459,051
NET ASSETS – 100.0%			46,239,671

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

Scotia U.S. $ Bond Fund (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	December 31, 2017 ($)	December 31, 2016 ($)
Less than 1 year	–	–
1-3 years	10,435,319	23,682,990
3-5 years	9,669,546	2,541,564
5-10 years	16,105,824	20,505,430
> 10 years	9,569,931	8,256,998
	45,780,620	54,986,982

As at December 31, 2017, 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 would have decreased or increased, respectively, by $727,250 or approximately 1.6% (December 31, 2016 – $854,494 or approximately 1.5%).

Currency risk

The Fund did not have significant currency risk exposure as at December 31, 2017 or December 31, 2016.

Price risk

The Fund did not have significant price risk exposure to equities, underlying funds, derivatives or commodities, if applicable, as at December 31, 2017 and December 31, 2016.

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.

	December 31, 2017		December 31, 2016	
	Percentage of total credit rated instruments (%)	Percentage of net assets (%)	Percentage of total credit rated instruments (%)	Percentage of net assets (%)
Credit ratings				
AAA	51.0	50.6	57.3	56.5
AA	5.3	5.2	13.3	13.2
A	28.8	28.5	26.6	26.4
BBB	14.9	14.7	2.8	2.8
	100.0	99.0	100.0	98.9

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 (%)	
	December 31, 2017	December 31, 2016
Corporate Bonds	50.6	42.3
Federal Bonds	48.4	56.6

Fair Value Classification (note 2)

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

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

December 31, 2016	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Bonds and debentures	–	54,986,982	–	54,986,982
	–	54,986,982	–	54,986,982

Transfers between levels

During the periods ended December 31, 2017 and December 31, 2016, there were no significant transfers between Level 1 and Level 2.

Offsetting of financial assets and liabilities (note 2)

As at December 31, 2017 and December 31, 2016, 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 December 31, 2017 or December 31, 2016.

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

As at December 31, 2017 or December 31, 2016, 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

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	December 31, 2017	December 31, 2016
ASSETS		
Current assets		
Investments		
Non-derivative financial assets	11,610,258	14,069,336
Unrealized gain on currency forward contracts	140,315	176,686
Cash	42,503	589,155
Subscriptions receivable	711	26,923
Accrued investment income and other	87,898	111,716
	11,881,685	14,973,816
LIABILITIES		
Current liabilities		
Redemptions payable	6,100	18,399
Accrued expenses	–	781
Unrealized loss on currency forward contracts	100,850	608,184
	106,950	627,364
Net assets attributable to holders of redeemable units	11,774,735	14,346,452
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series A	11,751,665	14,316,636
Series F	23,070	29,816
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series A	9.48	9.41
Series F	9.56	9.44

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except average units)	2017	2016
INCOME		
Net gain (loss) on investments		
Interest for distribution purposes	328,922	324,850
Net realized gain (loss) on non-derivative financial assets	(290,325)	303,707
Net realized gain (loss) on currency forward contracts	(241,405)	310,900
Change in unrealized gain (loss) on non-derivative financial assets	33,800	(1,044,742)
Change in unrealized gain (loss) on currency forward contracts	470,963	(256,253)
Net gain (loss) on investments	301,955	(361,538)
Securities lending (note 11)	95	47
Net realized and unrealized foreign currency translation gain (loss)	14,104	(56,474)
Other income	37	3,167
Total income (loss), net	316,191	(414,798)
EXPENSES		
Management fees (note 5)	144,316	224,607
Fixed administration fees (note 6)	39,041	44,937
Independent Review Committee fees	1,135	1,184
Interest expense and bank overdraft charges	93	12
Foreign withholding taxes/tax reclaims	3,389	4,633
Other fund costs	–	2
Harmonized Sales Tax/Goods and Services Tax	20,057	29,422
Total expenses	208,031	304,797
Increase (decrease) in net assets attributable to holders of redeemable units from operations	108,160	(719,595)
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A	108,484	(718,435)
Series F	(324)	(1,160)
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT†		
Series A	0.08	(0.48)
Series F	(0.06)	(0.91)
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series A	1,367,494	1,499,100
Series F	5,037	1,279

† 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.

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

For the periods ended December 31 (note 1),

(in dollars)	2017	2016
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series A	14,316,636	12,641,136
Series F	29,816	–
	14,346,452	12,641,136
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A	108,484	(718,435)
Series F	(324)	(1,160)
	108,160	(719,595)
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A	1,297,919	6,446,022
Series F	84,484	40,144
Payments on redemption		
Series A	(3,971,374)	(4,052,087)
Series F	(90,906)	(9,168)
	(2,679,877)	2,424,911
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A	(2,564,971)	1,675,500
Series F	(6,746)	29,816
	(2,571,717)	1,705,316
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series A	11,751,665	14,316,636
Series F	23,070	29,816
	11,774,735	14,346,452

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	108,160	(719,595)
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	290,325	(303,707)
Unrealized foreign currency translation (gain) loss	164	36,171
Change in unrealized (gain) loss on non-derivative financial assets	(33,800)	1,044,742
Change in unrealized (gain) loss on currency forward contracts	(470,963)	256,253
Purchases of portfolio investments	(13,974,146)	(34,272,235)
Proceeds from sale of portfolio investments	16,176,699	31,671,339
Accrued investment income and other	23,818	(7,138)
Accrued expenses and other payables	(781)	781
Net cash provided by (used in) operating activities	2,119,476	(2,293,389)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	1,330,731	6,479,733
Amounts paid on redemption of redeemable units	(3,996,695)	(4,048,492)
Net cash provided by (used in) financing activities	(2,665,964)	2,431,241
Unrealized foreign currency translation gain (loss)	(164)	(36,171)
Net increase (decrease) in cash	(546,488)	137,852
Cash (bank overdraft), beginning of period	589,155	487,474
CASH (BANK OVERDRAFT), END OF PERIOD	42,503	589,155
Interest paid[1]	93	12
Interest received[1]	349,352	313,079

(1) Classified as operating items.

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

Scotia Global Bond Fund (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2017

Issuer	Face Value ($)	Average Cost ($)	Carrying Value ($)
BONDS AND DEBENTURES – 98.5%			
Australia – 17.1%			
Government of Australia 3.25% Oct 21, 2018	AUD 680,000	693,999	674,248
Government of Australia 4.50% Apr 15, 2020	AUD 1,300,000	1,344,359	1,344,282
		2,038,358	2,018,530
Canada – 3.5%			
Canadian Government Bond 0.50% Feb 01, 2019	420,000	416,018	415,354
Germany – 7.2%			
Bundesrepublik Deutschland 3.25% Jul 04, 2021	EUR 500,000	868,795	851,949
United Kingdom – 7.4%			
United Kingdom Gilt 5.00% Mar 07, 2025	GBP 400,000	790,484	870,297
United States – 63.3%			
United States Treasury Notes 1.55% Feb 28, 2019	USD 2,915,000	3,726,065	3,647,483
United States Treasury Notes 1.63% May 15, 2026	USD 275,000	326,193	325,696
United States Treasury Notes 2.75% Aug 15, 2042	USD 2,175,000	2,812,640	2,757,976
United States Treasury Notes 2.75% Nov 15, 2023	USD 560,000	729,121	722,973
		7,594,019	7,454,128
TOTAL INVESTMENT PORTFOLIO		11,707,674	11,610,258
Unrealized Gain (Loss) on Derivatives – 0.3%			39,465
OTHER ASSETS, LESS LIABILITIES – 1.2%			125,012
NET ASSETS – 100.0%			11,774,735

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+	Jan. 22, 2018	US Dollar	2,002,116	Australian Dollar	2,553,686	1.275	1.282	12,488
Toronto-Dominion Bank, The	A-1+	Jan. 22, 2018	European Euro	476,133	Japanese Yen	62,911,400	132.13	135.227	16,435
Toronto-Dominion Bank, The	A-1+	Jan. 22, 2018	European Euro	843,159	Canadian Dollar	1,248,937	1.481	1.511	24,689
Toronto-Dominion Bank, The	A-1+	Jan. 22, 2018	British Pound	400,000	European Euro	447,042	1.118	1.125	4,166
Toronto-Dominion Bank, The	A-1+	Jan. 22, 2018	European Euro	2,032,875	US Dollar	2,405,918	1.184	1.202	46,588
Toronto-Dominion Bank, The	A-1+	Jan. 22, 2018	Canadian Dollar	300,000	US Dollar	237,092	0.79	0.796	1,965
Toronto-Dominion Bank, The	A-1+	Jan. 22, 2018	Canadian Dollar	300,000	US Dollar	235,266	0.784	0.796	4,261
Toronto-Dominion Bank, The	A-1+	Jan. 22, 2018	Canadian Dollar	300,000	US Dollar	232,607	0.775	0.796	7,604
Toronto-Dominion Bank, The	A-1+	Jan. 22, 2018	Australian Dollar	500,000	US Dollar	382,430	0.765	0.78	9,581
Toronto-Dominion Bank, The	A-1+	Jan. 22, 2018	Canadian Dollar	615,000	US Dollar	479,271	0.779	0.796	12,538
									140,315

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+	Jan. 22, 2018	Japanese Yen	170,795,650	US Dollar	1,529,906	0.009	0.009	(14,465)
Toronto-Dominion Bank, The	A-1+	Jan. 22, 2018	Japanese Yen	44,575,000	Canadian Dollar	499,703	0.011	0.011	(1,797)
Toronto-Dominion Bank, The	A-1+	Jan. 22, 2018	US Dollar	532,499	British Pound	402,609	0.756	0.74	(14,546)
Toronto-Dominion Bank, The	A-1+	Jan. 22, 2018	Canadian Dollar	2,393,379	US Dollar	1,912,378	0.799	0.796	(10,555)
Toronto-Dominion Bank, The	A-1+	Jan. 22, 2018	European Euro	334,971	British Pound	300,000	0.896	0.889	(3,553)
Toronto-Dominion Bank, The	A-1+	Jan. 22, 2018	European Euro	201,685	British Pound	180,000	0.892	0.889	(1,073)
Toronto-Dominion Bank, The	A-1+	Jan. 22, 2018	Japanese Yen	138,421,500	European Euro	1,050,000	0.008	0.007	(40,839)
Toronto-Dominion Bank, The	A-1+	Jan. 22, 2018	Japanese Yen	32,955,000	European Euro	250,000	0.008	0.007	(9,751)
Toronto-Dominion Bank, The	A-1+	Jan. 22, 2018	British Pound	430,000	European Euro	486,370	1.131	1.125	(4,271)
									(100,850)

Scotia Global Bond Fund (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	December 31, 2017 ($)	December 31, 2016 ($)
Less than 1 year	674,248	5,019
1-3 years	5,407,119	3,890,035
3-5 years	851,949	2,190,899
5-10 years	1,918,966	3,527,534
> 10 years	2,757,976	4,455,849
	11,610,258	14,069,336

As at December 31, 2017, 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 would have decreased or increased, respectively, by $178,077 or approximately 1.5% (December 31, 2016 – $295,105 or approximately 2.1%).

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.

	December 31, 2017			
Currency	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

	December 31, 2016			
Currency	Gross currency exposure ($)	Currency contracts ($)	Net exposure ($)	Percentage of net assets (%)
US Dollar	8,488,545	(3,240,235)	5,248,310	36.6
Japanese Yen	–	4,611,684	4,611,684	32.1
European Euro	1,081,431	2,601,433	3,682,864	25.7
British Pound	870,640	83,071	953,711	6.6
Australian Dollar	2,779,528	(2,720,998)	58,530	0.4
Swedish Krona	326,860	(289,633)	37,227	0.3
	13,547,004	1,045,322	14,592,326	101.7

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 $917,686 or 7.8% of net assets (December 31, 2016 – $1,459,232 or 10.2%). 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 December 31, 2017 and December 31, 2016.

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.

	December 31, 2017		December 31, 2016	
	Percentage of total credit rated instruments (%)	Percentage of net assets (%)	Percentage of total credit rated instruments (%)	Percentage of net assets (%)
Credit ratings				
AAA	100.0	98.5	100.0	98.1
	100.0	98.5	100.0	98.1

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 (%)	
	December 31, 2017	December 31, 2016
Australia	17.1	17.8
Canada	3.5	7.3
Germany	7.2	5.8
Sweden	–	2.1
United Kingdom	7.4	6.1
United States	63.3	59.0

Fair Value Classification (note 2)

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

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

Scotia Global Bond Fund (Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

December 31, 2016	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Bonds and debentures	–	14,069,336	–	14,069,336
Unrealized gain on currency forward contracts	–	176,686	–	176,686
	–	14,246,022	–	14,246,022
Unrealized loss on currency forward contracts	–	(608,184)	–	(608,184)
	–	13,637,838	–	13,637,838

Transfers between levels

During the periods ended December 31, 2017 and December 31, 2016, there were no significant transfers between Level 1 and Level 2.

Offsetting of financial assets and liabilities (note 2)

The following tables present 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.

	December 31, 2017			
Financial assets – by type	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	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)	–	–

	December 31, 2016			
Financial assets – by type	Gross amount of assets ($)	Master netting offset ($)	Collateral pledged/ received ($)	Net Amount ($)
Currency forward contracts	176,686	(176,686)	–	–
Options contracts – OTC	–	–	–	–
Swap contracts – OTC	–	–	–	–
	176,686	(176,686)	–	–

Financial liabilities – by type	Gross amount of liabilities ($)	Master netting offset ($)	Collateral pledged/ received ($)	Net Amount ($)
Currency forward contracts	608,184	(176,686)	–	431,498
Options contracts – OTC	–	–	–	–
Swap contracts – OTC	–	–	–	–
	608,184	(176,686)	–	431,498

Interest in Underlying Funds (note 2)

The Fund did not hold any interest in Underlying Funds as at December 31, 2017 or December 31, 2016.

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

As at December 31, 2017 or December 31, 2016, 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

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	December 31, 2017	December 31, 2016
ASSETS		
Current assets		
Investments		
Non-derivative financial assets	414,449,291	–
Purchased Options	23,832	–
Unrealized gain on currency forward contracts	9,381,705	–
Unrealized gain on swap contracts	133,658	–
Cash*	6,808,961	150,036
Margin deposited on derivatives	1,457,119	–
Receivable for securities sold	1,784,690	–
Subscriptions receivable	11,100	–
Accrued investment income and other	3,840,611	56
	437,890,967	150,092
LIABILITIES		
Current liabilities		
Margin payable on derivatives	5,865,066	–
Payable for securities purchased	4,918,603	–
Accrued expenses	10	–
Distributions payable	9	–
Liability for written options	38,349	–
Unrealized loss on currency forward contracts	1,739,339	–
Unrealized loss on currency spot contracts	11	–
Unrealized loss on swap contracts	1,315,658	–
	13,877,045	—
Net assets attributable to holders of redeemable units	424,013,922	150,092
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series I	424,013,922	150,092
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series I	9.94	10.00

* $3,693,610 held by brokers as collateral for derivatives (December 31, 2016 – nil).

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except average units)	2017	2016
INCOME		
Net gain (loss) on investments		
Interest for distribution purposes	7,670,243	98
Net realized gain (loss) on non-derivative financial assets	(2,087,537)	–
Net realized gain (loss) on option contracts	53,955	–
Net realized gain (loss) on currency forward contracts	2,706,427	–
Net realized gain (loss) on futures contracts	(411,264)	–
Net realized gain (loss) on swap contracts	72,753	–
Change in unrealized gain (loss) on non-derivative financial assets	(6,148,313)	–
Change in unrealized gain (loss) on option contracts	(4,206)	–
Change in unrealized gain (loss) on currency forward contracts	7,642,366	–
Change in unrealized gain (loss) on currency spots contracts	(11)	–
Change in unrealized gain (loss) on swap contracts	(789,330)	–
Net gain (loss) on investments	8,705,083	98
Securities lending (note 11)	29	–
Net realized and unrealized foreign currency translation gain (loss)	(544,930)	–
Total income (loss), net	8,160,182	98
EXPENSES		
Fixed administration fees (note 6)	84,089	5
Independent Review Committee fees	1,135	–
Interest expense and bank overdraft charges	378	–
Foreign withholding taxes/tax reclaims	16,004	–
Harmonized Sales Tax/Goods and Services Tax	9,093	1
Transaction costs	1,540	–
Total expenses	112,239	6
Increase (decrease) in net assets attributable to holders of redeemable units from operations	8,047,943	92
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series I	8,047,943	92
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT†		
Series I	0.38	0.01
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series I	21,303,565	15,000

† 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 Global Credit Pool (Continued)

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

For the periods ended December 31 (note 1),

(in dollars)	2017	2016
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series I	150,092	–
	150,092	–
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series I	8,047,943	92
	8,047,943	92
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net investment income		
Series I	(7,431,708)	(92)
	(7,431,708)	(92)
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series I	421,617,373	150,000
Reinvested distributions		
Series I	7,431,699	92
Payments on redemption		
Series I	(5,801,477)	–
	423,247,595	150,092
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series I	423,863,830	150,092
	423,863,830	150,092
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series I	424,013,922	150,092
	424,013,922	150,092

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	8,047,943	92
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	2,087,537	–
Net realized (gain) loss on option contracts	(53,955)	–
Unrealized foreign currency translation (gain) loss	(11,899)	–
Change in unrealized (gain) loss on non-derivative financial assets	6,148,313	–
Change in unrealized (gain) loss on option contracts	4,206	–
Change in unrealized (gain) loss on currency forward contracts	(7,642,366)	–
Change in unrealized (gain) loss on currency spot contracts	11	–
Change in unrealized (gain) loss on swap contracts	789,330	–
Purchases of portfolio investments	(3,699,026,422)	–
Proceeds from sale of portfolio investments	3,279,932,130	–
Margin deposited on derivatives	(1,457,119)	–
Accrued investment income and other	(3,840,555)	(56)
Accrued expenses and other payables	10	–
Margin payable on derivatives	5,865,066	–
Net cash provided by (used in) operating activities	(409,157,770)	36
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	421,606,273	150,000
Amounts paid on redemption of redeemable units	(5,801,477)	–
Net cash provided by (used in) financing activities	415,804,796	150,000
Unrealized foreign currency translation gain (loss)	11,899	–
Net increase (decrease) in cash	6,647,026	150,036
Cash (bank overdraft), beginning of period	150,036	–
CASH (BANK OVERDRAFT), END OF PERIOD	6,808,961	150,036
Interest paid[1]	378	–
Interest received[1]	3,800,718	42

[1] Classified as operating items.

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

Scotia Private Global Credit Pool (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2017

Issuer		Face Value ($)	Average Cost ($)	Carrying Value ($)
BONDS AND DEBENTURES – 92.4%				
Argentina – 0.8%				
Adecoagro SA (Callable) 6.00% Sep 21, 2022	USD	200,000	243,760	249,925
Argentina Bonar Bonds (Floating Rate) 24.23% Apr 03, 2022	ARS	19,100,000	1,435,144	1,278,311
Argentina POM Politica Monetaria (Floating Rate) 28.75% Jun 21, 2020	ARS	4,100,000	322,909	293,379
Argentine Republic Government International Bond 6.25% Nov 09, 2047	EUR	300,000	444,894	457,539
Argentine Republic Government International Bond 7.50% Apr 22, 2026	USD	650,000	903,945	926,542
			3,350,652	3,205,696
Australia – 1.0%				
GAIF Bond Issuer Pty Ltd. 3.40% Sep 30, 2026	USD	600,000	767,248	738,961
Goodman US Finance Three LLC (Callable) 3.70% Dec 15, 2027	USD	700,000	855,663	872,034
SGSP Australia Assets Pty Ltd. 3.30% Apr 09, 2023	USD	700,000	900,191	883,312
Transurban Finance Co Pty Ltd. (Callable) 4.13% Nov 02, 2025	USD	600,000	808,326	782,059
WEA Finance LLC (Callable) 3.15% Mar 05, 2022	USD	200,000	258,985	254,161
WEA Finance LLC / Westfield UK & Europe Finance PLC (Callable) 3.25% Sep 05, 2020	USD	200,000	264,856	255,958
WEA Finance LLC / Westfield UK & Europe Finance PLC (Callable) 4.75% Mar 17, 2044	USD	200,000	262,466	275,250
Woodside Finance Ltd. (Callable) 3.70% Dec 15, 2027	USD	200,000	244,330	250,451
			4,362,065	4,312,186
Bermuda – 0.4%				
Bacardi Ltd. (Callable) 2.75% Apr 15, 2026	USD	200,000	246,482	241,004
S-Jets 2017-1 Ltd. 3.97% Aug 15, 2042	USD	488,889	621,916	616,619
XLIT Ltd. 6.38% Nov 15, 2024	USD	500,000	721,846	730,596
			1,590,244	1,588,219
Brazil – 2.2%				
Azul Investments LLP (Callable) 5.88% Oct 26, 2021	USD	100,000	124,007	124,564
Azul Investments LLP (Callable) 5.88% Oct 26, 2021	USD	100,000	124,007	124,491
Banco BTG Pactual SA 5.50% Jan 31, 2023	USD	200,000	255,553	250,712
Centrais Eletricas Brasileiras S.A. 5.75% Oct 27, 2021	USD	200,000	254,237	260,155
Gerdau Trade Inc. 4.88% Oct 24, 2027	USD	200,000	246,871	251,263
Globo Comunicacao e Participacoes SA (Callable) 5.13% Dec 31, 2026	USD	200,000	258,746	255,770
Itau Unibanco Holding S.A., Perpetual 6.13%	USD	1,100,000	1,396,223	1,396,358
Petrobras Global Finance BV 6.00% Jan 27, 2028	USD	1,459,000	1,842,607	1,841,524
Petrobras Global Finance BV 6.13% Jan 17, 2022	USD	400,000	527,000	532,895
Suzano Austria GmbH 7.00% Mar 16, 2047	USD	1,600,000	2,130,780	2,313,522
Vale S.A. 5.63% Sep 11, 2042	USD	1,300,000	1,621,832	1,799,892
			8,781,863	9,151,146
Canada – 2.5%				
1011778 BC ULC / New Red Finance Inc. (Callable) 4.25% May 15, 2020	USD	200,000	258,863	250,700
Air Canada 2015-2 Class AA Pass Through Trust 3.75% Dec 15, 2027	USD	92,767	125,041	120,657
Air Canada 2017-1 Class AA Pass Through Trust Certificates 3.30% Jan 15, 2030	USD	1,000,000	1,285,000	1,273,479
Air Canada 2017-1 Class B Pass Through Trust Certificates 3.70% Jan 15, 2026	USD	1,100,000	1,413,500	1,397,062
Alimentation Couche-Tard Inc. (Callable) 3.55% Apr 26, 2027	USD	200,000	251,444	251,145
Brookfield Finance LLC (Callable) 4.00% Feb 01, 2024	USD	1,100,000	1,449,903	1,443,833
Cenovus Energy Inc. 5.70% Oct 15, 2019	USD	675,000	919,657	891,520
Cenovus Energy Inc. 6.75% Nov 15, 2039	USD	300,000	394,591	451,767
CNOOC Curtis Funding No 1 Pty Ltd. 4.50% Oct 03, 2023	USD	500,000	688,722	671,794
CNOOC Curtis Funding No 1 Pty Ltd. 4.50% Oct 03, 2023	USD	200,000	273,031	267,535
Emera US Finance LP 2.15% Jun 15, 2019	USD	300,000	390,004	375,360
Enbridge Inc. (Callable) 5.50% Jul 15, 2027	USD	600,000	772,977	751,658
Encana Corporation 6.63% Aug 15, 2037	USD	631,000	934,301	1,011,245
Sinopec Group Overseas Development 2017 Ltd. 3.25% Sep 13, 2027	USD	600,000	729,902	737,789
Thomson Reuters Corporation 3.35% May 15, 2026	USD	400,000	522,169	503,587
			10,409,105	10,399,131
Cayman Islands – 0.6%				
Braskem Finance Ltd. 6.45% Feb 03, 2024	USD	500,000	698,344	703,397
CRH America Inc. 3.88% May 18, 2025	USD	200,000	272,597	261,744

Issuer		Face Value ($)	Average Cost ($)	Carrying Value ($)
BONDS AND DEBENTURES (cont'd)				
Cayman Islands (cont'd)				
METAL 2017-1 LLC 4.58% Oct 15, 2042	USD	394,014	505,243	492,890
Park Aerospace Holdings Ltd. 5.25% Aug 15, 2022	USD	200,000	272,513	251,756
Sprite Cayman 4.25% Dec 15, 2037	USD	300,000	381,279	374,351
UPCB Finance VII Ltd. (Callable) 3.63% Jun 15, 2022	EUR	200,000	294,144	298,674
			2,424,120	2,382,812
Chile – 0.2%				
Banco Santander Chile (Floating Rate) 2.11% Jul 25, 2020	USD	600,000	755,220	749,936
Latam Airlines 2015-1 Pass Through Trust A 4.20% Nov 15, 2027	USD	179,633	231,479	229,549
			986,699	979,485
China – 0.3%				
Sinopec Group Overseas Development 2013 Ltd. 4.38% Oct 17, 2023	PLN	900,000	1,245,412	1,198,713
Denmark – 0.1%				
AP Moller – Maersk A/S (Callable) 3.88% Jun 28, 2025	EUR	100,000	126,351	125,988
AP Moller – Maersk A/S 2.55% Sep 22, 2019	USD	100,000	129,665	125,401
			256,016	251,389
France – 0.3%				
Danone SA (Callable) 2.59% Sep 02, 2023	USD	600,000	764,596	732,672
SFR Group SA (Callable) 7.38% May 01, 2021	USD	500,000	705,657	646,834
			1,470,253	1,379,506
Germany – 1.4%				
Bundesrepublik Deutschland Bundesanleihe 4.00% Jan 04, 2018	EUR	600,000	908,999	904,367
Deutsche Bank AG (Callable) 4.88% Dec 01, 2027	USD	800,000	1,024,791	1,002,272
Deutsche Bank AG 4.25% Oct 14, 2021	USD	2,600,000	3,586,928	3,389,822
Deutsche Bank AG/New York NY 2.27% Jul 13, 2020	USD	100,000	128,829	126,098
Fresenius Medical Care US Finance II Inc. (Callable) 4.13% Jul 17, 2020	USD	300,000	394,039	390,271
			6,043,586	5,812,830
Hong Kong – 0.3%				
HPHT Finance 17 Ltd. 2.75% Sep 11, 2022	USD	200,000	243,592	245,341
Studio City Co., Ltd. 5.88% Nov 30, 2019	USD	900,000	1,239,237	1,170,433
			1,482,829	1,415,774
India – 0.1%				
GMR Hyderabad International Airport Ltd. 4.25% Oct 27, 2027	USD	200,000	249,778	248,385
Ireland – 1.2%				
AerCap Ireland Capital DAC / AerCap Global Aviation Trust (Callable) 3.50% Nov 15, 2024	USD	1,700,000	2,155,537	2,116,908
Park Aerospace Holdings Ltd. 4.50% Mar 15, 2023	USD	700,000	853,159	844,305
Park Aerospace Holdings Ltd. 5.50% Feb 15, 2024	USD	100,000	132,699	125,116
SMBC Aviation Capital Finance DAC 2.65% Jul 15, 2021	USD	200,000	249,181	246,640
SMBC Aviation Capital Finance DAC 3.00% Jul 15, 2022	USD	1,300,000	1,640,300	1,621,496
			5,030,876	4,954,465
Israel – 0.5%				
Teva Pharmaceutical Finance Company 2.95% Dec 18, 2022	USD	300,000	360,588	337,816
Teva Pharmaceutical Finance Company 3.65% Nov 10, 2021	USD	400,000	502,309	480,071
Teva Pharmaceutical Finance Netherlands III BV 2.20% Jul 21, 2021	USD	400,000	476,333	462,393
Teva Pharmaceutical Finance Netherlands III BV 2.80% Jul 21, 2023	USD	700,000	880,009	767,627
			2,219,239	2,047,907
Italy – 0.5%				
Intesa Sanpaolo SpA 6.50% Feb 24, 2021	EUR	1,000,000	1,484,031	1,381,179
Wind Tre SpA (Callable) 2.47% May 03, 2018	EUR	300,000	447,321	442,906
Wind Tre SpA (Callable) 3.13% Nov 03, 2020	EUR	100,000	149,107	146,362
			2,080,459	1,970,447
Japan – 1.0%				
Mitsubishi UFJ Financial Group Inc. 2.19% Sep 13, 2021	USD	800,000	1,025,688	984,939
Mitsui Fudosan Co., Ltd. (Callable) 3.65% Apr 20, 2027	USD	700,000	890,223	902,693
Mizuho Financial Group Inc. (Floating Rate) 2.20% Sep 11, 2022	USD	800,000	990,405	1,012,011

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

Scotia Private Global Credit Pool (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2017

Issuer		Face Value ($)	Average Cost ($)	Carrying Value ($)
BONDS AND DEBENTURES (cont'd)				
Japan (cont'd)				
Sprint Corporation 7.25% Sep 15, 2021	USD	300,000	408,528	398,893
Sumitomo Mitsui Financial Group Inc. 3.36% Jul 12, 2027	USD	700,000	904,211	880,182
			4,219,055	4,178,718
Kuwait – 0.3%				
Kuwait International Government Bond 2.75% Mar 20, 2022	USD	1,000,000	1,304,688	1,252,028
Luxembourg – 0.5%				
Altice Financing SA (Callable) 7.50% May 15, 2021	USD	200,000	289,419	268,067
Telecom Italia Capital SA 7.00% Jun 04, 2018	USD	1,500,000	2,040,190	1,916,012
			2,329,609	2,184,079
Mexico – 1.6%				
Banco Inbursa SA Institucion de Banca Multiple (Callable) 4.38% Jan 11, 2027	USD	300,000	386,005	377,004
BBVA Bancomer SA 6.75% Sep 30, 2022	USD	1,000,000	1,475,176	1,416,759
Mexico Government International Bond 4.60% Feb 10, 2048	USD	400,000	498,922	497,056
Petroleos Mexicanos 6.50% Mar 13, 2027	USD	2,300,000	3,197,924	3,173,982
Petroleos Mexicanos 6.50% Mar 13, 2027	USD	400,000	549,223	551,997
Trust F/1401 (Callable) 6.95% Jul 30, 2043	USD	700,000	946,976	962,293
			7,054,226	6,979,091
Netherlands – 1.6%				
Cooperatieve Rabobank UA 4.63% May 23, 2029	EUR	1,400,000	2,718,805	2,804,334
Cooperatieve Rabobank UA 6.63% Jun 29, 2021	EUR	600,000	992,916	1,044,367
Koninklijke KPN NV 8.38% Oct 01, 2030	USD	600,000	1,075,496	1,034,055
LeasePlan Corporation NV 2.88% Jan 22, 2019	USD	400,000	517,298	501,434
NXP BV / NXP Funding LLC 4.13% Jun 01, 2021	USD	300,000	410,475	387,599
NXP BV / NXP Funding LLC 4.13% Jun 15, 2020	USD	700,000	926,377	904,490
United Group BV (Callable) 4.38% Jul 01, 2019	EUR	100,000	145,138	156,836
			6,786,505	6,833,115
Panama – 0.1%				
Banco General S.A. (Callable) 4.13% May 07, 2027	USD	200,000	246,824	251,947
Multibank Inc. 4.38% Nov 09, 2022	USD	200,000	254,328	250,939
			501,152	502,886
Poland – 0.1%				
Republic of Poland Government Bond 3.25% Jul 25, 2025	USD	600,000	212,273	218,879
Russia – 0.1%				
Sberbank of Russia Via SB Capital SA (Callable) 5.50% Feb 26, 2019	USD	200,000	255,754	255,158
Saudi Arabia – 0.5%				
Saudi Government International Bond 2.88% Mar 04, 2023	USD	800,000	991,291	986,577
Saudi Government International Bond 4.50% Oct 26, 2046	USD	1,000,000	1,325,797	1,260,393
			2,317,088	2,246,970
Singapore – 0.2%				
BOC Aviation Ltd. (Callable) 2.75% Aug 18, 2022	USD	300,000	361,336	368,689
BOC Aviation Ltd. (Callable) 3.50% Jun 18, 2027	USD	400,000	483,792	488,652
			845,128	857,341
South Africa – 0.2%				
Republic of South Africa 10.50% Dec 21, 2026	USD	6,700,000	737,727	760,233
Switzerland – 3.0%				
Credit Suisse AG 6.50% Aug 08, 2023	USD	1,800,000	2,567,189	2,533,495
Credit Suisse Group AG (Callable) 3.57% Jan 09, 2022	USD	250,000	338,842	318,119
Credit Suisse Group Funding Guernsey Ltd. 3.80% Sep 15, 2022	USD	1,100,000	1,462,734	1,422,869
Credit Suisse Group Funding Guernsey Ltd. 4.55% Apr 17, 2026	USD	900,000	1,204,372	1,211,384
UBS AG (Callable) 2.45% Nov 01, 2020	USD	200,000	255,004	250,555
UBS AG (Callable) 4.75% May 22, 2018	USD	600,000	768,054	759,348
UBS AG (Floating Rate) 1.80% May 28, 2019	USD	400,000	510,478	502,506
UBS AG (Floating Rate) 1.96% Dec 01, 2020	USD	800,000	1,020,955	1,006,804
UBS AG/Stamford CT 7.63% Aug 17, 2022	USD	1,700,000	2,572,303	2,497,969
UBS Group Funding Switzerland AG (Floating Rate) 2.27% Aug 15, 2023	USD	1,600,000	2,023,523	2,023,470
BONDS AND DEBENTURES (cont'd)				
Switzerland (cont'd)				
UBS Group Funding Switzerland AG 4.13% Sep 24, 2025	USD	250,000	335,962	328,830
			13,059,416	12,855,349
United Arab Emirates – 0.3%				
Alpha Star Holding Ltd. 4.97% Apr 09, 2019	GBP	300,000	391,950	378,432
DAE Funding LLC (Callable) 5.00% Aug 01, 2020	USD	200,000	250,680	247,856
MAF Global Securities Ltd. 4.75% May 07, 2024	USD	600,000	824,363	792,632
			1,466,993	1,418,920
United Kingdom – 7.8%				
Barclays Bank PLC 7.63% Nov 21, 2022	USD	750,000	1,117,619	1,067,637
Barclays PLC 4.38% Jan 12, 2026	USD	1,400,000	1,833,795	1,828,419
Barclays PLC 7.25% Mar 15, 2023	USD	500,000	866,689	927,422
Barclays PLC 8.25% Dec 31, 2029	USD	400,000	535,909	528,735
BAT Capital Corporation (Callable) 3.56% May 15, 2027	USD	1,700,000	2,152,198	2,140,917
BAT Capital Corporation 1.13% Nov 16, 2023	USD	200,000	298,349	306,061
BAT International Finance PLC 2.25% Sep 09, 2052	USD	300,000	415,404	420,578
British Airways 2013-1 Class A Pass Through Trust 4.63% Jun 20, 2024	GBP	418,767	583,703	557,844
HSBC Holdings PLC 6.00% Mar 29, 2040	USD	700,000	1,548,033	1,636,385
Imperial Brands Finance PLC (Callable) 3.75% May 21, 2022	USD	700,000	948,415	904,851
Lloyds Banking Group PLC 7.00% Jun 27, 2019	USD	400,000	696,095	718,093
Lloyds Banking Group PLC 7.88% Jun 27, 2029	USD	400,000	777,009	827,908
Mead Johnson Nutrition Company (Callable) 4.13% Aug 15, 2025	USD	250,000	360,711	334,091
Nationwide Building Society (Callable) 4.13% Oct 18, 2027	USD	300,000	373,257	378,159
Reckitt Benckiser Treasury Services PLC (Callable) 3.00% Mar 26, 2027	USD	1,000,000	1,324,807	1,225,686
Royal Bank of Scotland Group PLC 4.80% Apr 05, 2026	USD	700,000	940,818	945,667
Santander UK Group Holdings PLC 2.88% Aug 05, 2021	USD	2,300,000	2,969,376	2,881,889
Santander UK Group Holdings PLC 3.13% Jan 08, 2021	USD	100,000	127,024	126,687
Santander UK Group Holdings PLC 6.75% Jun 24, 2024	GBP	350,000	611,249	651,416
Smiths Group PLC 7.20% May 15, 2019	USD	600,000	839,883	796,821
TP ICAP PLC 5.25% Jan 26, 2024	USD	1,500,000	2,728,892	2,713,969
United Kingdom Treasury Bill 0.00% Jan 29, 2018	USD	6,700,000	11,415,539	11,363,575
			33,464,774	33,282,810
United States – 62.7%				
Activision Blizzard Inc. (Callable) 2.30% Aug 15, 2021	USD	1,000,000	1,319,406	1,239,406
Activision Blizzard Inc. (Callable) 3.40% Jun 15, 2026	USD	1,000,000	1,346,510	1,267,325
Aetna Inc. (Callable) 2.75% Aug 15, 2022	USD	300,000	389,868	373,173
Alabama Power Company 6.00% Mar 01, 2039	USD	100,000	158,222	165,712
Aleris International Inc. (Callable) 9.50% Apr 01, 2018	GBP	100,000	134,063	132,655
Alexandria Real Estate Equities Inc. (Callable) 3.45% Feb 28, 2025	USD	200,000	252,925	249,127
Alexandria Real Estate Equities Inc. (Callable) 3.95% Oct 15, 2027	USD	300,000	397,916	385,295
Alexandria Real Estate Equities Inc. (Callable) 4.30% Oct 15, 2025	USD	150,000	204,333	198,138
Allegion US Holding Co., Inc. 3.55% Oct 01, 2027	USD	300,000	367,898	374,684
Allergan Funding SCS (Callable) 3.80% Dec 15, 2024	USD	1,300,000	1,669,195	1,659,270
Allergan Inc. (Callable) 2.80% Dec 15, 2022	USD	200,000	255,781	247,601
Ally Financial Inc. 3.60% May 21, 2018	USD	500,000	658,808	632,108
Alphabet Holding Co., Inc. (First Lien Term Loan) Aug 15, 2024	USD	99,750	126,525	121,518
American Airlines 2017-2 Class AA Pass Through Trust 3.35% Oct 15, 2029	USD	300,000	373,739	379,098
American Financial Group Inc. (Callable) 3.50% May 15, 2026	USD	600,000	758,397	741,093
Ameriprise Financial Inc. (Callable) 2.88% Jun 15, 2026	USD	400,000	507,185	489,444
Amgen Inc. (Callable) 4.66% Dec 15, 2050	USD	400,000	548,269	564,272
Anadarko Petroleum Corporation 6.95% Jun 15, 2019	USD	300,000	423,345	399,842
Anthem Inc. (Callable) 3.35% Oct 01, 2024	USD	1,400,000	1,781,484	1,773,183
Apple Inc. (Callable) 3.20% Feb 11, 2027	USD	500,000	677,333	635,411
Arch Capital Finance LLC (Callable) 4.01% Sep 15, 2026	USD	900,000	1,201,150	1,183,426
Arrow Electronics Inc. (Callable) 3.25% Jul 08, 2024	USD	200,000	246,215	247,408
Arrow Electronics Inc. (Callable) 3.88% Oct 12, 2027	USD	299,000	383,876	376,972
AT&T Inc. (Callable) 4.35% Dec 15, 2044	USD	600,000	699,099	699,784
AT&T Inc. (Callable) 5.15% Aug 14, 2049	USD	1,600,000	2,005,306	2,042,078
AT&T Inc. (Callable) 5.25% Sep 01, 2036	ZAR	2,000,000	2,836,296	2,661,836
Aviation Capital Group Corporation 7.13% Oct 15, 2020	USD	600,000	888,164	842,821

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

Scotia Private Global Credit Pool (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2017

Issuer		Face Value ($)	Average Cost ($)	Carrying Value ($)
BONDS AND DEBENTURES (cont'd)				
United States (cont'd)				
Aviation Capital Group LLC (Callable) 3.50% Jul 01, 2027	GBP	100,000	122,498	123,220
Banco Santander S.A. 6.25% Sep 11, 2021	EUR	400,000	617,724	663,568
Bank of America Corporation (Callable) 2.82% Jul 21, 2022	USD	2,400,000	3,028,812	3,011,003
Bank of America Corporation (Callable) 2.88% Apr 24, 2022	USD	500,000	650,379	632,900
Bank of America Corporation (Callable) 3.25% Oct 21, 2026	USD	2,000,000	2,588,735	2,486,424
Bank of America Corporation (Callable) 3.42% Dec 20, 2027	GBP	2,255,000	2,954,303	2,836,235
Bank of New York Mellon Corporation, The (Callable) 2.80% Feb 04, 2026	USD	800,000	1,020,694	980,940
BGC Partners Inc. 5.13% May 27, 2021	USD	1,500,000	2,038,351	1,988,361
Black Hills Corporation (Callable) 3.15% Jul 15, 2026	USD	300,000	379,143	367,862
Boston Scientific Corporation 3.85% May 15, 2025	USD	300,000	404,296	388,756
Brand Energy & Infrastructure Services Inc. (First Lien Term Loan) Jun 21, 2024	GBP	299,250	366,974	377,779
Brighthouse Financial Inc. (Callable) 4.70% Dec 22, 2046	USD	300,000	379,829	384,182
Brixmor Operating Partnership LP (Callable) 3.85% Nov 01, 2024	USD	425,000	549,387	536,435
Broadcom Corporation / Broadcom Cayman Finance Ltd. (Callable) 3.50% Oct 15, 2027	EUR	1,600,000	2,000,050	1,922,476
Burlington Northern Santa Fe LLC (Callable) 4.70% Mar 01, 2045	USD	50,000	72,329	74,474
California Resources Corporation (First Lien Term Loan) Nov 17, 2022	USD	300,000	374,231	376,064
CBL & Associates LP (Callable) 5.95% Sep 15, 2026	ARS	1,500,000	1,923,252	1,761,178
CD&R Waterworks Merger Sub LLC (Callable) 6.13% Aug 15, 2020	USD	100,000	125,891	128,121
Cedar Fair LP / Canada's Wonderland Company / Magnum Management Corporation / Millennium Op (Callable) 5.38% Apr 15, 2022	EUR	200,000	275,275	265,422
Centene Corporation (Term Loan SR) Sep 13, 2018	USD	500,000	631,521	625,628
Charles Schwab Corporation, The, Perpetual 5.00%	USD	1,700,000	2,175,499	2,143,041
Charter Communications Operating LLC / Charter Communications Operating Capital (Callable) 3.75% Nov 15, 2027	GBP	700,000	886,593	843,817
Charter Communications Operating LLC / Charter Communications Operating Capital (Callable) 4.20% Dec 15, 2027	USD	900,000	1,087,257	1,125,277
Charter Communications Operating LLC / Charter Communications Operating Capital (Callable) 4.46% May 23, 2022	USD	310,000	440,578	405,906
Charter Communications Operating LLC / Charter Communications Operating Capital (Callable) 4.91% Apr 23, 2025	GBP	250,000	361,378	333,762
Cheniere Corporationus Christi Holdings LLC (Callable) 7.00% Jan 01, 2024	USD	1,300,000	1,871,570	1,865,493
Cheniere Energy Partners LP (First Lien Term Loan DD) Feb 25, 2020	USD	900,000	1,131,208	1,129,606
Cimarex Energy Company (Callable) 4.38% Mar 01, 2024	EUR	800,000	1,094,507	1,064,121
Citigroup Inc. (Callable) 2.52% May 17, 2023	EUR	1,000,000	1,304,921	1,271,375
Citigroup Inc. (Callable) 3.20% Jul 21, 2026	USD	1,000,000	1,274,071	1,241,749
Citizens Financial Group Inc. (Callable) 2.38% Jul 28, 2021	USD	300,000	387,184	373,766
Cleco Corporationorate Holdings LLC (Callable) 3.74% Feb 01, 2026	USD	900,000	1,180,869	1,139,010
Comcast Corporation (Callable) 2.35% Oct 15, 2026	USD	48,000	54,882	57,012
Consolidated Edison Company of New York Inc. (Callable) 4.63% Jun 01, 2054	USD	200,000	283,886	290,590
Covey Park Energy LLC / Covey Park Finance Corporation (Callable) 7.50% May 15, 2020	USD	100,000	133,961	131,204
Cox Communications Inc. 4.70% Dec 15, 2042	USD	300,000	357,309	365,551
CPG International Inc. (First Lien Term Loan) May 04, 2024	USD	299,248	365,562	377,394
CRC Escrow Issuer LLC / CRC Finco Inc. (Callable) 5.25% Oct 15, 2020	USD	300,000	374,368	382,535
Credit Suisse AG 6.50% Aug 08, 2023	USD	600,000	896,912	843,424
Crown Castle International Corporation 3.20% Sep 01, 2024	USD	700,000	872,624	870,112
CubeSmart LP (Callable) 4.38% Sep 15, 2023	USD	100,000	137,969	132,108
Dell International LLC / EMC Corporation (Callable) 5.45% Apr 15, 2023	USD	2,100,000	2,921,704	2,848,954
Dell International LLC / EMC Corporation 4.42% Jun 15, 2021	USD	1,300,000	1,726,636	1,700,413
Delta Air Lines Inc. 3.63% Mar 15, 2022	USD	800,000	1,046,055	1,022,626
Diamond Offshore Drilling Inc. 7.88% Aug 15, 2025	USD	500,000	622,138	658,470
Diamond Resorts International Inc. (Callable) 7.75% Sep 01, 2019	USD	1,400,000	1,878,935	1,914,134
Diamond Resorts International Inc. (First Lien Term Loan B) Sep 02, 2023	USD	198,992	259,886	252,336
Diamondback Energy Inc. (Callable) 4.75% Nov 01, 2019	USD	1,700,000	2,146,973	2,167,573
DISH DBS Corporation 6.75% Jun 01, 2021	USD	600,000	845,411	804,496
DISH DBS Corporation 7.88% Sep 01, 2019	USD	200,000	280,580	269,391
DR Horton Inc. (Callable) 4.38% Jun 15, 2022	USD	200,000	274,216	264,987
Duke Energy Corporation (Callable) 3.75% Jan 15, 2024	USD	1,800,000	2,392,839	2,358,589
Duke Realty LP 3.25% Jun 30, 2026	USD	800,000	1,024,361	992,163
Dynegy Inc. (Callable) 8.13% Jul 30, 2020	USD	100,000	125,533	138,149
E*TRADE Financial Corporation 2.95% Aug 24, 2022	USD	400,000	509,398	497,518
E*TRADE Financial Corporation Perpetual 5.30%	USD	300,000	382,858	379,597
Enable Midstream Partners LP 3.90% May 15, 2024	USD	500,000	641,279	632,815
Enable Midstream Partners LP 4.40% Mar 15, 2027	USD	100,000	127,730	127,994
Endo Finance LLC / Endo Finco Inc. (Callable) 7.25% Jul 27, 2022	USD	400,000	510,001	439,410
Endo Finance LLC 5.75% Jan 15, 2022	USD	100,000	117,813	104,868
Energy Future Intermediate Holding Co LLC (First Lien Term Loan DD) Jun 28, 2018	USD	4,500,000	5,853,673	5,670,721
Energy Transfer LP (Callable) 4.65% Mar 01, 2021	USD	1,800,000	2,396,969	2,378,019
Energy Transfer LP (Callable) 6.50% Aug 01, 2041	USD	800,000	1,195,491	1,148,754
Energy Transfer Partners LP (Callable) 5.15% Sep 15, 2044	USD	400,000	505,884	491,656
Energy Transfer Partners LP (Callable) 6.05% Dec 01, 2040	USD	82,000	113,938	110,364
Entergy Louisiana LLC (Callable) 4.95% Jan 15, 2025	USD	500,000	673,494	655,751
Enterprise Products Operating LLC (Callable) 4.88% Aug 16, 2022	USD	300,000	379,411	375,454
Enterprise Products Operating LLC (Callable) 4.95% Apr 15, 2054	USD	300,000	400,205	416,731
Enterprise Products Operating LLC 5.95% Feb 01, 2041	USD	113,000	169,314	175,939
Enterprise Products Operating LLC 6.45% Sep 01, 2040	USD	250,000	392,594	409,015
EPR Properties (Callable) 4.75% Sep 15, 2026	USD	200,000	267,897	259,733
EQT Midstream Partners LP 4.00% Aug 01, 2024	USD	2,300,000	2,953,649	2,905,215
Equifax Inc. (Callable) 3.25% Mar 01, 2026	USD	200,000	256,096	241,869
ERAC USA Finance LLC (Callable) 2.70% Sep 01, 2023	USD	500,000	635,125	611,954
ERP Operating LP 3.25% Aug 01, 2027	USD	300,000	373,073	377,035
Essex Portfolio LP (Callable) 3.63% Feb 01, 2027	USD	400,000	516,669	507,471
FedEx Corporation 3.88% Aug 01, 2042	USD	300,000	368,635	378,076
First American Financial Corporation 4.30% Feb 01, 2023	USD	100,000	133,777	130,396
Flex Ltd. 5.00% Feb 15, 2023	USD	1,000,000	1,422,805	1,346,748
FMR LLC 5.15% Feb 01, 2043	USD	400,000	595,013	602,256
Ford Motor Credit Company LLC 2.39% Aug 03, 2022	USD	850,000	1,100,483	1,076,748
Fortress Transportation & Infrastructure Investors LLC (Callable) 6.75% Mar 15, 2020	USD	200,000	261,917	260,914
Freedom Mortgage Corporation (Callable) 8.13% Nov 15, 2020	USD	100,000	128,039	128,259
GE Capital International Funding Co., Unlimited 4.42% Nov 15, 2035	USD	1,000,000	1,390,218	1,362,372
General Electric Company (Callable) 5.00% Jan 21, 2021	USD	1,800,000	2,368,179	2,335,508
Genesis Energy LP / Genesis Energy Finance Corporation (Callable) 5.63% Jun 15, 2019	USD	100,000	123,988	123,392
Genesis Energy LP / Genesis Energy Finance Corporation (Callable) 6.75% Aug 01, 2018	USD	700,000	894,897	912,328
GLP Capital LP / GLP Financing II Inc. 5.38% Apr 15, 2026	USD	200,000	283,725	269,953
Goldman Sachs Group Inc., The (Callable) 2.59% Nov 15, 2020	USD	2,000,000	2,608,556	2,562,544
Goldman Sachs Group Inc., The (Callable) 2.91% Jul 24, 2022	USD	1,600,000	2,014,251	1,993,681
Gulfport Energy Corporation (Callable) 6.63% May 01, 2018	USD	100,000	131,300	129,363
Harris Corporation 5.55% Oct 01, 2021	USD	400,000	579,446	547,862
HCA Inc. 4.75% May 01, 2023	USD	1,600,000	2,150,469	2,086,165
Hospitality Properties Trust (Callable) 3.95% Jul 15, 2027	USD	1,000,000	1,226,340	1,232,574
Host Hotels & Resorts LP 4.00% Jun 15, 2025	USD	250,000	331,833	321,459
Intercontinental Exchange Inc. (Callable) 3.75% Sep 01, 2025	USD	200,000	269,411	264,921
International Lease Finance Corporation 6.25% May 15, 2019	USD	200,000	276,307	264,975
IPALCO Enterprises Inc. (Callable) 3.70% Jul 01, 2024	USD	200,000	254,625	250,398
ITC Holdings Corporation (Callable) 3.25% Mar 30, 2026	USD	500,000	635,014	625,148
Jefferies Finance LLC / JFIN Co-Issuer Corporation (Callable) 6.88% Apr 15, 2022	USD	200,000	260,000	254,589
Jefferies Finance LLC / JFIN Co-Issuer Corporation (Callable) 7.25% Aug 15, 2020	USD	900,000	1,134,247	1,165,635
Jefferies Finance LLC / JFIN Co-Issuer Corporation (Callable) 7.38% Apr 01, 2020	USD	600,000	796,649	776,148
Jefferies Finance LLC / JFIN Co-Issuer Corporation (Callable) 7.50% Apr 15, 2021	USD	200,000	270,400	260,914
Jersey Central Power & Light Company (Callable) 4.30% Oct 15, 2025	USD	600,000	819,891	788,129
JPMorgan Chase & Co (Callable) 2.70% Mar 18, 2023	USD	2,000,000	2,634,315	2,490,581
JPMorgan Chase & Co. (Callable) 3.30% Jan 01, 2026	USD	1,500,000	1,995,608	1,892,143
JPMorgan Chase & Co. (Callable) 3.78% Feb 01, 2027	USD	1,500,000	1,917,165	1,943,205

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

Scotia Private Global Credit Pool (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2017

Issuer		Face Value ($)	Average Cost ($)	Carrying Value ($)
BONDS AND DEBENTURES (cont'd)				
United States (cont'd)				
Kansas City Southern (Callable) 3.13% Mar 01, 2026	USD	300,000	377,694	364,518
Kilroy Realty LP (Callable) 4.38% Jul 01, 2025	USD	100,000	132,020	131,917
Kinder Morgan Inc. 7.25% Jun 01, 2018	USD	576,000	776,204	738,439
Kinetic Concepts Inc. / KCI USA Inc. (Callable) 12.50% May 01, 2019	USD	100,000	139,654	142,074
KLA-Tencor Corporation 4.13% Nov 01, 2021	USD	900,000	1,223,093	1,178,701
Laboratory Corporation of America Holdings (Callable) 3.60% Nov 01, 2024	USD	200,000	261,620	255,610
Las Vegas Sands LLC (First Lien Term Loan B) Mar 29, 2024	USD	99,497	128,584	125,756
Lazard Group LLC (Callable) 3.63% Dec 01, 2026	USD	200,000	249,472	250,771
Lazard Group LLC 3.75% Feb 13, 2025	USD	700,000	905,575	894,543
Lennar Corporation (Callable) 4.75% May 29, 2027	USD	300,000	381,869	389,602
Level 3 Parent LLC (First Lien Term Loan B) Feb 22, 2024	USD	900,000	1,152,404	1,131,929
LifeStorage LP (Callable) 3.50% Apr 01, 2026	USD	400,000	492,645	488,978
Lightstone Holdco LLC (First Lien Term Loan B) 5.80% Jan 30, 2024	USD	376,538	474,671	475,728
Lightstone Holdco LLC (First Lien Term Loan C) 5.80% Jan 30, 2024	USD	23,462	29,577	29,643
Mallinckrodt International Finance SA / Mallinckrodt CB LLC (Callable) 5.63% Oct 15, 2018	USD	200,000	238,875	214,983
Massachusetts Institute of Technology 3.89% Jul 01, 2116	USD	900,000	1,050,682	1,118,309
Metropolitan Edison Company (Callable) 3.50% Dec 15, 2022	USD	600,000	771,878	767,980
MGM Growth Properties Operating Partnership LP / MGP Finance Co-Issuer Inc. (Callable) 4.50% Oct 15, 2027	USD	200,000	242,521	249,608
MGM Resorts International (Callable) 4.63% Jun 01, 2026	USD	300,000	379,998	382,709
MGM Resorts International 6.00% Mar 15, 2023	USD	400,000	555,713	547,940
MH Sub I LLC (First Lien Term Loan) Sep 15, 2024	USD	600,000	748,652	756,933
Mid-America Apartments LP (Callable) 4.30% Jul 15, 2023	USD	40,000	54,577	52,862
Moody's Corporation (Floating Rate) 5.25% Jul 15, 2044	USD	100,000	148,679	152,750
Morgan Stanley (Callable) 2.28% Oct 24, 2022	USD	2,200,000	2,891,840	2,834,575
MSCI Inc. (Callable) 4.75% Aug 01, 2021	USD	400,000	536,901	530,463
Mylan NV 3.95% Jun 15, 2026	USD	1,100,000	1,449,182	1,375,705
Navient Corporation 6.63% Jul 26, 2021	USD	1,800,000	2,566,585	2,399,088
NetApp Inc. 3.38% Jun 15, 2021	USD	300,000	401,053	383,943
Neuberger Berman Group LLC / Neuberger Berman Finance Corporation (Callable) 4.88% Oct 15, 2044	USD	1,000,000	1,269,545	1,281,655
Newell Brands Inc. (Callable) 3.85% Feb 01, 2023	USD	100,000	135,263	129,811
NextEra Energy Capital Holdings Inc. (Callable) 4.80% Dec 01, 2027	USD	700,000	897,609	884,363
Nuveen Finance LLC 2.95% Nov 01, 2019	USD	300,000	393,133	379,849
NVIDIA Corporation 3.20% Sep 16, 2026	USD	500,000	647,570	631,323
Omega Healthcare Investors Inc. (Callable) 4.75% Oct 15, 2027	USD	1,700,000	2,149,029	2,130,220
Omega Healthcare Investors Inc. (Callable) 5.25% Oct 15, 2025	USD	25,000	34,502	32,534
Omnicom Group Inc. (Callable) 3.60% Jan 15, 2026	USD	200,000	260,180	253,633
Pacific Gas & Electric Co (Callable) 3.30% Sep 01, 2027	USD	300,000	381,725	374,861
Pacific Gas & Electric Company (Callable) 2.95% Dec 01, 2025	USD	300,000	376,245	369,816
Pacific Life Insurance Co. (Callable) 4.30% Oct 24, 2047	USD	1,400,000	1,752,034	1,779,609
Philip Morris International Inc. (Callable) 2.13% Mar 10, 2023	USD	800,000	998,089	968,567
Physicians Realty LP 4.30% Mar 15, 2027	USD	200,000	265,382	256,011
Pioneer Natural Resources Company (Callable) 3.95% Apr 15, 2022	USD	700,000	928,748	916,407
Pioneer Natural Resources Company 7.50% Jan 15, 2020	USD	600,000	877,486	825,520
Pitney Bowes Inc. (Callable) 4.70% Mar 01, 2023	USD	300,000	364,596	351,262
Plains All American Pipeline LP / PAA Finance Corporation (Callable) 4.70% Dec 15, 2043	USD	866,000	1,018,694	1,023,432
Plains All American Pipeline LP / PAA Finance Corporation (Callable) 4.90% Aug 15, 2044	USD	95,000	118,194	116,371
Plains All American Pipeline LP / PAA Finance Corporation 3.60% Nov 01, 2024	USD	300,000	367,764	366,089
Plains All American Pipeline LP / PAA Finance Corporation 5.75% Jan 15, 2020	USD	200,000	285,730	263,949
Principal Life Global Funding II 3.00% Apr 18, 2026	USD	500,000	642,009	622,316
Prologis LP 2.25% Jun 30, 2029	USD	1,000,000	1,613,047	1,660,967
Protective Life Global Funding 2.00% Sep 14, 2021	USD	200,000	253,581	244,199
Qualitytech LP/QTS Finance Corporation (Callable) 4.75% Nov 15, 2020	USD	100,000	127,971	126,846
Quicken Loans Inc. (Callable) 5.25% Jan 15, 2023	USD	600,000	754,166	745,780
Reinsurance Group of America Inc. (Callable) 3.95% Jun 15, 2026	USD	300,000	398,095	385,725
Reliance Standard Life Global Funding II 3.05% Jan 20, 2021	USD	100,000	131,667	127,230
Scientific Games International Inc. (Callable) 7.00% Jan 01, 2018	USD	300,000	416,569	397,964
Select Income Real Estate Investment Trust (Callable) 4.25% Feb 15, 2024	USD	1,900,000	2,421,742	2,374,057
Silversea Cruise Finance Ltd. (Callable) 7.25% Feb 01, 2020	USD	200,000	277,875	271,903
SLM Corporation 5.13% Apr 05, 2022	USD	200,000	266,825	262,014
Solvay Finance America LLC 4.45% Dec 03, 2025	USD	300,000	416,423	400,016
Southwestern Electric Power Company 6.20% Mar 15, 2040	USD	300,000	503,926	509,108
Spirit Realty LP (Callable) 4.45% Jun 15, 2026	USD	700,000	857,592	877,286
Springleaf Finance Corporation 5.25% Dec 15, 2019	USD	1,200,000	1,603,927	1,552,296
Sprint Capital Corporation 6.90% May 01, 2019	USD	1,200,000	1,702,104	1,575,882
Standard Industries Inc. (Callable) 6.00% Oct 15, 2020	USD	225,000	313,707	302,005
Stearns Holdings LLC (Callable) 9.38% Aug 15, 2020	USD	200,000	254,541	261,542
Tech Data Corporation (Callable) 4.95% Nov 16, 2026	USD	1,000,000	1,384,751	1,322,315
Telefonica Emisiones SAU 4.10% Mar 08, 2027	USD	1,000,000	1,384,364	1,295,300
Textron Inc. (Callable) 1.96% Nov 12, 2018	USD	500,000	638,700	629,238
THC Escrow Corporation III (Callable) 5.13% May 01, 2020	USD	100,000	130,325	124,176
Time Warner Cable LLC 4.13% Feb 15, 2021	USD	700,000	944,498	898,240
Time Warner Cable LLC 5.00% Feb 01, 2020	USD	200,000	277,849	261,715
Time Warner Cable LLC 6.75% Jul 01, 2018	USD	100,000	136,137	128,446
Time Warner Inc. 4.90% Jun 15, 2042	USD	400,000	538,097	525,769
UDR Inc. (Callable) 4.63% Oct 10, 2021	USD	200,000	277,537	266,043
United States Treasury Notes 1.88% Jul 31, 2022	USD	2,200,000	2,770,053	2,727,634
United States Treasury Notes 2.00% Jun 30, 2024	USD	900,000	1,120,077	1,109,769
United States Treasury Notes 2.13% Mar 31, 2024	USD	9,700,000	12,380,004	12,069,023
United States Treasury Notes 2.25% Nov 15, 2027	USD	15,386,000	19,404,655	19,077,913
United States Treasury Notes 2.75% Aug 15, 2047	USD	24,972,000	31,455,079	31,508,709
United States Treasury Notes 2.75% Nov 15, 2047	USD	4,000,000	5,090,219	5,045,916
United States Treasury Notes 3.00% May 15, 2047	USD	3,884,000	5,045,719	5,147,721
Univision Communications Inc. (Callable) 5.13% Feb 15, 2020	USD	100,000	125,042	122,608
Unum Group 5.75% Aug 15, 2042	USD	200,000	309,915	309,071
Valeant Pharmaceuticals International Inc. (Callable) 5.50% Nov 01, 2020	USD	600,000	763,738	770,346
Valeant Pharmaceuticals International Inc. (Callable) 6.13% Apr 15, 2020	USD	100,000	110,419	115,755
Ventas Realty LP 3.13% Jun 15, 2023	USD	500,000	640,174	626,937
VEReal Estate Investment Trust Operating Partnership LP (Callable) 4.88% Mar 01, 2026	USD	600,000	824,323	799,259
Verizon Communications Inc. 1.88% Oct 26, 2029	EUR	1,400,000	2,058,186	2,102,131
Verizon Communications Inc. 4.50% Aug 10, 2033	USD	600,000	749,919	787,538
ViaSat Inc. (Callable) 5.63% Sep 15, 2020	USD	100,000	121,261	126,846
VMware Inc. (Callable) 2.95% Jul 21, 2022	USD	300,000	378,143	375,087
VMware Inc. (Callable) 3.90% May 21, 2027	USD	700,000	874,148	892,301
Washington Prime Group LP 5.95% Aug 15, 2024	USD	600,000	740,511	778,461
Wells Fargo & Company (Callable) 3.58% May 22, 2027	USD	400,000	506,251	510,766
Wells Fargo & Company 2.63% Jul 22, 2022	USD	3,100,000	3,948,021	3,898,029
Wells Fargo & Company 3.00% Oct 23, 2026	USD	1,800,000	2,219,456	2,208,664
Wells Fargo & Company 3.55% Sep 29, 2025	USD	700,000	952,941	900,499
Weyerhaeuser Co 8.50% Jan 15, 2025	USD	1,300,000	2,288,691	2,132,517
Weyerhaeuser Company 7.38% Mar 15, 2032	USD	100,000	173,076	173,965
WP Carey Inc. (Callable) 4.60% Jan 01, 2024	USD	245,000	332,758	320,616
Wynn Las Vegas LLC / Wynn Las Vegas Capital Corporation (Callable) 5.25% Feb 15, 2027	USD	1,000,000	1,333,314	1,283,501
Zoetis Inc. (Callable) 3.00% Jun 12, 2027	USD	400,000	492,449	491,739
			270,243,724	265,751,147
TOTAL BONDS AND DEBENTURES			396,781,308	390,874,815
OPTIONS – 0.0%				
United States – 0.0%				
U.S. 10 Year IRS, Written Call Options $2.20 Nov 27, 2018		(1,300,000)	(21,037)	(16,325)
U.S. 10 Year IRS, Written Call Options $2.21 Nov 27, 2018		(1,300,000)	(21,654)	(16,767)
U.S. 10 Year Treasury Bond Futures, Written Call Options $126.50 Feb 23,2018		(12)	(3,814)	(1,413)
U.S. 10 Year Treasury Bond Futures, Written Put Options $122.50 Feb 23,2018		(12)	(2,855)	(2,826)

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

Scotia Private Global Credit Pool (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2017

Issuer	Number of Contracts/ Face Value ($)	Average Cost ($)	Carrying Value ($)
OPTIONS (cont'd)			
United States (cont'd)			
U.S. 2 Year IRS, Call Options $2.00 Nov 27, 2018	12,600,000	43,419	23,832
USD Call / BRL Put, Put Options $3.40 Jan 09, 2018	(600,000)	(4,372)	(1,018)
		(10,313)	(14,517)
TOTAL OPTIONS		(10,313)	(14,517)
MONEY MARKET INSTRUMENTS – 5.6%			
Commercial Paper – 2.7%			
Nissan Motor Corporation 1.68% Jan 23, 2018	3,000,000	3,815,808	3,763,563
Toyota Industries Corporation 1.55% Jan 12, 2018	6,000,000	7,716,247	7,531,254
		11,532,055	11,294,817
Short-Term Deposits – 0.7%			
Province of Alberta 1.00% Jan 02, 2018	3,100,000	3,100,000	3,100,000

Issuer	Face Value ($)	Average Cost ($)	Carrying Value ($)
MONEY MARKET INSTRUMENTS (cont'd)			
Treasury Bills – 2.2%			
Government of Canada 0.00% Jan 11, 2018	7,554,000	7,539,712	7,551,827
Government of Canada 0.00% Jan 25, 2018	70,000	69,859	69,957
Government of Canada 0.00% Feb 22, 2018	1,230,000	1,227,581	1,228,432
Government of Canada 0.00% Mar 08, 2018	330,000	329,343	329,442
		9,166,495	9,179,658
TOTAL MONEY MARKET INSTRUMENTS		23,798,550	23,574,475
Transaction Costs		(47)	
TOTAL INVESTMENT PORTFOLIO		420,569,498	414,434,773
Unrealized Gain (Loss) on Derivatives – 1.5%			6,455,086
OTHER ASSETS, LESS LIABILITIES – 0.5%			3,124,063
NET ASSETS – 100.0%			424,013,922

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 ($)
Goldman Sachs International	A-1	Jan. 03, 2018	US Dollar	107,142	Brazilian Real	352,979	3.295	3.314	801
Goldman Sachs International	A-1	Jan. 10, 2018	Canadian Dollar	137,504,172	US Dollar	107,453,257	0.781	0.796	2,492,290
Bank of America, N.A.	A-1	Jan. 10, 2018	Canadian Dollar	5,103,133	US Dollar	3,960,000	0.776	0.796	127,509
Bank of America, N.A.	A-1	Jan. 10, 2018	Canadian Dollar	141,866,113	US Dollar	110,401,645	0.778	0.796	3,149,668
Bank of America, N.A.	A-1	Jan. 10, 2018	Canadian Dollar	1,457,295	US Dollar	1,132,000	0.777	0.796	34,970
Bank of America, N.A.	A-1	Jan. 10, 2018	Canadian Dollar	104,234,624	US Dollar	80,960,000	0.777	0.796	2,510,746
National Australia Bank Ltd.	A-1+	Jan. 10, 2018	Canadian Dollar	4,577,354	US Dollar	3,624,000	0.792	0.796	23,904
JP Morgan	A-2	Jan. 10, 2018	Canadian Dollar	365,023	US Dollar	289,000	0.792	0.796	1,903
Bank of America, N.A.	A-1	Jan. 10, 2018	Canadian Dollar	2,164,357	US Dollar	1,710,000	0.79	0.796	15,792
JP Morgan	A-2	Jan. 10, 2018	Canadian Dollar	2,067,991	US Dollar	1,610,000	0.779	0.796	45,073
Bank of America, N.A.	A-1	Jan. 10, 2018	Canadian Dollar	2,553,650	US Dollar	1,992,000	0.78	0.796	50,761
Goldman Sachs International	A-1	Jan. 10, 2018	Canadian Dollar	2,510,623	US Dollar	1,955,000	0.779	0.796	54,222
JP Morgan	A-2	Jan. 10, 2018	Canadian Dollar	1,806,920	US Dollar	1,407,000	0.779	0.796	39,065
Goldman Sachs International	A-1	Jan. 10, 2018	Canadian Dollar	2,261,184	US Dollar	1,760,000	0.778	0.796	49,796
JP Morgan	A-2	Jan. 10, 2018	Canadian Dollar	1,161,482	US Dollar	907,000	0.781	0.796	21,863
Standard Chartered Bank	A-1	Jan. 10, 2018	Canadian Dollar	96,135	US Dollar	75,000	0.78	0.796	1,900
Bank of America, N.A.	A-1	Jan. 10, 2018	Canadian Dollar	3,971,205	US Dollar	3,098,000	0.78	0.796	78,659
Bank of America, N.A.	A-1	Jan. 10, 2018	Canadian Dollar	7,044,337	US Dollar	5,477,000	0.778	0.796	162,646
Goldman Sachs International	A-1	Jan. 10, 2018	Canadian Dollar	2,209,288	US Dollar	1,719,000	0.778	0.796	49,414
Bank of America, N.A.	A-1	Jan. 10, 2018	Canadian Dollar	3,954,256	US Dollar	3,077,000	0.778	0.796	88,095
Citigroup Global Markets Limited	A-1	Jan. 10, 2018	Canadian Dollar	1,317,796	US Dollar	1,037,000	0.787	0.796	14,836
JP Morgan	A-2	Jan. 10, 2018	Canadian Dollar	9,392,882	US Dollar	7,391,000	0.787	0.796	106,306
Bank of America, N.A.	A-1	Jan. 10, 2018	Canadian Dollar	2,064,778	US Dollar	1,617,000	0.783	0.796	33,065
JP Morgan	A-2	Jan. 10, 2018	Canadian Dollar	928,394	US Dollar	735,000	0.792	0.796	4,888
Australia & New Zealand Banking Group	A-1+	Jan. 10, 2018	Canadian Dollar	2,794,027	US Dollar	2,211,000	0.791	0.796	15,970
Goldman Sachs International	A-1	Jan. 24, 2018	US Dollar	202,870	Mexican Peso	3,887,000	19.16	19.758	7,711
Goldman Sachs International	A-1	Feb. 02, 2018	Brazilian Real	2,646,108	US Dollar	791,087	0.299	0.301	5,532
Bank of America, N.A.	A-1	Feb. 06, 2018	South African Rand	3,753,000	US Dollar	271,938	0.072	0.08	37,171
National Australia Bank Ltd.	A-1+	Feb. 15, 2018	British Pound	385,000	Canadian Dollar	648,074	1.683	1.7	6,333
Standard Chartered Bank	A-1	Feb. 15, 2018	European Euro	309,000	Canadian Dollar	464,061	1.502	1.513	3,351
National Australia Bank Ltd.	A-1+	Feb. 15, 2018	Canadian Dollar	179,815	British Pound	105,000	0.584	0.588	1,337
Citigroup Global Markets Limited	A-1	Mar. 07, 2018	Russian Ruble	49,947,500	US Dollar	826,549	0.017	0.017	37,555
BNP Paribas International	A-1	Mar. 07, 2018	Russian Ruble	92,377,830	US Dollar	1,543,544	0.017	0.017	50,595
Citigroup Global Markets Limited	A-1	Mar. 13, 2018	Indian Rupee	108,703,164	US Dollar	1,658,097	0.015	0.016	42,139
Goldman Sachs International	A-1	Mar. 14, 2018	South Korean Won	1,883,004,127	US Dollar	1,740,000	0.001	0.001	14,176
BNP Paribas International	A-1	Mar. 21, 2018	Peruvian New Sol	2,732,669	US Dollar	840,123	0.307	0.308	1,663
									9,381,705

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

Scotia Private Global Credit Pool (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 ($)
Citigroup Global Markets Limited	A-1	Jan. 03, 2018	Brazilian Real	2,646,108	US Dollar	808,762	0.306	0.302	(13,009)
Goldman Sachs International	A-1	Jan. 03, 2018	Brazilian Real	352,979	US Dollar	107,142	0.304	0.302	(801)
Goldman Sachs International	A-1	Jan. 03, 2018	US Dollar	794,150	Brazilian Real	2,646,108	3.332	3.314	(5,351)
Citigroup Global Markets Limited	A-1	Jan. 04, 2018	US Dollar	713,205	European Euro	600,000	0.841	0.833	(8,863)
Australia & New Zealand Banking Group	A-1+	Jan. 10, 2018	US Dollar	7,713,000	Canadian Dollar	9,938,941	1.289	1.256	(247,755)
National Australia Bank Ltd.	A-1+	Jan. 10, 2018	US Dollar	4,148,000	Canadian Dollar	5,254,116	1.267	1.256	(42,301)
JP Morgan	A-2	Jan. 10, 2018	US Dollar	14,095,000	Canadian Dollar	17,843,491	1.266	1.256	(133,628)
Bank of America, N.A.	A-1	Jan. 10, 2018	US Dollar	2,310,000	Canadian Dollar	2,961,265	1.282	1.256	(58,817)
Standard Chartered Bank	A-1	Jan. 10, 2018	US Dollar	2,547,000	Canadian Dollar	3,272,482	1.285	1.256	(72,247)
JP Morgan	A-2	Jan. 10, 2018	US Dollar	3,046,000	Canadian Dollar	3,887,450	1.276	1.256	(60,246)
JP Morgan	A-2	Jan. 10, 2018	US Dollar	1,097,000	Canadian Dollar	1,406,492	1.282	1.256	(28,143)
Bank of America, N.A.	A-1	Jan. 10, 2018	US Dollar	5,201,000	Canadian Dollar	6,604,875	1.27	1.256	(69,995)
JP Morgan	A-2	Jan. 10, 2018	US Dollar	1,902,000	Canadian Dollar	2,398,386	1.261	1.256	(8,596)
Citigroup Global Markets Limited	A-1	Jan. 10, 2018	Canadian Dollar	130,351	US Dollar	104,000	0.798	0.796	(322)
JP Morgan	A-2	Jan. 10, 2018	Canadian Dollar	750,950	US Dollar	600,000	0.799	0.796	(2,933)
Standard Chartered Bank	A-1	Jan. 19, 2018	Indonesian Rupiah	22,634,551,950	US Dollar	1,664,550	0	0	(105,984)
BNP Paribas International	A-1	Jan. 24, 2018	Mexican Peso	61,243,197	US Dollar	3,258,483	0.053	0.051	(200,685)
Standard Chartered Bank	A-1	Jan. 24, 2018	US Dollar	191,211	Mexican Peso	3,800,000	19.873	19.758	(1,403)
JP Morgan	A-2	Jan. 29, 2018	US Dollar	6,693,743	British Pound	5,000,000	0.747	0.74	(80,630)
JP Morgan	A-2	Jan. 29, 2018	US Dollar	2,281,113	British Pound	1,700,000	0.745	0.74	(20,832)
Citigroup Global Markets Limited	A-1	Feb. 05, 2018	US Dollar	171,798	Polish Zloty	625,000	3.638	3.48	(9,769)
Goldman Sachs International	A-1	Feb. 14, 2018	Argentina Peso	6,495,518	US Dollar	349,000	0.054	0.052	(11,628)
Bank of America, N.A.	A-1	Feb. 15, 2018	Canadian Dollar	9,791,402	European Euro	6,601,000	0.674	0.661	(193,925)
Standard Chartered Bank	A-1	Feb. 15, 2018	Canadian Dollar	13,148,639	British Pound	7,867,000	0.598	0.588	(223,563)
National Australia Bank Ltd.	A-1+	Feb. 15, 2018	Canadian Dollar	905,237	European Euro	600,000	0.663	0.661	(2,383)
Bank of America, N.A.	A-1	Feb. 15, 2018	European Euro	2,438,000	Canadian Dollar	3,690,310	1.514	1.513	(2,339)
Bank of America, N.A.	A-1	Mar. 14, 2018	US Dollar	1,683,767	Singapore Dollar	2,290,277	1.36	1.336	(38,417)
Citigroup Global Markets Limited	A-1	Mar. 14, 2018	US Dollar	1,709,245	South Korean Won	1,902,355,748	1112.98	1065.92	(94,774)
									(1,739,339)

INTEREST RATE SWAP CONTRACTS

Description	Counterparty	Currency	Termination Date	Notional Amount	Interest Rate %	Appreciation/ (Depreciation) ($)
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	Morgan Stanley and Co. LLC	BRL	Jan. 2, 2025	6,500,000	9.945%	(39,976)
Fixed to Floating Interest Rate Swap – Brazil CETIP Interbank Deposit – Variable Rate Coupon	Morgan Stanley and Co. LLC	BRL	Jan. 2, 2025	(6,500,000)	9.945%	–
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	Morgan Stanley and Co. LLC	BRL	Jan. 2, 2025	6,500,000	10.300%	25,100
Fixed to Floating Interest Rate Swap – Brazil CETIP Interbank Deposit – Variable Rate Coupon	Morgan Stanley and Co. LLC	BRL	Jan. 2, 2025	(6,500,000)	10.300%	–
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	Morgan Stanley and Co. LLC	BRL	Jan. 2, 2025	9,700,000	9.650%	(132,198)
Fixed to Floating Interest Rate Swap – Brazil CETIP Interbank Deposit – Variable Rate Coupon	Morgan Stanley and Co. LLC	BRL	Jan. 2, 2025	(9,700,000)	9.650%	–
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	Morgan Stanley and Co. LLC	BRL	Jan. 2, 2025	7,700,000	10.195%	5,567
Fixed to Floating Interest Rate Swap – Brazil CETIP Interbank Deposit – Variable Rate Coupon	Morgan Stanley and Co. LLC	BRL	Jan. 2, 2025	(7,700,000)	10.195%	–
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	Morgan Stanley and Co. LLC	GBP	Mar. 21, 2048	(3,200,000)	1.750%	–
Fixed to Floating Interest Rate Swap – GBP-LIBOR-BBA-3 Month – Variable Rate Coupon	Morgan Stanley and Co. LLC	GBP	Mar. 21, 2048	3,200,000	1.750%	(496,350)
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	Goldman Sachs Bank USA	CLP	Nov. 14, 2024	(1,679,800,000)	3.778%	–
Fixed to Floating Interest Rate Swap – SINACOFI Chile Interbank – Variable Rate Coupon	Goldman Sachs Bank USA	CLP	Nov. 14, 2024	1,679,800,000	3.778%	2,004
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	Morgan Stanley and Co. LLC	EUR	Mar. 21, 2028	(2,500,000)	1.000%	–
Fixed to Floating Interest Rate Swap – EURIBOR-EUR-6 Month – Variable Rate Coupon	Morgan Stanley and Co. LLC	EUR	Mar. 21, 2028	2,500,000	1.000%	(25,155)
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	Morgan Stanley and Co. LLC	EUR	Jun. 20, 2028	(2,600,000)	1.000%	–
Fixed to Floating Interest Rate Swap – EURIBOR-EUR-6 Month – Variable Rate Coupon	Morgan Stanley and Co. LLC	EUR	Jun. 20, 2028	2,600,000	1.000%	(5,111)
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	Morgan Stanley and Co. LLC	JPY	Mar. 20, 2028	(378,100,000)	0.300%	–
Fixed to Floating Interest Rate Swap – JPY–LIBOR–BBA – Variable Rate Coupon	Morgan Stanley and Co. LLC	JPY	Mar. 20, 2028	378,100,000	0.300%	9,043
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	Morgan Stanley and Co. LLC	MXN	Aug. 14, 2037	(80,200,000)	7.380%	–
Fixed to Floating Interest Rate Swap –Mexico Interbank TIIE 28 Day – Variable Rate Coupon	Morgan Stanley and Co. LLC	MXN	Aug. 14, 2037	80,200,000	7.380%	(405,307)
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	Morgan Stanley and Co. LLC	MXN	Aug. 21, 2037	(26,900,000)	7.360%	–
Fixed to Floating Interest Rate Swap –Mexico Interbank TIIE 28 Day – Variable Rate Coupon	Morgan Stanley and Co. LLC	MXN	Aug. 21, 2037	26,900,000	7.360%	(139,453)
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	Morgan Stanley and Co. LLC	PLN	Mar. 21, 2023	(6,100,000)	2.500%	–
Fixed to Floating Interest Rate Swap – WIBOR PLN–6 Month – Variable Rate Coupon	Morgan Stanley and Co. LLC	PLN	Mar. 21, 2023	6,100,000	2.500%	(12,668)
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	Morgan Stanley and Co. LLC	ZAR	Mar. 22, 2023	(16,200,000)	8.250%	–
Fixed to Floating Interest Rate Swap – South African JHBRG Interbank Rate – 3 Month – Variable Rate Coupon	Morgan Stanley and Co. LLC	ZAR	Mar. 22, 2023	16,200,000	8.250%	(59,440)
						(1,273,944)

The swap contracts outstanding at December 31, 2017 are placed with a financial institution with a minimum credit rating of A-1 by S&P.

With respect to the above swap contracts $1,881,000 USD of the August 15, 2047 United States Treasury Notes are held on margin. In addition, $1,571,000 USD of Mar 1, 2018 United States Treasury Bills and $561,000 USD April 26, 2018 United States Treasury Bills are pledged to the fund as collateral.

CREDIT DEFAULT SWAP CONTRACTS

Termination Date	Notional Amount ($)	Interest Rate %	Unrealized Gain (Loss)
Berkshire Hathaway Inc., Counterparty: Morgan Stanley			
12/20/2022	(2,200,000)	1.00%	61,930
12/20/2022	(1,000,000)	1.00%	28,150
Enbridge Inc., Counterparty: Morgan Stanley			
12/20/2022	(300,000)	1.00%	1,864
			91,944

The swap contracts outstanding at December 31, 2017 are placed with a financial institution with a minimum credit rating of A-1+ by S&P.

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

Scotia Private Global Credit Pool (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	December 31, 2017 ($)	December 31, 2016 ($)
Less than 1 year	45,553,771	–
1-3 years	18,152,172	–
3-5 years	58,158,794	–
5-10 years	175,588,860	–
> 10 years	115,813,679	–
	413,267,276	–

As at December 31, 2017, 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 would have decreased or increased, respectively, by $7,554,699 or approximately 1.8% (December 31, 2016 – nil 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.

	December 31, 2017			
Currency	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 $79,790 or 0.0% of net assets (December 31, 2016 – $0 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 December 31, 2017 and December 31, 2016.

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.

	December 31, 2017		December 31, 2016	
Credit ratings	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+	7.5	7.4	–	–
A-1	0.9	0.9	–	–
Bond Credit Rating				
AAA	18.7	18.4	–	–
AA	1.2	1.0	–	–
A	15.3	14.9	–	–
BBB	41.0	40.5	–	–
BB	8.0	7.8	–	–
B	5.9	5.7	–	–
CCC	0.1	0.1	–	–
NOT RATED	1.4	1.3	–	–
	100.0	98.0	–	–

Scotia Private Global Credit Pool (Continued)

FUND SPECIFIC NOTES
For the periods indicated in Note 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 (%)	
	December 31, 2017	December 31, 2016
Argentina	0.8	–
Australia	1.0	–
Bermuda	0.4	–
Brazil	2.2	–
Canada	2.5	–
Cayman Islands	0.6	–
Chile	0.2	–
China	0.3	–
Commercial Paper	2.7	–
Denmark	0.1	–
France	0.3	–
Germany	1.4	–
Hong Kong	0.3	–
India	0.1	–
Ireland	1.2	–
Israel	0.5	–
Italy	0.5	–
Japan	1.0	–
Kuwait	0.3	–
Luxembourg	0.5	–
Mexico	1.6	–
Netherlands	1.6	–
Panama	0.1	–
Poland	0.1	–
Russia	0.1	–
Saudi Arabia	0.5	–
Short-Term Deposits	0.7	–
Singapore	0.2	–
South Africa	0.2	–
Switzerland	3.0	–
Treasury Bills	2.2	–
United Arab Emirates	0.3	–
United Kingdom	7.8	–
United States	62.7	–

Fair Value Classification (note 2)

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

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 December 31, 2017 and December 31, 2016, there were no significant transfers between Level 1 and Level 2.

Offsetting of financial assets and liabilities (note 2)

The following tables present 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.

	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	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	1,315,658	(131,654)	–	1,184,004
	3,089,107	(953,101)	–	2,136,006

	December 31, 2016			
Financial assets – by type	Gross amount of assets ($)	Master netting offset ($)	Collateral pledged/ received ($)	Net Amount ($)
Currency forward contracts	–	–	–	–
Options contracts – OTC	–	–	–	–
Swap contracts – OTC	–	–	–	–
	–	–	–	–

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 December 31, 2017 or December 31, 2016.

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

As at December 31, 2017 or December 31, 2016, 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

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	December 31, 2017	December 31, 2016
ASSETS		
Current assets		
Investments		
Non-derivative financial assets	2,801,943,867	2,669,906,263
Unrealized gain on currency forward contracts	7,387,109	181,224
Unrealized gain on swap contracts	605,304	602,115
Cash*	157,994,153	195,555,107
Subscriptions receivable	2,178,791	3,572,929
Accrued investment income and other	5,116,620	3,804,636
	2,975,225,844	2,873,622,274
LIABILITIES		
Current liabilities		
Payable for securities purchased	–	10,853,455
Redemptions payable	1,912,888	4,574,953
Accrued expenses	–	113,932
Distributions payable	1,044,486	536,105
Liability for written options	478,563	872,894
Unrealized loss on currency forward contracts	18,687	540,792
Unrealized loss on currency spot contracts	–	16,851
	3,454,624	17,508,982
Net assets attributable to holders of redeemable units	2,971,771,220	2,856,113,292
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
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
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series A	11.25	10.94
Advisor Series	10.85	10.53
Series D	9.97	9.62
Series F	11.98	11.65

* $17,720,788 held by brokers as collateral for derivatives (December 31, 2016 – $35,841,990).

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except average units)	2017	2016
INCOME		
Net gain (loss) on investments		
Dividends	46,843,423	36,166,836
Interest for distribution purposes	40,177,998	48,137,943
Net realized gain (loss) on non-derivative financial assets	104,155,045	61,392,980
Net realized gain (loss) on option contracts	5,264,207	7,435,649
Net realized gain (loss) on currency forward contracts	(755,473)	(22,336,961)
Net realized gain (loss) on futures contracts	(1,881,147)	–
Net realized gain (loss) on swap contracts	830,589	(681,729)
Change in unrealized gain (loss) on non-derivative financial assets	37,544,855	39,424,644
Change in unrealized gain (loss) on option contracts	274,942	(265,605)
Change in unrealized gain (loss) on currency forward contracts	7,727,990	1,069,319
Change in unrealized gain (loss) on currency spots contracts	16,851	(16,851)
Change in unrealized gain (loss) on swap contracts	3,189	602,115
Net gain (loss) on investments	240,202,469	170,928,340
Securities lending (note 11)	51,740	52,689
Net realized and unrealized foreign currency translation gain (loss)	(8,894,983)	(2,168,007)
Other income	39,798	25,512
Total income (loss), net	231,399,024	168,838,534
EXPENSES		
Management fees (note 5)	36,429,205	35,325,990
Fixed administration fees and operating expense (note 6)	1,752,730	1,710,745
Independent Review Committee fees	1,135	1,184
Interest expense and bank overdraft charges	6,180	–
Foreign withholding taxes/tax reclaims	2,943,363	2,050,176
Other fund costs	–	487
Harmonized Sales Tax/Goods and Services Tax	4,268,892	4,123,351
Transaction costs	1,785,846	1,160,130
Total expenses	47,187,351	44,372,063
Expenses absorbed by the Manager	(2,744)	(14,233)
Net expenses	47,184,607	44,357,830
Increase (decrease) in net assets attributable to holders of redeemable units from operations	184,214,417	124,480,704
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A	183,803,644	124,284,938
Advisor Series	83,411	73,274
Series D	59,079	5,969
Series F	268,283	116,523
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT†		
Series A	0.70	0.48
Advisor Series	0.71	0.42
Series D	0.87	0.60
Series F	0.81	0.56
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series A	262,547,426	259,285,114
Advisor Series	118,142	172,559
Series D	67,573	9,882
Series F	332,114	207,387

† 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 Diversified Monthly Income Fund (Continued)

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

For the periods ended December 31 (note 1),

(in dollars)	2017	2016
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series A	2,851,243,861	2,790,607,998
Advisor Series	1,475,389	2,539,011
Series D	114,831	15,446
Series F	3,279,211	1,980,687
	2,856,113,292	2,795,143,142
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A	183,803,644	124,284,938
Advisor Series	83,411	73,274
Series D	59,079	5,969
Series F	268,283	116,523
	184,214,417	124,480,704
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net investment income		
Series A	(39,107,016)	(40,217,431)
Advisor Series	(16,656)	(14,754)
Series D	(11,204)	(2,082)
Series F	(79,911)	(75,468)
From net realized gains on investments		
Series A	(62,997,742)	(3,328,772)
Advisor Series	(27,504)	(1,727)
Series D	(13,749)	(128)
Series F	(84,715)	(3,827)
From return of capital		
Series A	–	(49,684,109)
Advisor Series	–	(44,289)
Series D	(1,734)	(1,458)
	(102,340,231)	(93,374,045)
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A	358,374,913	339,577,305
Series D	1,505,867	156,346
Series F	2,642,657	1,830,564
Reinvested distributions		
Series A	95,280,046	89,717,194
Advisor Series	13,057	17,035
Series D	20,584	3,668
Series F	120,842	59,991
Payments on redemption		
Series A	(421,910,231)	(399,713,262)
Advisor Series	(607,974)	(1,093,161)
Series D	(316,991)	(62,930)
Series F	(1,339,028)	(629,259)
	33,783,742	29,863,491
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A	113,443,614	60,635,863
Advisor Series	(555,666)	(1,063,622)
Series D	1,241,852	99,385
Series F	1,528,128	1,298,524
	115,657,928	60,970,150
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END 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
	2,971,771,220	2,856,113,292

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	184,214,417	124,480,704
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(104,155,045)	(61,392,980)
Net realized (gain) loss on option contracts	(5,264,207)	(7,435,649)
Unrealized foreign currency translation (gain) loss	(1,124,283)	3,364,816
Change in unrealized (gain) loss on non-derivative financial assets	(37,544,855)	(39,424,644)
Change in unrealized (gain) loss on option contracts	(274,942)	265,603
Change in unrealized (gain) loss on currency forward contracts	(7,727,990)	(1,069,319)
Change in unrealized (gain) loss on currency spot contracts	(16,851)	16,851
Change in unrealized (gain) loss on swap contracts	(3,189)	(602,115)
Non-cash transactions	(36,768,025)	(46,939,810)
Purchases of portfolio investments	(1,248,611,666)	(907,069,672)
Proceeds from sale of portfolio investments	1,289,333,350	890,576,430
Accrued investment income and other	(1,311,984)	(741,431)
Accrued expenses and other payables	(113,932)	113,932
Net cash provided by (used in) operating activities	30,630,798	(45,857,284)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	361,238,728	338,604,327
Amounts paid on redemption of redeemable units	(424,157,443)	(396,444,401)
Distributions to unitholders of redeemable units	(6,397,320)	(10,187,984)
Net cash provided by (used in) financing activities	(69,316,035)	(68,028,058)
Unrealized foreign currency translation gain (loss)	1,124,283	(3,364,816)
Net increase (decrease) in cash	(38,685,237)	(113,885,342)
Cash (bank overdraft), beginning of period	195,555,107	312,805,265
CASH (BANK OVERDRAFT), END OF PERIOD	157,994,153	195,555,107
Interest paid[1]	6,180	–
Interest received[1]	3,438,759	1,806,028
Dividends received, net of withholding taxes[1]	42,714,490	32,767,333

[1] Classified as operating items.

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

Scotia Diversified Monthly Income Fund (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2017

Issuer		Number of Units/ Face Value ($)/ Number of Shares/ Number of Contracts	Average Cost ($)	Carrying Value ($)
FIXED INCOME FUNDS – 34.5%				
Scotia Canadian Income Fund Series I		51,108,527	693,277,574	685,120,021
Scotia Private Canadian Corporate Bond Pool Series I		32,069,958	335,789,411	342,359,635
			1,029,066,985	1,027,479,656
FOREIGN EQUITY FUNDS – 1.0%				
Scotia Private Options Income Pool Series I		2,778,297	28,055,424	28,789,266
BONDS AND DEBENTURES – 0.5%				
Corporate Bonds – 0.5%				
Hydro One Ltd. 4.00% Sep 30, 2027		27,102,000	9,507,328	10,095,495
Timbercreek 8.00% Apr 12, 2021*	EUR	3,429,000	5,070,908	5,167,737
			14,578,236	15,263,232
TOTAL BONDS AND DEBENTURES			14,578,236	15,263,232
EQUITIES – 58.2%				
Consumer Discretionary – 3.1%				
Comcast Corporation, Class A		295,100	3,852,239	14,843,207
Home Depot Inc., The		127,000	16,401,857	30,229,968
MGM Resorts International		526,000	22,729,616	22,057,596
Starbucks Corporation		371,000	28,237,790	26,758,929
			71,221,502	93,889,700
Consumer Staples – 4.5%				
British American Tobacco PLC – ADR		267,000	21,645,681	22,463,491
British American Tobacco PLC		94,000	7,407,959	7,970,843
Coca-Cola Company, The		402,600	23,138,531	23,198,141
Costco Wholesale Corporation		155,200	32,261,479	36,277,786
Loblaw Companies Limited		443,200	23,971,289	30,235,104
Mondelez International, Inc.		273,000	14,711,472	14,674,470
			123,136,411	134,819,835
Energy – 6.6%				
Canadian Natural Resources Ltd.		680,700	27,417,004	30,577,044
Enbridge Inc.		610,888	27,397,568	30,031,254
Pembina Pipeline Corporation		719,071	23,058,844	32,724,921
Royal Dutch Shell PLC, Class A – ADR		4,411	423,968	369,559
Royal Dutch Shell PLC, Class B – ADR		323,100	25,915,446	27,710,865
Suncor Energy, Inc.		669,900	29,642,555	30,915,885
TransCanada Corporation		712,300	34,172,810	43,578,514
			168,028,195	195,908,042
Financials – 12.3%				
Bank of America Corporation		652,100	19,936,510	24,176,118
Bank of Nova Scotia, The		562,600	35,828,793	45,638,112
Blackstone Group LP, Written Put Options $32.00 Jan 19, 2018		(3,582)	(377,427)	(227,182)
Blackstone Mortgage Trust Inc.		360,000	14,628,204	14,549,382
Brookfield Asset Management Inc., Class A		493,800	18,019,240	27,020,736
Canadian Imperial Bank of Commerce		421,700	41,729,489	51,675,118
Charles Schwab Corporation, The		260,000	14,728,015	16,774,088
Citigroup Inc.		315,400	27,006,388	29,474,673
JPMorgan Chase & Co.		236,500	19,769,381	31,763,426
Prudential PLC		975,200	26,237,488	31,501,595
Royal Bank of Canada		434,000	34,835,951	44,550,100
Sun Life Financial Inc.		300,000	14,388,455	15,564,000
Toronto-Dominion Bank, The		446,000	28,363,959	32,847,900
			295,094,446	365,308,066
Health Care – 3.8%				
Allergan PLC		125,800	32,315,221	25,844,424
Bayer AG		91,800	12,190,135	14,341,087
Johnson & Johnson		88,000	14,144,777	15,441,776
Medtronic PLC		224,700	20,596,739	22,787,759
Pfizer Inc.		491,800	22,038,626	22,371,391

Issuer	Number of Shares/ Number of Contracts	Average Cost ($)	Carrying Value ($)
EQUITIES (cont'd)			
Health Care (cont'd)			
Shire PLC – ADR	69,000	15,198,519	13,442,279
		116,484,017	114,228,716
Industrials – 4.9%			
Assa Abloy AB, Class B	544,000	14,716,554	14,205,108
Canadian Pacific Railway Limited	184,000	33,990,129	42,257,440
Honeywell International Inc.	167,500	14,538,881	32,261,378
Raytheon Company	60,900	11,344,405	14,367,609
Southwest Airlines Company	211,000	14,530,245	17,343,954
United Technologies Corporation	148,000	21,755,380	23,711,896
		110,875,594	144,147,385
Information Technology – 9.0%			
Apple Inc.	136,500	23,882,825	29,011,221
Broadcom Ltd.	89,000	30,414,858	28,715,086
Intel Corporation	516,000	29,644,392	29,913,795
MasterCard, Inc., Class A	84,400	10,057,369	16,043,886
Microsoft Corporation	432,200	32,276,137	46,431,212
NVIDIA Corporation	29,500	7,458,060	7,169,007
NVIDIA Corporation, Written Put Options $190.00 Jan 19, 2018	(576)	(613,468)	(251,381)
Oracle Corporation	590,300	33,818,967	35,051,471
Tencent Holdings Limited	443,000	26,352,210	28,762,123
Texas Instruments Incorporated	225,900	22,741,566	29,630,508
Visa Inc.	113,900	11,264,549	16,310,256
		227,297,465	266,787,184
Materials – 4.0%			
Albemarle Corporation	180,000	30,474,917	28,911,132
DowDuPont Inc.	325,500	29,255,816	29,114,476
Glencore PLC	2,482,800	13,397,239	16,412,247
PPG Industries, Inc.	102,300	13,896,202	15,008,899
Rio Tinto PLC – Sponsored ADR	159,070	9,352,135	10,574,167
Sherwin-Williams Company, The	34,000	14,528,932	17,508,992
		110,905,241	117,529,913
Real Estate – 3.8%			
American Tower Corporation	135,300	18,421,411	24,243,006
Canadian Apartment Properties Real Estate Investment Trust	939,678	24,332,071	35,068,783
First Capital Realty, Inc.	1,095,678	17,993,571	22,702,448
Smart Real Estate Investment Trust	488,500	13,525,053	15,099,535
Weyerhaeuser Company	323,900	13,208,825	14,343,306
		87,480,931	111,457,078
Telecommunication Services – 3.2%			
BCE Inc.	826,100	39,975,769	49,879,918
Rogers Communications, Inc., Class B	483,000	21,748,062	30,936,150
Verizon Communications Inc.	229,000	13,422,079	15,222,759
		75,145,910	96,038,827
Utilities – 3.0%			
Fortis Inc.	899,300	32,450,777	41,466,723
National Grid PLC	1,681,166	28,623,327	24,812,547
NextEra Energy, Inc.	120,000	16,859,857	23,539,134
		77,933,961	89,818,404
TOTAL EQUITIES		1,463,603,673	1,729,933,150
Transaction Costs		(852,609)	
TOTAL INVESTMENT PORTFOLIO		2,534,451,709	2,801,465,304
Unrealized Gain (Loss) on Derivatives – 0.3%			7,973,726
OTHER ASSETS, LESS LIABILITIES – 5.5%			162,332,190
NET ASSETS – 100.0%			2,971,771,220

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

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

Scotia Diversified Monthly Income Fund (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	Feb. 07, 2018	Canadian Dollar	73,588,027	US Dollar	57,720,627	0.784	0.795	1,021,802
Morgan Stanley & Co. LLC	A-1	Feb. 07, 2018	Canadian Dollar	93,649,450	US Dollar	73,471,870	0.785	0.795	1,280,802
Bank of Nova Scotia, The	A-1	Feb. 07, 2018	Canadian Dollar	92,683,867	US Dollar	72,705,489	0.784	0.795	1,278,711
Toronto-Dominion Bank, The	A-1+	Feb. 07, 2018	Canadian Dollar	7,398,259	Swedish Krona	47,920,000	6.477	6.503	29,148
Toronto-Dominion Bank, The	A-1+	Feb. 07, 2018	Canadian Dollar	97,144,713	US Dollar	76,176,398	0.784	0.795	1,375,939
Toronto-Dominion Bank, The	A-1+	Feb. 07, 2018	Canadian Dollar	10,413,906	European Euro	6,830,000	0.656	0.661	85,764
Toronto-Dominion Bank, The	A-1+	Feb. 07, 2018	Canadian Dollar	12,518,688	Hong Kong Dollar	76,533,000	6.113	6.211	196,181
Toronto-Dominion Bank, The	A-1+	Feb. 07, 2018	Canadian Dollar	42,174,743	British Pound	24,750,000	0.587	0.588	110,805
Canadian Imperial Bank of Commerce	A-1	Feb. 07, 2018	Canadian Dollar	28,573,831	US Dollar	22,280,138	0.78	0.795	563,298
Canadian Imperial Bank of Commerce	A-1	Feb. 07, 2018	Canadian Dollar	22,314,337	US Dollar	17,406,246	0.78	0.795	431,249
Toronto-Dominion Bank, The	A-1+	Feb. 07, 2018	Canadian Dollar	22,329,220	US Dollar	17,406,246	0.78	0.795	446,132
Bank of Nova Scotia, The	A-1	Feb. 07, 2018	Canadian Dollar	10,747,268	US Dollar	8,372,624	0.779	0.795	221,226
Canadian Imperial Bank of Commerce	A-1	Feb. 07, 2018	Canadian Dollar	10,940,312	US Dollar	8,592,957	0.785	0.795	137,269
Toronto-Dominion Bank, The	A-1+	Feb. 07, 2018	Canadian Dollar	10,956,776	US Dollar	8,592,957	0.784	0.795	153,733
Bank of Nova Scotia, The	A-1	Feb. 07, 2018	Canadian Dollar	5,595,073	US Dollar	4,406,645	0.788	0.795	55,050
									7,387,109

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+	Feb. 07, 2018	British Pound	530,000	Canadian Dollar	919,484	1.735	1.7	(18,687)
									(18,687)

EQUITY SWAP CONTRACTS

Number of Units	Termination Date	Notional Amount (U.S. $)	Variable Rate %	Appreciation/ (Depreciation) ($)
Enterprise Products Partners, Variable 1 month USD – LIBOR, Counterparty: Goldman Sachs				
92,600	3/21/2018	2,415,934	2.10%	47,079
110,000	3/22/2018	2,869,900	2.10%	55,925
30,100	4/23/2018	785,309	2.10%	15,303
147,700	4/24/2018	3,853,493	2.10%	75,092
233,300	4/25/2018	6,086,797	2.10%	118,612
302,300	8/23/2018	7,887,007	2.10%	153,693
86,900	11/16/2018	2,747,622	1.88%	36,814
96,924	11/19/2018	3,081,892	1.89%	19,435
57,901	11/21/2018	1,846,110	1.91%	5,585
35,771	11/23/2018	1,133,655	1.93%	12,296
50,664	11/27/2018	1,589,760	1.95%	37,579
44,540	11/29/2018	1,401,825	1.96%	27,891
				605,304

The swap contracts outstanding at December 31, 2017 are placed with a financial institution with a minimum credit rating of A-1 by S&P.

Scotia Diversified Monthly Income Fund (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. The majority of the Fund's financial instruments were non-interest bearing as at December 31, 2016. Accordingly, the Fund is not directly subject to significant risk due to fluctuations in the prevailing levels of market interest rates.

Interest rate exposure	December 31, 2017 ($)	December 31, 2016 ($)
Less than 1 year	–	–
1-3 years	–	–
3-5 years	5,167,737	–
5-10 years	10,095,495	–
> 10 years	–	–
	15,263,232	–

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.

	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

	December 31, 2016			
Currency	Gross currency exposure ($)	Currency contracts ($)	Net exposure ($)	Percentage of net assets (%)
US Dollar	843,009,584	(122,117,991)	720,891,593	25.2
British Pound	44,614,256	(32,237,790)	12,376,466	0.4
European Euro	30,008,050	(26,205,822)	3,802,228	0.1
	917,631,890	(180,561,603)	737,070,287	25.7

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 $62,146,995 or 2.1% of net assets (December 31, 2016 – $73,707,029 or 2.6%). 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 December 31, 2017, approximately 93.7% (December 31, 2016 – 93.5%) 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 of the Fund would have decreased or increased, respectively, by approximately $278,680,738 (December 31, 2016 – $266,963,548). 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.

	December 31, 2017		December 31, 2016	
Credit ratings	Percentage of total credit rated instruments (%)	Percentage of net assets (%)	Percentage of total credit rated instruments (%)	Percentage of net assets (%)
NOT RATED	100.0	0.5	–	–
	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 the Fund's concentration risk by carrying value as a percentage of net assets:

	Percentage of net assets (%)	
	December 31, 2017	December 31, 2016
Consumer Discretionary	3.1	4.0
Consumer Staples	4.5	5.0
Corporate Bonds	0.5	–
Energy	6.6	4.0
Financials	12.3	11.3
Fixed Income Funds	34.5	41.0
Foreign Equity Funds	1.0	2.0
Health Care	3.8	6.1
Industrials	4.9	2.7
Information Technology	9.0	4.2
Materials	4.0	–
Real Estate	3.8	4.8
Telecommunication Services	3.2	4.2
Utilities	3.0	4.2

Scotia Diversified Monthly Income Fund (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.

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

December 31, 2016	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Equities	1,366,416,003	74,622,297	–	1,441,038,300
Underlying funds	1,228,867,962	–	–	1,228,867,962
Unrealized gain on currency forward contracts	–	181,224	–	181,224
Unrealized gain on swap contracts	–	602,115	–	602,115
	2,595,283,965	75,405,636	–	2,670,689,601
Liability for written options	(872,894)	–	–	(872,894)
Unrealized loss on currency forward contracts	–	(540,792)	–	(540,792)
Unrealized loss on currency spot contracts	–	(16,851)	–	(16,851)
	2,594,411,071	74,847,993	–	2,669,259,064

Transfers between levels

During the periods ended December 31, 2017 and December 31, 2016, 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:

	December 31, 2017 ($)	December 31, 2016 ($)
Beginning of period	–	–
Purchases	5,070,908	–
Sales	–	–
Transfers into Level 3	–	–
Transfers out of Level 3	–	–
Net realized gains (losses)	–	–
Net changes in unrealized gain (loss)*	96,829	–
End of period	5,167,737	–

* Net change in unrealized gain (loss) for Level 3 financial instruments held as at December 31, 2017 and December 31, 2016 was $96,829 and nil, respectively.

Level 3 valuation techniques

The table below summarizes the valuation techniques and the significant unobservable inputs used in the fair value measurement of Level 3 financial instruments. The significant unobservable inputs used in valuation of Level 3 financial instruments can vary considerably over 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 December 31, 2017 ($)	Reasonable possible shift (+/-) ($)
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 tables present 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.

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

	December 31, 2016			
Financial assets – by type	Gross amount of assets ($)	Master netting offset ($)	Collateral pledged/ received ($)	Net Amount ($)
Currency forward contracts	181,224	(181,224)	–	–
Options contracts – OTC	–	–	–	–
Swap contracts – OTC	602,115	–	–	602,115
	783,339	(181,224)	–	602,115

Scotia Diversified Monthly Income Fund (Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

Financial liabilities – by type	Gross amount of liabilities ($)	Master netting offset ($)	Collateral pledged/ received ($)	Net Amount ($)
Currency forward contracts	540,792	(181,224)	–	359,568
Options contracts – OTC	–	–	–	–
Swap contracts – OTC	–	–	–	–
	540,792	(181,224)	–	359,568

Interest in Underlying Funds (note 2)

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

	December 31, 2017	
Underlying Fund	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	

	December 31, 2016	
Underlying Fund	Carrying value of the Underlying Fund ($)	Ownership percentage in Underlying Fund (%)
Scotia Canadian Income Fund Series I	709,219,281	11.3
Scotia Private Canadian Corporate Bond Pool Series I	462,005,163	8.4
Scotia Private Options Income Pool Series I	57,643,518	7.2
	1,228,867,962	

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

As at December 31, 2017 or December 31, 2016, there were no differences between the net asset value per unit and the net assets per unit for any series of the Fund.

Scotia Income Advantage Fund

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	December 31, 2017	December 31, 2016
ASSETS		
Current assets		
Investments		
Non-derivative financial assets	192,938,633	196,027,999
Unrealized gain on currency forward contracts	696,110	14,056
Unrealized gain on swap contracts	86,430	48,773
Cash*	23,829,593	29,068,449
Receivable for securities sold	148,027	–
Subscriptions receivable	174,969	188,219
Accrued investment income and other	699,866	729,722
	218,573,628	226,077,218
LIABILITIES		
Current liabilities		
Payable for securities purchased	–	951,135
Redemptions payable	241,587	174,685
Accrued expenses	–	11,866
Distributions payable	328,177	134,344
Liability for written options	35,264	68,566
Unrealized loss on currency forward contracts	1,058	40,575
Unrealized loss on currency spot contracts	–	1,320
	606,086	1,382,491
Net assets attributable to holders of redeemable units	217,967,542	224,694,727
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
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
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series A	11.05	10.82
Series D	10.46	10.19
Series K	10.16	9.94
Series M	11.30	11.08

* $3,101,588 held by brokers as collateral for derivatives (December 31, 2016 – $2,586,045).

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except average units)	2017	2016
INCOME		
Net gain (loss) on investments		
Dividends	4,498,299	3,748,558
Interest for distribution purposes	1,960,855	2,160,735
Net realized gain (loss) on non-derivative financial assets	11,126,119	1,592,168
Net realized gain (loss) on option contracts	403,030	899,320
Net realized gain (loss) on currency forward contracts	87,478	(2,210,931)
Net realized gain (loss) on futures contracts	(144,406)	–
Net realized gain (loss) on swap contracts	150,037	(54,755)
Change in unrealized gain (loss) on non-derivative financial assets	4,623	5,374,626
Change in unrealized gain (loss) on option contracts	19,897	(96,272)
Change in unrealized gain (loss) on currency forward contracts	721,571	333,765
Change in unrealized gain (loss) on currency spots contracts	1,320	(1,320)
Change in unrealized gain (loss) on swap contracts	37,657	83,945
Net gain (loss) on investments	18,866,480	11,829,839
Securities lending (note 11)	11,772	7,226
Net realized and unrealized foreign currency translation gain (loss)	(1,072,953)	(642,011)
Other income	2,524	2,505
Total income (loss), net	17,807,823	11,197,559
EXPENSES		
Management fees (note 5)	3,364,308	3,828,740
Fixed administration fees (note 6)	149,178	152,289
Independent Review Committee fees	1,135	1,184
Interest expense and bank overdraft charges	224	161
Foreign withholding taxes/tax reclaims	261,573	207,049
Other fund costs	3,463	3,828
Harmonized Sales Tax/Goods and Services Tax	358,750	404,276
Transaction costs	149,734	125,692
Total expenses	4,288,365	4,723,219
Increase (decrease) in net assets attributable to holders of redeemable units from operations	13,519,458	6,474,340
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A	12,020,557	5,461,354
Series D	572	96
Series K	81	17
Series M	1,498,248	1,012,873
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT†		
Series A	0.65	0.29
Series D	0.65	0.60
Series K	0.78	0.17
Series M	0.88	0.51
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series A	18,492,879	19,088,254
Series D	886	160
Series K	104	101
Series M	1,706,902	1,967,766

† 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 Income Advantage Fund (Continued)

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

For the periods ended December 31 (note 1),

(in dollars)	2017	2016
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series A	203,167,018	209,763,779
Series D	5,062	–
Series K	1,017	–
Series M	21,521,630	20,935,111
	224,694,727	230,698,890
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A	12,020,557	5,461,354
Series D	572	96
Series K	81	17
Series M	1,498,248	1,012,873
	13,519,458	6,474,340
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net investment income		
Series A	(1,710,043)	(611,688)
Series D	(174)	(7)
Series K	(27)	(10)
Series M	(503,058)	(487,098)
From net realized gains on investments		
Series A	(5,879,746)	–
Series D	(264)	–
Series K	(31)	–
Series M	(560,847)	–
From return of capital		
Series A	(156,511)	(7,383,075)
Series D	(99)	(36)
Series K	–	(13)
Series M	–	(508,981)
	(8,810,800)	(8,990,908)
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A	20,629,585	25,299,287
Series D	83,617	4,966
Series K	–	1,000
Series M	403,487	3,470,960
Reinvested distributions		
Series A	7,143,851	7,473,023
Series D	538	43
Series K	58	23
Payments on redemption		
Series A	(34,092,789)	(36,835,662)
Series D	(3,160)	–
Series M	(5,601,030)	(2,901,235)
	(11,435,843)	(3,487,595)
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A	(2,045,096)	(6,596,761)
Series D	81,030	5,062
Series K	81	1,017
Series M	(4,763,200)	586,519
	(6,727,185)	(6,004,163)
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END 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
	217,967,542	224,694,727

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	13,519,458	6,474,340
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(11,126,119)	(1,592,168)
Net realized (gain) loss on option contracts	(403,030)	(899,320)
Unrealized foreign currency translation (gain) loss	(350,415)	603,664
Change in unrealized (gain) loss on non-derivative financial assets	(4,623)	(5,374,626)
Change in unrealized (gain) loss on option contracts	(19,897)	96,272
Change in unrealized (gain) loss on currency forward contracts	(721,571)	(333,765)
Change in unrealized (gain) loss on currency spot contracts	(1,320)	1,320
Change in unrealized (gain) loss on swap contracts	(37,657)	(83,945)
Non-cash transactions	(833,700)	(1,006,455)
Purchases of portfolio investments	(123,510,517)	(124,062,952)
Proceeds from sale of portfolio investments	137,854,788	112,929,414
Margin deposited on derivatives	–	21
Accrued investment income and other	29,856	(1,912)
Accrued expenses and other payables	(11,866)	11,866
Net cash provided by (used in) operating activities	14,383,387	(13,238,246)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	21,128,939	28,704,884
Amounts paid on redemption of redeemable units	(39,629,077)	(39,864,960)
Distributions to unitholders of redeemable units	(1,472,520)	(2,572,071)
Net cash provided by (used in) financing activities	(19,972,658)	(13,732,147)
Unrealized foreign currency translation gain (loss)	350,415	(603,664)
Net increase (decrease) in cash	(5,589,271)	(26,970,393)
Cash (bank overdraft), beginning of period	29,068,449	56,642,506
CASH (BANK OVERDRAFT), END OF PERIOD	23,829,593	29,068,449
Interest paid[1]	224	161
Interest received[1]	1,832,206	2,029,189
Dividends received, net of withholding taxes[1]	3,567,642	2,670,041

[1] Classified as operating items.

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

Scotia Income Advantage Fund (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2017

Issuer		Number of Units/ Face Value ($)	Average Cost ($)	Carrying Value ($)
FIXED INCOME FUNDS – 10.0%				
Dynamic Credit Spectrum Fund Series O		612,768	5,384,978	5,410,737
Dynamic High Yield Bond Fund Series O		1,757,743	5,543,750	5,413,846
Scotia Total Return Bond LP Series I		906,806	11,411,734	10,938,343
			22,340,462	21,762,926
FOREIGN EQUITY FUNDS – 1.0%				
Scotia Private Options Income Pool Series I		216,713	2,194,641	2,245,620
BONDS AND DEBENTURES – 15.5%				
Corporate Bonds – 15.4%				
Aetna Inc. (Callable) 2.75% Aug 15, 2022	USD	189,000	232,803	235,099
Aetna Inc. (Callable) 2.80% Apr 15, 2023	USD	178,000	238,826	221,902
Alectra Inc. (Callable) 2.49% Feb 17, 2027		238,000	238,000	231,259
Algonquin Power Company (Callable) 4.09% Nov 17, 2026		67,000	66,952	69,242
Alimentation Couche-Tard Inc. (Callable) 3.06% May 26, 2024		95,000	95,000	94,562
Alliance Pipeline LP 4.93% Dec 16, 2019		265,000	282,647	273,578
Alliance Pipeline LP 6.77% Dec 31, 2025		25,136	28,945	28,658
AltaGas Ltd. (Callable) 3.84% Oct 15, 2024		180,000	184,052	184,775
AltaGas Ltd. (Callable) 3.98% Jul 04, 2027		77,000	76,968	78,406
AltaGas Ltd. 3.72% Sep 28, 2021		113,000	110,631	116,620
AltaGas Ltd. 4.55% Jan 17, 2019		139,000	149,356	142,317
AltaLink Investments LP (Callable) 2.24% Dec 07, 2021		352,000	346,975	347,443
AltaLink Investments LP (Callable) 3.67% Mar 05, 2019		110,000	119,252	111,933
AltaLink LP 3.62% Sep 17, 2020		173,000	189,643	179,478
AltaLink LP 3.67% Nov 06, 2023		752,000	832,559	798,629
Amazon.com Inc. 2.80% Aug 22, 2024	USD	49,000	62,077	61,347
Anheuser-Busch North American Holding Corporation 3.75% Jan 15, 2022	USD	600,000	782,687	774,803
Apple Inc. (Callable) 2.75% Nov 13, 2024	USD	240,000	305,018	299,197
Bank of America Corporation (Callable) 3.41% Sep 20, 2024		120,000	120,000	122,114
Bank of America Corporation 3.23% Jun 22, 2022		49,000	50,371	49,994
Bank of America Corporation 4.10% Jul 24, 2023	USD	272,000	378,374	361,535
Bank of Montreal (Callable) 3.12% Sep 19, 2019		155,000	157,091	156,606
Bank of Montreal (Floating Rate) 3.40% Apr 23, 2021		510,000	551,219	526,431
Bank of Montreal 1.61% Oct 28, 2021		392,000	385,406	380,408
Bank of Montreal 2.10% Oct 06, 2020		83,000	82,992	82,601
Bank of Montreal 2.70% Sep 11, 2024		120,000	119,984	119,959
Bank of Nova Scotia, The 1.90% Dec 02, 2021		470,000	469,868	460,392
Bank of Nova Scotia, The 2.29% Jun 28, 2024		330,000	329,980	321,795
Bank of Nova Scotia, The 2.87% Jun 04, 2021		33,000	34,772	33,505
bcIMC Realty Corporation (Callable) 3.00% Dec 31, 2026		203,000	206,680	203,552
bcIMC Realty Corporation 2.10% Jun 03, 2021		160,000	160,681	158,459
bcIMC Realty Corporation 3.51% Jun 29, 2022		244,000	245,273	253,988
Bell Canada (Callable) 2.70% Dec 27, 2023		69,000	69,753	67,869
Bell Canada (Callable) 4.70% Jun 11, 2023		400,000	426,783	435,883
Bell Canada 2.00% Oct 01, 2021		213,000	209,541	208,581
Bell Canada 4.95% May 19, 2021		256,000	275,238	275,714
Boston Properties LP (Callable) 4.13% Feb 15, 2021	USD	228,000	265,980	299,585
Boston Properties LP (Callable) 5.63% Aug 15, 2020	USD	131,000	164,624	178,557
Brookfield Asset Management Inc. (Callable) 4.82% Oct 28, 2025		252,000	275,101	273,139
Brookfield Asset Management Inc. (Callable) 5.04% Dec 08, 2023		125,000	133,050	137,093
Brookfield Asset Management Inc. 4.54% Mar 31, 2023		271,000	273,209	289,883
Brookfield Infrastructure Finance ULC (Callable) 3.32% Dec 22, 2023		255,000	258,511	254,012
Brookfield Infrastructure Finance ULC (Callable) 3.45% Feb 11, 2022		386,000	391,152	392,624
Brookfield Renewable Energy Partners ULC (Callable) 3.63% Oct 15, 2026		339,000	341,335	338,096
Brookfield Renewable Energy Partners ULC 4.79% Feb 07, 2022		230,000	242,206	247,149
Canadian Imperial Bank of Commerce 1.66% Jan 20, 2020		89,000	88,722	88,086
Canadian Imperial Bank of Commerce 1.85% Jul 14, 2020		358,000	359,765	354,517
Canadian Imperial Bank of Commerce 2.47% Dec 05, 2022		260,000	259,977	258,968
Canadian National Railway Company (Callable) 2.80% Jun 22, 2025		242,000	242,687	243,594
Canadian Natural Resources Ltd. 2.05% Jun 01, 2020		60,000	59,986	59,377
Canadian Utilities Ltd. 3.12% Nov 09, 2022		129,000	140,076	132,810
CI Financial Corporation 2.65% Dec 07, 2020		145,000	145,000	145,267
CI Financial Corporation 3.90% Sep 27, 2027		115,000	115,000	117,348

Issuer		Face Value ($)	Average Cost ($)	Carrying Value ($)
BONDS AND DEBENTURES (cont'd)				
Corporate Bonds (cont'd)				
Crown Castle Towers LLC (Callable) 6.11% Jul 15, 2019	USD	505,000	764,721	670,008
Emera Inc. 2.90% Jun 16, 2023		150,000	153,446	149,742
Emera Inc. 4.83% Dec 02, 2019		503,000	535,934	526,088
Enbridge Gas Distribution Inc. 4.04% Nov 23, 2020		258,000	281,478	271,114
Enbridge Inc. (Callable) 5.38% Sep 27, 2027		255,000	255,000	254,140
Enbridge Inc. 3.19% Dec 05, 2022		336,000	347,106	339,539
Enbridge Income Fund 3.94% Jan 13, 2023		153,000	157,470	158,632
Enbridge Pipelines Inc. 8.20% Feb 15, 2024		124,000	168,578	158,687
Enbridge Southern Lights LP 4.01% Jun 30, 2040		134,300	134,300	132,197
Federal Realty Investment Trust (Callable) 2.75% Mar 01, 2023	USD	32,000	42,215	39,678
Federal Realty Investment Trust (Callable) 3.95% Oct 15, 2023	USD	117,000	147,465	153,529
First Capital Realty Inc. (Callable) 3.75% Apr 12, 2027		283,000	283,000	280,451
First Capital Realty Inc. 3.95% Dec 05, 2022		251,000	263,335	260,711
First Capital Realty Inc. 4.32% Jul 31, 2025		40,000	42,811	41,984
First Capital Realty Inc. 4.43% Jan 31, 2022		220,000	217,046	232,570
Fortis Inc. (Callable) 2.85% Oct 12, 2023		200,000	200,231	199,847
H&R Real Estate Investment Trust (Callable) 3.37% Nov 30, 2023		83,000	83,056	82,204
H&R Real Estate Investment Trust 4.45% Mar 02, 2020		113,000	113,045	117,005
Heathrow Funding Ltd. 3.00% Jun 17, 2021		302,000	314,213	306,136
Heathrow Funding Ltd. 3.25% May 21, 2025		478,000	484,608	483,238
Hydro One Ltd. 4.00% Sep 30, 2027		2,053,000	720,329	764,743
Inter Pipeline Ltd. 4.97% Feb 02, 2021		170,000	187,590	181,657
JPMorgan Chase & Co. (Callable) 2.55% Feb 01, 2021	USD	172,000	229,172	215,813
JPMorgan Chase & Co. (Callable) 3.90% Apr 15, 2025	USD	310,000	435,665	408,119
Kimco Realty Corporation (Callable) 2.70% Jan 01, 2024	USD	160,000	202,975	194,985
Lower Mattagami Energy LP 3.42% Jun 20, 2024		200,000	216,778	209,147
Lower Mattagami Energy LP 4.33% May 18, 2021		182,000	203,437	193,898
McDonald's Corporation 3.13% Mar 04, 2025		405,000	409,869	408,463
Medtronic Inc. 3.15% Mar 15, 2022	USD	451,000	576,506	579,496
Medtronic Inc. 3.50% Mar 15, 2025	USD	100,000	134,189	130,268
National Hockey League Inc. 3.61% Aug 10, 2027*	USD	500,000	633,000	627,951
North West Redwater Partnership / NWR Financing Co., Ltd. (Callable) 2.10% Jan 23, 2022		299,000	298,399	293,128
North West Redwater Partnership / NWR Financing Co., Ltd. (Callable) 2.80% Mar 01, 2027		23,000	22,940	22,269
North West Redwater Partnership / NWR Financing Co., Ltd. (Callable) 3.20% Apr 23, 2024		124,000	127,382	126,170
North West Redwater Partnership / NWR Financing Co., Ltd. (Callable) 3.20% Jan 24, 2026		212,000	214,473	213,834
OMERS Realty Corporation 2.97% Apr 05, 2021		314,000	328,565	320,059
OMERS Realty Corporation 3.33% Nov 12, 2024		273,000	285,724	282,491
Pembina Pipeline Corporation (Callable) 2.99% Nov 22, 2023		150,000	148,431	147,866
Pembina Pipeline Corporation 3.77% Oct 24, 2022		567,000	553,918	586,359
Pernod Ricard SA 4.25% Jul 15, 2022	USD	279,000	288,624	370,890
Reliance LP (Callable) 3.84% Jan 15, 2025		97,000	96,998	96,858
Reynolds American Inc. 8.13% Jun 23, 2019	USD	306,000	385,810	415,322
Rogers Communications Inc. 5.34% Mar 22, 2021		648,000	697,878	704,942
Royal Bank of Canada (Callable) 3.04% Jul 17, 2019		155,000	156,816	156,451
Royal Bank of Canada 1.65% Jul 15, 2021		197,000	197,524	192,050
Royal Bank of Canada 1.92% Jul 17, 2020		68,000	67,662	67,431
Royal Bank of Canada 2.00% Mar 21, 2022		452,000	448,219	443,376
Royal Bank of Canada 2.33% Dec 05, 2023		320,000	316,450	314,612
Royal Bank of Canada 2.36% Dec 05, 2022		170,000	169,985	168,344
Royal Bank of Canada 2.86% Mar 04, 2021		37,000	38,863	37,558
Saputo Inc. (Callable) 1.94% May 13, 2022		183,000	179,400	177,529
Shaw Communications Inc. 3.15% Feb 19, 2021		102,000	104,222	103,834
Simon Property Group LP 2.75% Jun 01, 2023	USD	80,000	103,014	100,247
Smart Real Estate Investment Trust 3.73% Jul 22, 2022		111,000	111,415	113,927
Smart Real Estate Investment Trust 3.99% May 30, 2023		235,000	220,540	243,074
Suncor Energy Inc. (Callable) 3.00% Jun 14, 2026		316,000	320,317	311,639
TELUS Corporation 3.60% Jan 26, 2021		150,000	155,945	155,020
TELUS Corporation 5.05% Jul 23, 2020		87,000	95,171	92,801
Thermo Fisher Scientific Inc. (Callable) 3.60% May 15, 2021	USD	72,000	94,357	93,318

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

Scotia Income Advantage Fund (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2017

Issuer		Face Value ($)/ Number of Shares/ Number of Contracts	Average Cost ($)	Carrying Value ($)
BONDS AND DEBENTURES (cont'd)				
Corporate Bonds (cont'd)				
Thermo Fisher Scientific Inc. 3.30% Feb 15, 2022	USD	50,000	65,306	64,230
Timbercreek 8.00% Apr 12, 2021*	EUR	260,000	384,495	391,838
Toronto-Dominion Bank, The 1.91% Jul 18, 2023		372,000	369,376	358,845
Toronto-Dominion Bank, The 1.99% Mar 23, 2022		111,000	111,000	109,009
Toronto-Dominion Bank, The 2.56% Jun 24, 2020		33,000	34,101	33,268
Toronto-Dominion Bank, The 3.23% Jul 24, 2024		1,431,000	1,524,225	1,478,009
Union Gas Ltd. (Callable) 3.79% Apr 10, 2023		250,000	273,900	265,260
Union Pacific Corporation (Callable) 4.16% Apr 15, 2022	USD	51,000	72,610	68,637
United Parcel Service Inc. (Callable) 2.13% Mar 21, 2024		268,000	265,310	259,644
UnitedHealth Group Inc. 2.88% Dec 15, 2021	USD	500,000	641,183	637,349
Ventas Canada Finance Ltd. (Callable) 2.55% Feb 15, 2023		183,000	182,916	179,078
Ventas Canada Finance Ltd. (Callable) 4.13% Jun 30, 2024		325,000	323,707	340,985
Ventas Canada Finance Ltd. 3.00% Sep 30, 2019		91,000	94,214	92,069
Videotron Ltd. (Callable) 5.63% Mar 15, 2025		230,000	246,450	247,103
Visa Inc. (Callable) 2.80% Oct 14, 2022	USD	266,000	353,140	338,236
Visa Inc. (Callable) 3.15% Sep 14, 2025	USD	59,000	77,356	75,508
Walt Disney Co, The 2.76% Oct 07, 2024		93,000	93,000	93,046
Wells Fargo & Company 2.51% Oct 27, 2023		116,000	113,599	113,250
Wells Fargo & Company 2.98% May 19, 2026		116,000	113,219	112,826
Wells Fargo & Company 3.00% Feb 19, 2025	USD	387,000	483,976	481,400
Westcoast Energy Inc. 3.12% Dec 05, 2022		110,000	103,597	112,168
Westcoast Energy Inc. 4.57% Jul 02, 2020		218,000	233,178	229,380
Westcoast Energy Inc. 5.60% Jan 16, 2019		183,000	203,103	189,441
			33,903,349	33,672,757
Mortgage-Backed Securities – 0.1%				
Ford Auto Securitization Trust 3.42% Mar 15, 2021		128,000	128,458	128,177
TOTAL BONDS AND DEBENTURES			34,031,807	33,800,934
EQUITIES – 61.9%				
Consumer Discretionary – 3.2%				
Comcast Corporation, Class A		21,700	438,126	1,091,486
Home Depot Inc., The		9,400	1,275,620	2,237,494
MGM Resorts International		38,700	1,673,231	1,622,869
Starbucks Corporation		28,800	2,187,164	2,077,243
			5,574,141	7,029,092
Consumer Staples – 4.6%				
British American Tobacco PLC		19,800	1,604,979	1,665,832
British American Tobacco PLC		7,000	551,658	593,573
Coca-Cola Company, The		30,100	1,728,038	1,734,387
Costco Wholesale Corporation		11,400	2,366,787	2,664,734
Loblaw Companies Limited		32,600	2,248,209	2,223,972
Mondelez International, Inc.		20,100	1,083,162	1,080,428
			9,582,833	9,962,926
Energy – 6.6%				
Canadian Natural Resources Ltd.		50,200	2,022,127	2,254,984
Enbridge Inc.		44,575	2,120,102	2,191,307
Pembina Pipeline Corporation		53,729	1,887,745	2,445,207
Royal Dutch Shell PLC, Class A – ADR		396	31,472	33,177
Royal Dutch Shell PLC, Class B – ADR		23,900	1,912,899	2,049,798
Suncor Energy, Inc.		49,400	2,185,845	2,279,810
TransCanada Corporation		52,700	2,605,955	3,224,186
			12,766,145	14,478,469
Financials – 14.6%				
Atrium Mortgage Investment Corporation		51,200	562,224	641,536
Bank of America Corporation		48,200	1,473,862	1,786,979
Bank of Nova Scotia, The		42,500	3,012,175	3,447,600
Blackstone Group LP, Written Put Options $32.00 Jan 19, 2018		(267)	(28,133)	(16,934)
Blackstone Mortgage Trust Inc.		31,400	1,334,819	1,269,029
Blackstone Tactical Opportunities Fund II LP*		1,153,777	1,512,930	1,727,826
Brookfield Asset Management Inc., Class A		43,600	1,640,880	2,385,792

Issuer	Number of Shares/ Number of Contracts	Average Cost ($)	Carrying Value ($)
EQUITIES (cont'd)			
Financials (cont'd)			
Canadian Imperial Bank of Commerce	33,000	3,268,974	4,043,820
Charles Schwab Corporation, The	19,400	1,098,900	1,251,605
Citigroup Inc.	23,300	1,995,081	2,177,425
JPMorgan Chase & Co.	17,500	1,354,092	2,350,359
Prudential PLC	73,900	2,001,633	2,387,170
Royal Bank of Canada	32,400	2,668,633	3,325,860
Starwood Property Trust Inc.	47,200	1,448,526	1,265,598
Sun Life Financial Inc.	22,800	1,092,358	1,182,864
Toronto-Dominion Bank, The	34,500	2,196,127	2,540,925
		26,633,081	31,767,454
Health Care – 4.0%			
Allergan PLC	9,300	2,402,988	1,910,597
Bayer AG	6,800	902,911	1,062,303
Johnson & Johnson	7,500	1,209,763	1,316,060
Medtronic PLC	16,800	1,570,049	1,703,758
Pfizer Inc.	36,800	1,644,501	1,673,988
Shire PLC – ADR	5,300	1,164,458	1,032,523
		8,894,670	8,699,229
Industrials – 5.0%			
Assa Abloy AB, Class B	40,600	1,098,331	1,060,161
Canadian Pacific Railway Limited	14,100	2,649,978	3,238,206
Honeywell International Inc.	12,800	1,391,105	2,465,347
Raytheon Company	4,500	838,248	1,061,646
Southwest Airlines Company	16,000	1,101,820	1,315,181
United Technologies Corporation	11,100	1,542,907	1,778,392
		8,622,389	10,918,933
Information Technology – 9.1%			
Apple Inc.	10,100	1,795,760	2,146,618
Broadcom Ltd.	6,900	2,359,658	2,226,226
Intel Corporation	38,000	2,182,747	2,202,954
MasterCard, Inc., Class A	6,300	751,310	1,197,589
Microsoft Corporation	31,800	2,253,002	3,416,271
NVIDIA Corporation	2,200	556,194	534,638
NVIDIA Corporation, Written Put Options $190.00 Jan 19, 2018	(42)	(44,732)	(18,330)
Oracle Corporation	44,500	2,538,466	2,642,369
Tencent Holdings Limited	32,600	1,919,960	2,116,581
Texas Instruments Incorporated	16,600	1,671,015	2,177,364
Visa Inc.	8,500	832,604	1,217,183
		16,815,984	19,859,463
Materials – 4.0%			
Albemarle Corporation	13,200	2,234,826	2,120,150
DowDuPont Inc.	24,100	2,166,090	2,155,634
Glencore PLC	183,300	997,053	1,211,682
PPG Industries, Inc.	7,700	1,048,406	1,129,702
Rio Tinto PLC – Sponsored ADR	11,925	701,098	792,714
Sherwin-Williams Company, The	2,600	1,111,036	1,338,923
		8,258,509	8,748,805
Real Estate – 3.0%			
American Tower Corporation	10,600	1,454,055	1,899,304
CT Real Estate Investment Trust	78,000	739,407	1,131,000
Killam Apartment Real Estate Investment Trust	90,753	1,139,331	1,290,508
Smart Real Estate Investment Trust	36,575	874,251	1,130,533
Weyerhaeuser Company	25,700	1,083,231	1,138,076
		5,290,275	6,589,421
Telecommunication Services – 3.3%			
BCE Inc.	61,756	3,103,340	3,728,827
Rogers Communications, Inc., Class B	36,500	1,796,859	2,337,825
Verizon Communications Inc.	16,800	964,880	1,116,779
		5,865,079	7,183,431

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

Scotia Income Advantage Fund (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2017

Issuer	Number of Shares	Average Cost ($)	Carrying Value ($)
EQUITIES (cont'd)			
Utilities – 4.5%			
Fortis Inc.	74,100	2,720,034	3,416,751
Innergex Renewable Energy Inc.	173,200	1,563,977	2,494,080
National Grid PLC	142,416	2,570,406	2,101,936
NextEra Energy, Inc.	9,400	1,344,280	1,843,899
		8,198,697	9,856,666
TOTAL EQUITIES		116,501,803	135,093,889
Transaction Costs		(63,056)	
TOTAL INVESTMENT PORTFOLIO		175,005,657	192,903,369
Unrealized Gain (Loss) on Derivatives – 0.4%			781,481
OTHER ASSETS, LESS LIABILITIES – 11.2%			24,282,692
NET ASSETS – 100.0%			217,967,542

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

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 ($)
Morgan Stanley & Co. LLC	A-1	Feb. 07, 2018	Canadian Dollar	8,402,190	US Dollar	6,591,866	0.785	0.795	114,913
Toronto-Dominion Bank, The	A-1+	Feb. 07, 2018	Canadian Dollar	8,751,546	US Dollar	6,862,558	0.784	0.795	123,955
Toronto-Dominion Bank, The	A-1+	Feb. 07, 2018	Canadian Dollar	554,252	Swedish Krona	3,590,000	6.477	6.503	2,184
Canadian Imperial Bank of Commerce	A-1	Feb. 07, 2018	Canadian Dollar	6,142,532	US Dollar	4,818,050	0.784	0.795	85,292
Bank of Nova Scotia, The	A-1	Feb. 07, 2018	Canadian Dollar	8,294,707	US Dollar	6,506,750	0.784	0.795	114,437
Toronto-Dominion Bank, The	A-1+	Feb. 07, 2018	Canadian Dollar	922,548	Hong Kong Dollar	5,640,000	6.113	6.211	14,457
Toronto-Dominion Bank, The	A-1+	Feb. 07, 2018	Canadian Dollar	771,513	European Euro	506,000	0.656	0.661	6,354
Toronto-Dominion Bank, The	A-1+	Feb. 07, 2018	Canadian Dollar	3,368,867	British Pound	1,977,000	0.587	0.588	8,851
Toronto-Dominion Bank, The	A-1+	Feb. 07, 2018	Canadian Dollar	8,620	British Pound	5,000	0.58	0.588	123
Canadian Imperial Bank of Commerce	A-1	Feb. 07, 2018	Canadian Dollar	3,404,205	US Dollar	2,654,392	0.78	0.795	67,110
Canadian Imperial Bank of Commerce	A-1	Feb. 07, 2018	Canadian Dollar	2,447,181	US Dollar	1,908,918	0.78	0.795	47,294
Toronto-Dominion Bank, The	A-1+	Feb. 07, 2018	Canadian Dollar	2,448,813	US Dollar	1,908,918	0.78	0.795	48,927
Bank of Nova Scotia, The	A-1	Feb. 07, 2018	Canadian Dollar	1,178,638	US Dollar	918,214	0.779	0.795	24,262
Toronto-Dominion Bank, The	A-1+	Feb. 07, 2018	Canadian Dollar	1,201,614	US Dollar	942,377	0.784	0.795	16,860
Canadian Imperial Bank of Commerce	A-1	Feb. 07, 2018	Canadian Dollar	1,199,808	US Dollar	942,377	0.785	0.795	15,054
Bank of Nova Scotia, The	A-1	Feb. 07, 2018	Canadian Dollar	613,603	US Dollar	483,270	0.788	0.795	6,037
									696,110

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+	Feb. 07, 2018	British Pound	30,000	Canadian Dollar	52,046	1.735	1.7	(1,058)
									(1,058)

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

Scotia Income Advantage Fund (Continued)

SCHEDULE OF DERIVATIVE INSTRUMENTS

EQUITY SWAP CONTRACTS

Number of Units	Termination Date	Notional Amount (U.S. $)	Variable Rate %	Appreciation/ (Depreciation) ($)
Enterprise Products Partners, Variable 1 month USD – LIBOR, Counterparty: Goldman Sachs				
7,100	3/21/2018	185,239	2.10%	3,610
8,500	3/22/2018	221,765	2.10%	4,321
2,900	4/21/2018	75,661	2.10%	1,474
11,800	4/24/2018	307,862	2.10%	5,999
18,600	4/25/2018	485,274	2.10%	9,456
21,100	8/23/2018	550,499	2.10%	10,727
Blackstone Group L.P., Variable 1 month USD – LIBOR, Counterparty: Goldman Sachs				
54,100	4/27/2018	1,699,281	2.10%	40,206
6,600	11/16/2018	208,680	1.88%	2,796
7,393	11/19/2018	235,075	1.89%	1,483
4,416	11/21/2018	140,799	1.91%	426
2,729	11/23/2018	86,487	1.93%	938
3,865	11/27/2018	121,278	1.95%	2,867
3,397	11/29/2018	106,915	1.96%	2,127
				86,430

The swap contracts outstanding at December 31, 2017 are placed with a financial institution with a minimum credit rating of A-1+ by S&P.

Scotia Income Advantage Fund (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	December 31, 2017 ($)	December 31, 2016 ($)
Less than 1 year	–	–
1-3 years	4,632,695	8,264,198
3-5 years	13,072,371	12,841,506
5-10 years	15,709,531	18,688,940
> 10 years	386,337	137,531
	33,800,934	39,932,175

As at December 31, 2017, 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 would have decreased or increased, respectively, by $385,707 or approximately 0.2% (December 31, 2016 – $432,914 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.

	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

	December 31, 2016			
Currency	Gross currency exposure ($)	Currency contracts ($)	Net exposure ($)	Percentage of net assets (%)
US Dollar	102,479,976	(4,766,889)	97,713,087	43.5
British Pound	3,515,964	(2,561,418)	954,546	0.4
European Euro	3,803,406	(3,286,352)	517,054	0.2
	109,799,346	(10,614,659)	99,184,687	44.1

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 $6,524,510 or 3.0% of net assets (December 31, 2016 – $9,918,469 or 4.4%). 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 December 31, 2017, approximately 73.0% (December 31, 2016 – 69.5%) 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 of the Fund would have decreased or increased, respectively, by approximately $15,910,243 (December 31, 2016 – $15,607,603). 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.

	December 31, 2017		December 31, 2016	
	Percentage of total credit rated instruments (%)	Percentage of net assets (%)	Percentage of total credit rated instruments (%)	Percentage of net assets (%)
Credit ratings				
AAA	1.2	0.2	3.8	0.7
AA	15.6	2.4	17.1	3.1
A	38.6	6.0	42.6	7.5
BBB	38.2	5.9	35.4	6.3
BB	0.7	0.1	0.8	0.1
NOT RATED	5.7	0.9	0.3	0.1
	100.0	15.5	100.0	17.8

Scotia Income Advantage Fund (Continued)

FUND SPECIFIC NOTES
For the periods indicated in Note 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 (%)	
	December 31, 2017	December 31, 2016
Consumer Discretionary	3.2	4.9
Consumer Staples	4.6	4.0
Corporate Bonds	15.4	17.1
Energy	6.6	4.0
Federal Bonds	–	0.7
Financials	14.6	11.5
Fixed Income Funds	10.0	10.2
Foreign Equity Funds	1.0	2.6
Health Care	4.0	6.1
Industrials	5.0	3.7
Information Technology	9.1	7.3
Materials	4.0	0.9
Mortgage-Backed Securities	0.1	–
Real Estate	3.0	4.9
Telecommunication Services	3.3	4.0
Utilities	4.5	5.3

Fair Value Classification (note 2)

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

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

December 31, 2016	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Equities	118,921,867	7,309,395	1,216,466	127,447,728
Bonds and debentures	–	39,932,175	–	39,932,175
Underlying funds	28,648,096	–	–	28,648,096
Unrealized gain on currency forward contracts	–	14,056	–	14,056
Unrealized gain on swap contracts	–	48,773	–	48,773
	147,569,963	47,304,399	1,216,466	196,090,828
Liability for written options	(68,566)	–	–	(68,566)
Unrealized loss on currency forward contracts	–	(40,575)	–	(40,575)
Unrealized loss on currency spot contracts	–	(1,320)	–	(1,320)
	147,501,397	47,262,504	1,216,466	195,980,367

Transfers between levels

During the periods ended December 31, 2017 and December 31, 2016, 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:

	December 31, 2017 ($)	December 31, 2016 ($)
Beginning of period	1,216,466	843,915
Purchases	1,728,055	403,481
Sales	(298,085)	(152,957)
Transfers into Level 3	–	–
Transfers out of Level 3	–	–
Net realized gains (losses)	(7,147)	(743)
Net changes in unrealized gain (loss)*	108,326	122,770
End of period	2,747,615	1,216,466

* Net change in unrealized gain (loss) for Level 3 financial instruments held as at December 31, 2017 and December 31, 2016 was $101,178 and $122,028, 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 December 31, 2017 ($)	Reasonable possible shift (+/-) ($)
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	

Security	Valuation technique	Significant unobservable input	Carrying value as at December 31, 2016 ($)	Reasonable possible shift (+/-) ($)
Equities	Fundamental model analysis based on financial data	Company NAV	1,216,466	n/a
			1,216,466	

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

Scotia Income Advantage Fund (Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

Offsetting of financial assets and liabilities (note 2)

The following tables present 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.

	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

	December 31, 2017			
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)	–	–

	December 31, 2016			
Financial assets – by type	Gross amount of assets ($)	Master netting offset ($)	Collateral pledged/ received ($)	Net Amount ($)
Currency forward contracts	14,056	(4,877)	–	9,179
Options contracts – OTC	–	–	–	–
Swap contracts – OTC	48,773	–	–	48,773
	62,829	(4,877)	–	57,952

	December 31, 2016			
Financial liabilities – by type	Gross amount of liabilities ($)	Master netting offset ($)	Collateral pledged/ received ($)	Net Amount ($)
Currency forward contracts	40,575	(4,877)	–	35,698
Options contracts – OTC	–	–	–	–
Swap contracts – OTC	–	–	–	–
	40,575	(4,877)	–	35,698

Interest in Underlying Funds (note 2)

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

	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	

	December 31, 2016	
Underlying Fund	Carrying value of the Underlying Fund ($)	Ownership percentage in Underlying Fund (%)
Dynamic Credit Spectrum Fund Series O	5,663,478	1.3
Scotia Total Return Bond LP Series I	11,672,582	1.3
Dynamic High Yield Bond Fund Series O	5,563,930	1.2
Scotia Private Options Income Pool Series I	4,601,793	0.6
Blackstone Tactical Opportunities Fund II LP	1,216,466	0.1
Dynamic Alternative Yield Fund Series O	1,146,313	0.1
	29,864,562	

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

As at December 31, 2017 or December 31, 2016, 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 Balanced Fund

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	December 31, 2017	December 31, 2016
ASSETS		
Current assets		
Investments		
Non-derivative financial assets	2,204,833,930	2,148,954,243
Unrealized gain on currency forward contracts	2,735,026	316,535
Cash	22,917,162	24,252,389
Subscriptions receivable	1,445,256	2,182,343
Accrued investment income and other	2,916,971	2,733,726
	2,234,848,345	2,178,439,236
LIABILITIES		
Current liabilities		
Redemptions payable	1,524,379	1,887,052
Accrued expenses	–	121,610
Distributions payable	528	11
Unrealized loss on currency forward contracts	8,171	231,037
	1,533,078	2,239,710
Net assets attributable to holders of redeemable units	2,233,315,267	2,176,199,526
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series A	2,231,879,515	2,175,625,872
Series D	651,846	34,222
Series F	783,906	539,432
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series A	25.25	23.69
Series D	10.73	10.11
Series F	24.83	23.37

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except average units)	2017	2016
INCOME		
Net gain (loss) on investments		
Dividends	32,267,951	33,003,156
Interest for distribution purposes	30,550,810	35,438,420
Net realized gain (loss) on non-derivative financial assets	47,328,150	92,698,812
Net realized gain (loss) on currency forward contracts	7,043,608	(12,153,964)
Change in unrealized gain (loss) on non-derivative financial assets	89,241,418	67,287,806
Change in unrealized gain (loss) on currency forward contracts	2,641,357	11,077,155
Net gain (loss) on investments	209,073,294	227,351,385
Securities lending (note 11)	28,319	27,884
Net realized and unrealized foreign currency translation gain (loss)	(452,595)	3,813,999
Other income	21,526	22,502
Total income (loss), net	208,670,544	231,215,770
EXPENSES		
Management fees (note 5)	36,093,275	37,360,872
Fixed administration fees (note 6)	1,966,149	1,921,598
Independent Review Committee fees	1,135	1,184
Interest expense and bank overdraft charges	59	228
Foreign withholding taxes/tax reclaims	874,476	767,078
Other fund costs	–	371
Harmonized Sales Tax/Goods and Services Tax	4,251,213	4,360,115
Transaction costs	319,382	1,175,892
Total expenses	43,505,689	45,587,338
Increase (decrease) in net assets attributable to holders of redeemable units from operations	165,164,855	185,628,432
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A	165,093,292	185,588,368
Series D	13,827	1,575
Series F	57,736	38,489
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT†		
Series A	1.84	2.07
Series D	0.85	0.73
Series F	2.03	2.32
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series A	89,963,283	89,582,835
Series D	16,216	2,161
Series F	28,430	16,612

† 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 Canadian Balanced Fund (Continued)

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

For the periods ended December 31 (note 1),

(in dollars)	2017	2016
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series A	2,175,625,872	2,117,518,499
Series D	34,222	22,617
Series F	539,432	267,386
	2,176,199,526	2,117,808,502
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A	165,093,292	185,588,368
Series D	13,827	1,575
Series F	57,736	38,489
	165,164,855	185,628,432
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net investment income		
Series A	(17,106,154)	(21,807,071)
Series D	(5,145)	(330)
Series F	(15,042)	(6,661)
From net realized gains on investments		
Series A	(8,028,964)	(101,280,072)
Series D	(2,317)	(1,632)
Series F	(2,876)	(25,522)
	(25,160,498)	(123,121,288)
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A	167,196,459	158,549,859
Series D	614,181	21,285
Series F	749,261	324,226
Reinvested distributions		
Series A	25,085,071	122,851,050
Series D	7,410	1,963
Series F	15,605	26,017
Payments on redemption		
Series A	(275,986,061)	(285,794,761)
Series D	(10,332)	(11,256)
Series F	(560,210)	(84,503)
	(82,888,616)	(4,116,120)
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A	56,253,643	58,107,373
Series D	617,624	11,605
Series F	244,474	272,046
	57,115,741	58,391,024
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series A	2,231,879,515	2,175,625,872
Series D	651,846	34,222
Series F	783,906	539,432
	2,233,315,267	2,176,199,526

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	165,164,855	185,628,432
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(47,328,150)	(92,698,812)
Unrealized foreign currency translation (gain) loss	(132,928)	(3,331,157)
Change in unrealized (gain) loss on non-derivative financial assets	(89,241,418)	(67,287,806)
Change in unrealized (gain) loss on currency forward contracts	(2,641,357)	(11,077,155)
Non-cash transactions	(30,386,962)	(35,463,596)
Purchases of portfolio investments	(187,696,911)	(809,703,343)
Proceeds from sale of portfolio investments	298,773,753	791,766,737
Accrued investment income and other	(183,245)	(433,845)
Accrued expenses and other payables	(121,610)	121,610
Net cash provided by (used in) operating activities	106,206,027	(42,478,935)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	168,963,461	158,114,759
Amounts paid on redemption of redeemable units	(276,585,748)	(285,005,689)
Distributions to unitholders of redeemable units	(51,895)	(242,247)
Net cash provided by (used in) financing activities	(107,674,182)	(127,133,177)
Unrealized foreign currency translation gain (loss)	132,928	3,331,157
Net increase (decrease) in cash	(1,468,155)	(169,612,112)
Cash (bank overdraft), beginning of period	24,252,389	190,533,344
CASH (BANK OVERDRAFT), END OF PERIOD	22,917,162	24,252,389
Interest paid[1]	59	228
Interest received[1]	252,757	335,343
Dividends received, net of withholding taxes[1]	31,121,321	31,441,712

[1] Classified as operating items.

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

Scotia Canadian Balanced Fund (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2017

Issuer	Number of Units/ Number of Shares	Average Cost ($)	Carrying Value ($)
FIXED INCOME FUNDS – 38.7%			
Scotia Canadian Income Fund Series I	64,602,917	879,332,400	866,015,021
EQUITIES – 60.0%			
Consumer Discretionary – 10.3%			
Canadian Tire Corporation, Limited, Class A	170,000	21,556,321	27,863,000
Dollarama Inc.	155,100	4,340,201	24,358,455
Gildan Activewear Inc.	446,700	16,779,165	18,140,487
Linamar Corporation	298,800	16,718,405	21,875,148
NIKE, Inc., Class B	304,200	22,018,698	23,896,953
Restaurant Brands International Inc.	514,200	24,334,242	39,732,234
Shaw Communications, Inc., Class B	1,938,000	51,220,472	55,601,220
Walt Disney Company, The	144,600	10,775,741	19,524,196
		167,743,245	230,991,693
Consumer Staples – 4.6%			
Alimentation Couche-Tard Inc., Class B	484,900	29,581,761	31,804,591
Costco Wholesale Corporation	136,200	28,208,324	31,836,562
Loblaw Companies Limited	568,800	27,614,138	38,803,536
		85,404,223	102,444,689
Energy – 6.3%			
Canadian Natural Resources Ltd.	333,700	9,962,943	14,989,804
Cenovus Energy Inc.	1,849,500	29,592,000	21,232,260
Enbridge Inc.	702,500	38,264,871	34,534,900
PrairieSky Royalty Ltd.	1,723,916	44,662,382	55,268,747
Suncor Energy, Inc.	303,400	10,321,130	14,001,910
		132,803,326	140,027,621
Financials – 17.7%			
Bank of America Corporation	300,000	9,129,914	11,122,275
Bank of Nova Scotia, The	567,100	30,498,158	46,003,152
Brookfield Asset Management Inc., Class A	537,100	23,042,570	29,390,112
Canadian Imperial Bank of Commerce	460,300	42,453,737	56,405,161
Intact Financial Corporation	385,200	34,564,266	40,442,148
JPMorgan Chase & Co.	152,300	13,634,396	20,454,840
Manulife Financial Corporation	1,253,100	26,977,974	32,856,282
Morgan Stanley	275,200	11,711,126	18,134,914
Power Corporation of Canada	909,400	27,163,154	29,437,278
Royal Bank of Canada	515,300	27,164,965	52,895,545
Toronto-Dominion Bank, The	780,100	29,818,699	57,454,365
		276,158,959	394,596,072
EQUITIES (cont'd)			
Health Care – 1.9%			
Johnson & Johnson	160,000	22,416,511	28,075,957
Thermo Fisher Scientific, Inc.	64,100	15,740,051	15,285,979
		38,156,562	43,361,936
Industrials – 6.1%			
Canadian National Railway Company	311,900	14,509,539	32,328,435
Canadian Pacific Railway Limited	99,600	18,830,084	22,874,136
Honeywell International Inc.	83,800	13,125,396	16,140,320
United Parcel Service, Inc., Class B	224,500	30,705,180	33,594,362
Waste Connections Inc.	347,550	21,112,942	30,987,558
		98,283,141	135,924,811
Information Technology – 5.8%			
Alphabet Inc., Class C	23,784	11,390,882	31,256,377
CGI Group Inc., Class A	406,500	22,778,003	27,763,950
Microsoft Corporation	325,400	11,315,643	34,957,696
Visa Inc.	243,500	23,305,561	34,868,720
		68,790,089	128,846,743
Materials – 3.8%			
Agrium Inc.	205,500	25,839,345	29,711,190
Franco-Nevada Corporation	200,000	13,421,581	20,081,885
Franco-Nevada Corporation	215,800	17,059,230	21,679,268
Teck Resources Ltd., Class B	388,900	12,937,283	12,783,143
		69,257,439	84,255,486
Telecommunication Services – 3.5%			
BCE Inc.	844,300	47,808,518	50,978,834
TELUS Corporation	575,200	20,134,460	27,391,024
		67,942,978	78,369,858
TOTAL EQUITIES		1,004,539,962	1,338,818,909
Transaction Costs		(646,570)	
TOTAL INVESTMENT PORTFOLIO		1,883,225,792	2,204,833,930
Unrealized Gain (Loss) on Derivatives – 0.1%			2,726,855
OTHER ASSETS, LESS LIABILITIES – 1.2%			25,754,482
NET ASSETS – 100.0%			2,233,315,267

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+	Jan. 24, 2018	Canadian Dollar	21,384,122	US Dollar	16,750,000	0.783	0.795	327,124
Bank of Montreal	A-1	Jan. 24, 2018	Canadian Dollar	14,411,008	US Dollar	11,290,000	0.783	0.795	217,962
Canadian Imperial Bank of Commerce	A-1	Jan. 24, 2018	Canadian Dollar	106,591,190	US Dollar	83,470,000	0.783	0.795	1,658,195
Toronto-Dominion Bank, The	A-1+	Jan. 24, 2018	Canadian Dollar	15,238,425	US Dollar	11,940,000	0.784	0.795	228,242
Bank of Montreal	A-1	Jan. 24, 2018	Canadian Dollar	7,702,494	US Dollar	6,000,000	0.779	0.795	159,689
Toronto-Dominion Bank, The	A-1+	Feb. 21, 2018	Canadian Dollar	4,128,445	US Dollar	3,210,000	0.778	0.796	93,450
Bank of Montreal	A-1	Feb. 21, 2018	Canadian Dollar	2,224,988	US Dollar	1,730,000	0.778	0.796	50,364
									2,735,026

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+	Jan. 24, 2018	US Dollar	460,000	Canadian Dollar	586,454	1.275	1.257	(8,171)
									(8,171)

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

Scotia Canadian Balanced Fund (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 December 31, 2017 and December 31, 2016. 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.

	December 31, 2017			
Currency	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

	December 31, 2016			
Currency	Gross currency exposure ($)	Currency contracts ($)	Net exposure ($)	Percentage of net assets (%)
US Dollar	298,213,027	(138,300,676)	159,912,351	7.3
Swiss Franc	1	–	1	0.0
	298,213,028	(138,300,676)	159,912,352	7.3

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 $17,908,496 or 0.8% of net assets (December 31, 2016 – $15,991,235 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 December 31, 2017, approximately 98.7% (December 31, 2016 – 98.8%) 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 of the Fund would have decreased or increased, respectively, by approximately $220,483,393 (December 31, 2016 – $214,895,424). 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 December 31, 2017 or December 31, 2016.

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 (%)	
	December 31, 2017	December 31, 2016
Consumer Discretionary	10.3	10.3
Consumer Staples	4.6	4.9
Energy	6.3	6.9
Financials	17.7	17.5
Fixed Income Funds	38.7	38.6
Health Care	1.9	1.1
Industrials	6.1	5.6
Information Technology	5.8	5.0
Materials	3.8	4.4
Telecommunication Services	3.5	3.4
Utilities	–	1.1

Fair Value Classification (note 2)

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

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

December 31, 2016	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Equities	1,308,876,729	–	–	1,308,876,729
Underlying funds	840,077,514	–	–	840,077,514
Unrealized gain on currency forward contracts	–	316,535	–	316,535
	2,148,954,243	316,535	–	2,149,270,778
Unrealized loss on currency forward contracts	–	(231,037)	–	(231,037)
	2,148,954,243	85,498	–	2,149,039,741

Scotia Canadian Balanced Fund (Continued)

FUND SPECIFIC NOTES
For the periods indicated in Note 1

Transfers between levels

During the periods ended December 31, 2017 and December 31, 2016, there were no significant transfers between Level 1 and Level 2.

Offsetting of financial assets and liabilities (note 2)

The following tables present 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.

	December 31, 2017			
Financial assets – by type	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	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)	–	–

	December 31, 2016			
Financial assets – by type	Gross amount of assets ($)	Master netting offset ($)	Collateral pledged/ received ($)	Net Amount ($)
Currency forward contracts	316,535	(219,914)	–	96,621
Options contracts – OTC	–	–	–	–
Swap contracts – OTC	–	–	–	–
	316,535	(219,914)	–	96,621

Financial liabilities – by type	Gross amount of liabilities ($)	Master netting offset ($)	Collateral pledged/ received ($)	Net Amount ($)
Currency forward contracts	231,037	(219,914)	–	11,123
Options contracts – OTC	–	–	–	–
Swap contracts – OTC	–	–	–	–
	231,037	(219,914)	–	11,123

Interest in Underlying Funds (note 2)

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

	December 31, 2017	
Underlying Fund	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	

	December 31, 2016	
Underlying Fund	Carrying value of the Underlying Fund ($)	Ownership percentage in Underlying Fund (%)
Scotia Canadian Income Fund Series I	840,077,514	13.4
	840,077,514	

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

As at December 31, 2017 or December 31, 2016, 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

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	December 31, 2017	December 31, 2016
ASSETS		
Current assets		
Investments		
Non-derivative financial assets	280,467,176	293,175,623
Unrealized gain on currency forward contracts	245,767	–
Cash	10,807,761	11,859,609
Receivable for securities sold	–	11,927,782
Subscriptions receivable	208,126	523,803
Accrued investment income and other	573,328	521,143
	292,302,158	318,007,960
LIABILITIES		
Current liabilities		
Redemptions payable	287,656	565,507
Accrued expenses	–	16,607
Distributions payable	82	8
Unrealized loss on currency forward contracts	–	61,042
	287,738	643,164
Net assets attributable to holders of redeemable units	292,014,420	317,364,796
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series A	291,778,736	317,229,532
Series D	235,684	135,264
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series A	12.10	12.09
Series D	10.04	10.01

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except average units)	2017	2016
INCOME		
Net gain (loss) on investments		
Dividends	6,352,859	6,799,224
Interest for distribution purposes	2,178,948	1,923,203
Net realized gain (loss) on non-derivative financial assets	(17,196,873)	9,044,252
Net realized gain (loss) on currency forward contracts	9,872	414,984
Change in unrealized gain (loss) on non-derivative financial assets	16,710,924	28,059,282
Change in unrealized gain (loss) on currency forward contracts	306,809	310,716
Net gain (loss) on investments	8,362,539	46,551,661
Securities lending (note 11)	57,297	72,282
Net realized and unrealized foreign currency translation gain (loss)	(450,789)	520,906
Other income	2,728	3,789
Total income (loss), net	7,971,775	47,148,638
EXPENSES		
Management fees (note 5)	5,006,900	5,033,179
Fixed administration fees (note 6)	242,801	244,070
Independent Review Committee fees	1,135	1,184
Interest expense and bank overdraft charges	1,430	277
Foreign withholding taxes/tax reclaims	32,468	73,334
Other fund costs	–	53
Harmonized Sales Tax/Goods and Services Tax	560,164	562,115
Transaction costs	450,560	350,628
Total expenses	6,295,458	6,264,840
Increase (decrease) in net assets attributable to holders of redeemable units from operations	1,676,317	40,883,798
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A	1,673,539	40,869,712
Series D	2,778	14,086
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT†		
Series A	0.07	1.54
Series D	0.24	1.34
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series A	25,506,368	26,589,958
Series D	11,664	10,506

† 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 Dividend Balanced Fund (Continued)

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

For the periods ended December 31 (note 1),

(in dollars)	2017	2016
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series A	317,229,532	305,802,167
Series D	135,264	66,041
	317,364,796	305,868,208
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A	1,673,539	40,869,712
Series D	2,778	14,086
	1,676,317	40,883,798
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net investment income		
Series A	(1,693,952)	(1,900,191)
Series D	(1,605)	(1,012)
From net realized gains on investments		
Series A	–	(7,686,584)
Series D	–	(3,981)
	(1,695,557)	(9,591,768)
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A	35,248,384	30,048,729
Series D	249,909	110,578
Reinvested distributions		
Series A	1,678,219	9,481,792
Series D	1,605	4,961
Payments on redemption		
Series A	(62,356,986)	(59,386,093)
Series D	(152,267)	(55,409)
	(25,331,136)	(19,795,442)
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A	(25,450,796)	11,427,365
Series D	100,420	69,223
	(25,350,376)	11,496,588
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series A	291,778,736	317,229,532
Series D	235,684	135,264
	292,014,420	317,364,796

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	1,676,317	40,883,798
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	17,196,873	(9,044,252)
Unrealized foreign currency translation (gain) loss	(8,647)	(561,282)
Change in unrealized (gain) loss on non-derivative financial assets	(16,710,924)	(28,059,282)
Change in unrealized (gain) loss on currency forward contracts	(306,809)	(310,716)
Non-cash transactions	(2,062,616)	(1,815,816)
Purchases of portfolio investments	(274,822,280)	(219,047,198)
Proceeds from sale of portfolio investments	301,035,177	242,814,352
Accrued investment income and other	(52,185)	(16,027)
Accrued expenses and other payables	(16,607)	16,607
Net cash provided by (used in) operating activities	25,928,299	24,860,184
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	35,778,632	29,875,154
Amounts paid on redemption of redeemable units	(62,751,767)	(59,103,998)
Distributions to unitholders of redeemable units	(15,659)	(105,017)
Net cash provided by (used in) financing activities	(26,988,794)	(29,333,861)
Unrealized foreign currency translation gain (loss)	8,647	561,282
Net increase (decrease) in cash	(1,060,495)	(4,473,677)
Cash (bank overdraft), beginning of period	11,859,609	15,772,004
CASH (BANK OVERDRAFT), END OF PERIOD	10,807,761	11,859,609
Interest paid[1]	1,430	277
Interest received[1]	128,814	110,531
Dividends received, net of withholding taxes[1]	6,255,724	6,706,718

[1] Classified as operating items.

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

Scotia Dividend Balanced Fund (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2017

Issuer	Number of Shares	Average Cost ($)	Carrying Value ($)
EQUITIES – 66.0%			
Consumer Discretionary – 10.0%			
Cineplex, Inc.	182,600	8,280,984	6,816,458
Restaurant Brands International Inc.	50,400	4,000,897	3,894,408
Shaw Communications, Inc., Class B	203,500	5,549,209	5,838,415
Starbucks Corporation	39,900	2,903,230	2,877,847
Thomson Reuters Corporation	87,300	4,943,624	4,783,167
Uni-Select Inc.	178,400	5,471,723	5,068,344
		31,149,667	29,278,639
Consumer Staples – 5.0%			
Alimentation Couche-Tard Inc., Class B	64,000	3,785,801	4,197,760
Loblaw Companies Limited	69,800	4,892,851	4,761,756
Molson Coors Brewing Company, Class B	28,000	2,887,979	2,886,014
Unilever NV – ADR	40,263	2,887,754	2,847,900
		14,454,385	14,693,430
Energy – 7.0%			
ARC Resources Ltd.	192,400	2,832,541	2,837,900
Canadian Natural Resources Ltd.	92,600	3,414,120	4,159,592
CES Energy Solutions Corporation	396,300	1,905,724	2,587,839
Enbridge Inc.	97,500	5,143,726	4,793,100
PrairieSky Royalty Ltd.	128,500	4,116,822	4,119,710
TransCanada Corporation	32,901	1,750,006	2,012,883
		19,162,939	20,511,024
Financials – 20.6%			
Bank of America Corporation	95,000	3,278,560	3,522,054
Bank of Montreal	73,800	6,852,191	7,423,542
Bank of Nova Scotia, The	104,700	7,381,037	8,493,264
Canadian Imperial Bank of Commerce	48,197	5,135,203	5,906,060
Intact Financial Corporation	62,794	5,708,782	6,592,742
Manulife Financial Corporation	153,600	3,288,310	4,027,392
Power Financial Corporation	99,300	3,494,566	3,429,822
Royal Bank of Canada	103,200	8,855,781	10,593,480
Toronto-Dominion Bank, The	136,200	8,401,350	10,031,130
		52,395,780	60,019,486
Health Care – 3.1%			
Jamieson Wellness Inc.	100,700	1,586,025	2,249,638
Johnson & Johnson	17,900	2,970,686	3,140,998
Medtronic PLC	35,800	3,525,266	3,630,626
		8,081,977	9,021,262

Issuer	Number of Shares/ Number of Units	Average Cost ($)	Carrying Value ($)
EQUITIES (cont'd)			
Industrials – 9.3%			
Canadian National Railway Company	60,000	5,668,682	6,219,000
Canadian Pacific Railway Limited	19,013	3,757,319	4,366,526
K-Bro Linen Inc.	145,200	6,190,344	5,999,664
Morneau Shepell, Inc.	266,050	4,456,368	5,932,915
United Parcel Service, Inc., Class B	30,100	4,461,101	4,504,188
		24,533,814	27,022,293
Information Technology – 1.5%			
Microsoft Corporation	41,500	4,471,884	4,458,342
Materials – 4.3%			
Agrium Inc.	31,900	4,253,577	4,612,102
Chemtrade Logistics Income Fund	122,407	2,302,837	2,374,696
Franco-Nevada Corporation	31,800	2,898,457	3,194,628
Teck Resources Ltd., Class B	75,800	2,111,608	2,491,546
		11,566,479	12,672,972
Real Estate – 0.9%			
Granite Real Estate Investment Trust	53,603	2,686,308	2,639,948
Telecommunication Services – 3.1%			
BCE Inc.	98,100	5,786,884	5,923,278
Rogers Communications, Inc., Class B	48,316	2,327,790	3,094,640
		8,114,674	9,017,918
Utilities – 1.2%			
Northland Power Inc.	152,200	3,579,683	3,553,870
TOTAL EQUITIES		180,197,590	192,889,184
FIXED INCOME FUNDS – 30.0%			
Scotia Canadian Income Fund Series I	5,248,446	70,325,727	70,356,462
Scotia Private Canadian Corporate Bond Pool Series I	1,613,198	17,139,795	17,221,530
		87,465,522	87,577,992
Transaction Costs		(121,390)	
TOTAL INVESTMENT PORTFOLIO		267,541,722	280,467,176
Unrealized Gain (Loss) on Derivatives – 0.1%			245,767
OTHER ASSETS, LESS LIABILITIES – 3.9%			11,301,477
NET ASSETS – 100.0%			292,014,420

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	Jan. 24, 2018	Canadian Dollar	4,584,430	US Dollar	3,590,000	0.783	0.795	71,318
Royal Bank of Canada	A-1+	Jan. 24, 2018	Canadian Dollar	4,583,224	US Dollar	3,590,000	0.783	0.795	70,112
State Street Bank & Trust Company	A-1+	Feb. 21, 2018	Canadian Dollar	4,880,967	US Dollar	3,800,000	0.779	0.796	104,337
									245,767

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

Scotia Dividend Balanced Fund (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 December 31, 2017 and December 31, 2016. 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.

	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

	December 31, 2016			
Currency	Gross currency exposure ($)	Currency contracts ($)	Net exposure ($)	Percentage of net assets (%)
US Dollar	21,983,435	(13,692,558)	8,290,877	2.6
	21,983,435	(13,692,558)	8,290,877	2.6

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 $1,460,368 or 0.5% of net assets (December 31, 2016 – $829,088 or 0.3%). 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 December 31, 2017, approximately 96.0% (December 31, 2016 – 92.4%) 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 of the Fund would have decreased or increased, respectively, by approximately $28,046,718 (December 31, 2016 – $29,317,562). 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 December 31, 2017 or December 31, 2016.

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 (%)	
	December 31, 2017	December 31, 2016
Consumer Discretionary	10.0	11.5
Consumer Staples	5.0	4.1
Energy	7.0	22.8
Financials	20.6	14.3
Fixed Income Funds	30.0	14.0
Health Care	3.1	1.2
Industrials	9.3	9.9
Information Technology	1.5	2.3
Materials	4.3	3.6
Real Estate	0.9	1.5
Telecommunication Services	3.1	2.2
Utilities	1.2	5.0

Fair Value Classification (note 2)

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

December 31, 2017	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
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

December 31, 2016	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Equities	248,612,852	–	–	248,612,852
Underlying funds	44,562,771	–	–	44,562,771
	293,175,623	–	–	293,175,623
Unrealized loss on currency forward contracts	–	(61,042)	–	(61,042)
	293,175,623	(61,042)	–	293,114,581

Scotia Dividend Balanced Fund (Continued)

FUND SPECIFIC NOTES
For the periods indicated in Note 1

Transfers between levels

During the periods ended December 31, 2017 and December 31, 2016, there were no significant transfers between Level 1 and Level 2.

Offsetting of financial assets and liabilities (note 2)

The following tables present 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.

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

	December 31, 2016			
Financial assets – by type	Gross amount of assets ($)	Master netting offset ($)	Collateral pledged/ received ($)	Net Amount ($)
Currency forward contracts	–	–	–	–
Options contracts – OTC	–	–	–	–
Swap contracts – OTC	–	–	–	–
	–	–	–	–

Financial liabilities – by type	Gross amount of liabilities ($)	Master netting offset ($)	Collateral pledged/ received ($)	Net Amount ($)
Currency forward contracts	61,042	–	–	61,042
Options contracts – OTC	–	–	–	–
Swap contracts – OTC	–	–	–	–
	61,042	–	–	61,042

Interest in Underlying Funds (note 2)

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

	December 31, 2017	
Underlying Fund	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	

	December 31, 2016	
Underlying Fund	Carrying value of the Underlying Fund ($)	Ownership percentage in Underlying Fund (%)
Scotia Canadian Income Fund Series I	33,939,058	0.5
Scotia Private Canadian Corporate Bond Pool Series I	10,623,713	0.2
	44,562,771	

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

The table below provides a comparison of the net asset value per unit and net assets per unit. A difference could arise when the last traded market price for a financial instrument is not within the bid-ask spread.

	December 31, 2017		December 31, 2016	
	Net asset value per unit ($)	Net assets per unit ($)	Net asset value per unit ($)	Net assets per unit ($)
Series A	12.10	12.10	12.08	12.09
Series D	10.04	10.04	10.01	10.01

Scotia Balanced Opportunities Fund

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	December 31, 2017	December 31, 2016
ASSETS		
Current assets		
Investments		
Non-derivative financial assets	892,698,956	840,703,724
Unrealized gain on currency forward contracts	428,785	860,270
Unrealized gain on currency spot contracts	–	1,541
Unrealized gain on futures contracts	1,122,829	321,015
Cash	3,697,149	7,036,216
Margin deposited on derivatives	1,230,668	1,284,779
Receivable for securities sold	7,434,511	8,574,193
Subscriptions receivable	1,432,862	1,226,741
Accrued investment income and other	2,324,449	2,601,621
	910,370,209	862,610,100
LIABILITIES		
Current liabilities		
Payable for securities purchased	7,221,340	7,067,969
Redemptions payable	1,083,404	984,658
Accrued expenses	–	47,856
Distributions payable	927	712
Unrealized loss on currency forward contracts	352,010	1,119,589
Unrealized loss on currency spot contracts	351	9,084
Unrealized loss on futures contracts	510,168	–
	9,168,200	9,229,868
Net assets attributable to holders of redeemable units	901,202,009	853,380,232
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
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
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series A	19.95	19.52
Advisor Series	19.43	19.03
Series D	9.82	9.50
Series F	20.13	19.71

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except average units)	2017	2016
INCOME		
Net gain (loss) on investments		
Dividends	16,888,588	15,469,528
Interest for distribution purposes	8,100,565	8,782,662
Net realized gain (loss) on non-derivative financial assets	58,346,938	16,115,300
Net realized gain (loss) on currency forward contracts	(498,291)	2,008,538
Net realized gain (loss) on futures contracts	(3,334,114)	5,868,902
Change in unrealized gain (loss) on non-derivative financial assets	13,615,990	21,424,981
Change in unrealized gain (loss) on currency forward contracts	336,094	(93,869)
Change in unrealized gain (loss) on currency spots contracts	7,192	(8,394)
Change in unrealized gain (loss) on futures contracts	291,646	727,963
Net gain (loss) on investments	93,754,608	70,295,611
Securities lending (note 11)	57,218	77,849
Net realized and unrealized foreign currency translation gain (loss)	(68,291)	(264,286)
Other income	10,854	10,061
Total income (loss), net	93,754,389	70,119,235
EXPENSES		
Management fees (note 5)	14,389,362	14,492,127
Fixed administration fees and operating expense (note 6)	959,493	924,418
Independent Review Committee fees	1,135	1,184
Interest expense and bank overdraft charges	17,536	9,010
Foreign withholding taxes/tax reclaims	1,324,251	1,351,048
Other fund costs	–	142
Harmonized Sales Tax/Goods and Services Tax	1,589,405	1,588,097
Transaction costs	624,567	751,141
Total expenses	18,905,749	19,117,167
Expenses absorbed by the Manager	(1,346)	(12,897)
Net expenses	18,904,403	19,104,270
Increase (decrease) in net assets attributable to holders of redeemable units from operations	74,849,986	51,014,965
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A	74,737,270	50,957,201
Advisor Series	67,153	36,808
Series D	6,325	1,748
Series F	39,238	19,208
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT[†]		
Series A	1.73	1.17
Advisor Series	1.71	0.87
Series D	0.81	0.91
Series F	1.88	1.61
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series A	43,228,005	43,434,295
Advisor Series	39,177	42,260
Series D	7,828	1,916
Series F	20,906	11,941

[†] 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 Balanced Opportunities Fund (Continued)

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

For the periods ended December 31 (note 1),

(in dollars)	2017	2016
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series A	852,252,737	829,813,790
Advisor Series	759,765	1,061,165
Series D	21,857	7,536
Series F	345,873	168,011
	853,380,232	831,050,502
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A	74,737,270	50,957,201
Advisor Series	67,153	36,808
Series D	6,325	1,748
Series F	39,238	19,208
	74,849,986	51,014,965
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net investment income		
Series A	(10,977,340)	(17,204,289)
Advisor Series	(10,775)	(15,571)
Series D	(1,888)	(513)
Series F	(10,012)	(7,407)
From net realized gains on investments		
Series A	(44,890,009)	(7,890,745)
Advisor Series	(39,652)	(7,065)
Series D	(6,333)	(202)
Series F	(24,793)	(3,201)
	(55,960,802)	(25,128,993)
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A	95,728,953	91,369,703
Series D	790,529	17,296
Series F	242,402	186,244
Reinvested distributions		
Series A	55,710,408	25,028,329
Advisor Series	36,730	16,018
Series D	6,234	715
Series F	31,081	10,608
Payments on redemption		
Series A	(123,407,155)	(119,821,252)
Advisor Series	(34,911)	(331,590)
Series D	(41,277)	(4,723)
Series F	(130,401)	(27,590)
	28,932,593	(3,556,242)
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A	46,902,127	22,438,947
Advisor Series	18,545	(301,400)
Series D	753,590	14,321
Series F	147,515	177,862
	47,821,777	22,329,730
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END 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
	901,202,009	853,380,232

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	74,849,986	51,014,965
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(58,346,938)	(16,115,300)
Unrealized foreign currency translation (gain) loss	(11,560)	(27,796)
Change in unrealized (gain) loss on non-derivative financial assets	(13,615,990)	(21,424,981)
Change in unrealized (gain) loss on currency forward contracts	(336,094)	93,869
Change in unrealized (gain) loss on currency spot contracts	(7,192)	8,394
Change in unrealized (gain) loss on futures contracts	(291,646)	(727,963)
Non-cash transactions	(715,634)	(781,563)
Purchases of portfolio investments	(1,757,020,269)	(1,828,838,442)
Proceeds from sale of portfolio investments	1,778,996,653	1,845,287,439
Margin deposited on derivatives	54,111	158,840
Accrued investment income and other	277,172	(51,242)
Accrued expenses and other payables	(47,856)	47,856
Net cash provided by (used in) operating activities	23,784,743	28,644,076
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	95,682,816	91,024,872
Amounts paid on redemption of redeemable units	(122,642,051)	(119,519,252)
Distributions to unitholders of redeemable units	(176,135)	(73,020)
Net cash provided by (used in) financing activities	(27,135,370)	(28,567,400)
Unrealized foreign currency translation gain (loss)	11,560	27,796
Net increase (decrease) in cash	(3,350,627)	76,676
Cash (bank overdraft), beginning of period	7,036,216	6,931,744
CASH (BANK OVERDRAFT), END OF PERIOD	3,697,149	7,036,216
Interest paid[1]	17,536	9,010
Interest received[1]	8,398,448	8,548,126
Dividends received, net of withholding taxes[1]	14,827,990	13,519,761

(1) Classified as operating items.

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

Scotia Balanced Opportunities Fund (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2017

Issuer		Face Value ($)	Average Cost ($)	Carrying Value ($)
BONDS AND DEBENTURES – 24.4%				
Corporate Bonds – 8.1%				
407 International Inc. (Callable) 3.35% Feb 16, 2024		1,100,000	1,199,671	1,145,971
407 International Inc. (Callable) 3.43% Dec 01, 2032		264,000	263,781	271,673
407 International Inc. (Callable) 3.65% Mar 08, 2044		325,000	338,985	334,416
407 International Inc. (Callable) 3.83% Nov 11, 2045		271,000	295,813	286,103
407 International Inc. 5.75% Feb 14, 2036		275,000	361,056	355,962
ADT Corporation, The 3.50% Jul 15, 2022	USD	90,000	111,832	111,791
AECOM (Callable) 5.13% Dec 15, 2026	USD	25,000	33,440	31,829
AECOM (Callable) 5.13% Dec 15, 2026	USD	45,000	58,426	57,850
Aeroports de Montreal (Callable) 3.92% Dec 12, 2044		53,000	59,515	60,342
AES Corporation (Callable) 5.50% Apr 15, 2020	USD	25,000	33,898	33,104
Air Canada (Callable) 4.75% Oct 06, 2019		50,000	50,188	51,833
Alcoa Inc. (Callable) 5.13% Jul 01, 2024	USD	175,000	237,831	235,536
Ally Financial Inc. 5.13% Sep 30, 2024	USD	235,000	324,446	321,198
Ally Financial Inc. 8.00% Nov 01, 2031	USD	60,000	95,716	98,691
AltaLink LP (Callable) 4.09% Dec 30, 2044		99,000	106,837	109,552
AltaLink LP 4.92% Sep 17, 2043		390,000	486,272	484,813
Altice US Finance I Corporation (Callable) 5.50% May 15, 2021	USD	55,000	72,015	70,370
AmeriGas Partners LP / AmeriGas Finance Corporation (Callable) 5.75% Feb 20, 2027	USD	65,000	88,058	82,883
Antero Resources Corporation (Callable) 5.13% Dec 01, 2022	USD	25,000	33,732	32,261
AutoCanada Inc. (Callable) 5.63% May 25, 2021		185,000	178,921	189,933
Ball Corporation 5.25% Jul 01, 2025	USD	80,000	112,891	109,997
Bank of America Corporation (Callable) 6.30% Mar 10, 2026	USD	160,000	226,771	228,072
Bank of Montreal (Callable) 3.34% Dec 08, 2020		1,580,000	1,649,874	1,608,622
Bank of Montreal (Floating Rate) 3.40% Apr 23, 2021		1,898,000	2,004,024	1,959,150
Bank of Montreal 2.27% Jul 11, 2022		73,000	72,996	72,250
Baytex Energy Corporation 6.63% Jul 19, 2022		60,000	57,750	58,525
Bell Canada (Callable) 2.90% May 12, 2026		1,353,000	1,352,820	1,307,939
Bell Canada (Callable) 3.55% Dec 02, 2025		537,000	571,470	546,317
Bell Canada (Callable) 4.75% Mar 29, 2044		213,000	229,275	230,126
Bell Canada 3.25% Jun 17, 2020		356,000	375,114	363,610
Bombardier Inc. 8.75% Dec 01, 2021	USD	25,000	33,507	34,585
Brookfield Residential Properties Inc. (Callable) 6.13% May 15, 2018		100,000	97,875	104,050
Canadian Imperial Bank of Commerce (Callable) 3.42% Jan 26, 2021		1,708,000	1,782,125	1,741,638
Capital Power Corporation (Callable) 4.28% Jul 18, 2024		1,201,000	1,201,593	1,221,271
Cascades Inc. 5.50% Jul 15, 2021		100,000	103,000	102,750
CCO Holdings LLC / CCO Holdings Capital Corporation (Callable) 5.50% May 01, 2021	USD	205,000	269,824	263,754
CCO Holdings LLC / CCO Holdings Capital Corporation (Callable) 5.75% Feb 15, 2021	USD	75,000	99,672	98,078
Centene Corporation (Callable) 4.75% Jan 15, 2020	USD	70,000	92,595	89,137
CF Industries Inc. 5.38% Mar 15, 2044	USD	35,000	40,560	43,462
Cheniere Corpus Christi Holdings LLC (Callable) 5.13% Jan 01, 2027	USD	80,000	106,466	104,366
Choice Properties LP (Callable) 3.60% Jan 20, 2020		2,564,000	2,700,758	2,623,468
Choice Properties LP (Callable) 3.60% Jun 20, 2021		835,000	890,711	857,381
Choice Properties LP (Callable) 3.60% Jun 20, 2022		667,000	691,434	685,903
Choice Properties Real Estate Investment Trust (Callable) 3.20% Feb 07, 2023		719,000	723,280	723,729
Choice Properties Real Estate Investment Trust (Callable) 4.06% Aug 24, 2025		593,000	603,681	615,539
Choice Properties Real Estate Investment Trust (Callable) 4.29% Nov 08, 2023		522,000	564,628	551,046
Choice Properties Real Estate Investment Trust (Callable) 4.90% Apr 05, 2023		2,000,000	2,242,757	2,173,900
Citigroup Inc. (Callable) 6.13% Nov 15, 2020	USD	170,000	224,347	227,381
Citigroup Inc. (Callable) 6.25% Aug 15, 2026	USD	105,000	134,426	146,375
Cominar Real Estate Investment Trust 4.16% Jun 01, 2022		185,000	182,430	184,023
CommScope Technologies LLC (Callable) 5.00% Mar 15, 2022	USD	30,000	37,561	37,748
Continental Resources Inc. (Callable) 4.90% Dec 01, 2043	USD	50,000	58,538	60,290
Crew Energy Inc. (Callable) 6.50% Mar 14, 2020		40,000	39,900	39,204
CSC Holdings LLC (Callable) 5.50% Apr 15, 2022	USD	55,000	72,547	70,629
CU Inc. 4.54% Oct 24, 2041		176,000	198,264	206,024
CU Inc. 5.90% Nov 20, 2034		417,000	535,908	550,901
CU Inc. 6.22% Mar 06, 2024		462,000	596,733	552,867
DCP Midstream LLC 4.75% Sep 30, 2021	USD	150,000	206,455	194,387
DCP Midstream Operating LP (Callable) 3.88% Dec 15, 2022	USD	97,000	120,566	121,232
Dell Inc. 5.40% Sep 10, 2040	USD	50,000	57,534	57,505
Diamond 1 Finance Corporation / Diamond 2 Finance Corporation (Callable) 5.88% Jun 15, 2018	USD	140,000	196,139	182,956
DISH DBS Corporation 7.75% Jul 01, 2026	USD	120,000	170,174	159,546
Embarq Corporation 8.00% Jun 01, 2036	USD	20,000	26,652	24,572
Emera Inc. (Callable) 6.75% Jun 15, 2026	USD	45,000	64,378	63,846
Empire Life Insurance Co, The (Callable) 3.66% Mar 15, 2023		436,000	436,000	438,584
Empire Life Insurance Company, The (Callable) 3.38% Dec 16, 2021		535,000	535,000	536,651
Enbridge Gas Distribution Inc. (Callable) 4.00% Feb 22, 2044		115,000	124,630	125,024
Enbridge Gas Distribution Inc. 4.77% Dec 17, 2021		540,000	621,967	589,468
Enbridge Inc. (Callable) 3.20% Mar 08, 2027		268,000	255,645	258,950
Enbridge Inc. (Callable) 3.94% Mar 30, 2023		623,000	651,281	649,236
Enbridge Inc. (Callable) 4.57% Sep 11, 2043		989,000	973,242	998,816
Enbridge Inc. (Callable) 5.38% Sep 27, 2027		466,000	470,380	464,429
Enbridge Inc. 4.24% Aug 27, 2042		223,000	208,242	213,933
Energy Transfer Equity LP (Callable) 5.88% Oct 15, 2023	USD	55,000	72,399	73,502
Equinix Inc. (Callable) 5.38% May 15, 2022	USD	95,000	130,457	128,259
First Capital Realty Inc. 4.50% Mar 01, 2021		345,000	378,030	363,307
First Capital Realty Inc. 4.79% Aug 30, 2024		440,000	483,070	475,018
FortisBC Energy Inc. (Callable) 2.58% Jan 08, 2026		80,000	79,951	78,941
FortisBC Energy Inc. 5.80% May 13, 2038		1,006,000	1,364,857	1,340,987
Freeport-McMoRan Inc. (Callable) 3.55% Dec 01, 2021	USD	205,000	253,660	254,862
Freeport-McMoRan Inc. (Callable) 5.45% Sep 15, 2042	USD	50,000	52,713	62,862
GE Capital Canada Funding Company 4.60% Jan 26, 2022		1,863,000	2,105,125	2,007,373
Gibson Energy Inc. (Callable) 5.38% Jul 15, 2022		150,000	149,115	153,125
GLP Capital LP / GLP Financing II Inc. (Callable) 4.88% Aug 01, 2020	USD	25,000	34,981	32,774
Goodyear Tire & Rubber Company, The (Callable) 5.13% Nov 15, 2018	USD	335,000	462,153	439,795
Greater Toronto Airports Authority 4.53% Dec 02, 2041		82,000	100,355	101,542
Greater Toronto Airports Authority 5.30% Feb 25, 2041		115,000	151,614	156,233
Greater Toronto Airports Authority 5.63% Jun 07, 2040		69,000	96,189	96,537
Greater Toronto Airports Authority 6.98% Oct 15, 2032		74,000	109,017	109,206
Greater Toronto Airports Authority 7.05% Jun 12, 2030		142,000	200,897	202,936
Greater Toronto Airports Authority 7.10% Jun 04, 2031		211,000	305,552	307,341
H&R Real Estate Investment Trust (Callable) 3.37% Nov 30, 2023		1,128,000	1,129,398	1,117,180
H&R Real Estate Investment Trust 2.92% May 06, 2022		475,000	475,456	468,393
HCA Inc. (Callable) 4.50% Aug 15, 2026	USD	25,000	31,714	31,904
HCA Inc. (Callable) 5.50% Dec 15, 2046	USD	100,000	132,922	128,073
HCA Inc. 5.25% Apr 15, 2025	USD	164,000	218,896	219,959
Hughes Satellite Systems Corporation 5.25% Aug 01, 2026	USD	25,000	33,089	32,395
Hydro One Inc. 6.93% Jun 01, 2032		172,000	247,357	241,917
Hydro One Inc. 7.35% Jun 03, 2030		1,246,000	1,815,766	1,756,244
Icahn Enterprises LP / Icahn Enterprises Finance Corporation (Callable) 5.88% Feb 01, 2022	USD	130,000	171,386	165,907
Intact Financial Corporation (Callable) 2.85% Mar 07, 2027		851,000	850,855	819,254
Intact Financial Corporation 4.70% Aug 18, 2021		721,000	781,468	774,060
Inter Pipeline Ltd. (Callable) 2.61% Jul 13, 2023		2,688,000	2,704,475	2,625,718
Inter Pipeline Ltd. (Callable) 2.73% Feb 18, 2024		1,352,000	1,343,785	1,317,487
Inter Pipeline Ltd. 3.78% May 30, 2022		76,000	81,302	78,934
International Game Technology PLC (Callable) 6.50% Aug 15, 2024	USD	80,000	111,691	113,134
Iron Mountain Canada Operations ULC (Callable) 5.38% Sep 15, 2019		85,000	89,250	89,335
JC Penney Corporation Inc. 5.65% Jun 01, 2020	USD	85,000	111,468	98,602
L Brands Inc. 6.88% Nov 01, 2035	USD	35,000	44,996	45,222
Lamar Media Corporation (Callable) 5.75% Feb 01, 2021	USD	50,000	69,930	67,269
Lennar Corporation (Callable) 4.75% Aug 15, 2022	USD	60,000	82,319	79,111
Level 3 Financing Inc. (Callable) 5.38% Jan 15, 2019	USD	120,000	162,072	151,480
Loblaw Companies Limited (Callable) 4.86% Jun 12, 2023		919,000	1,043,290	1,007,614
Loblaw Companies Limited 6.50% Jan 22, 2029		625,000	786,705	773,646
Loblaw Companies Limited 6.54% Feb 17, 2033		77,000	100,835	97,708
Mattamy Group Corporation (Callable) 6.50% Oct 01, 2020		50,000	50,000	52,234
Mattel Inc. (Callable) 6.75% Dec 31, 2020	USD	50,000	65,089	63,846
Metro Inc., Series G (Callable) 3.39% Sep 06, 2027		157,000	156,907	155,967
Metro Inc., Series H (Callable) 4.27% Jun 04, 2047		34,000	33,966	34,103

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

Scotia Balanced Opportunities Fund (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2017

Issuer		Face Value ($)	Average Cost ($)	Carrying Value ($)
BONDS AND DEBENTURES (cont'd)				
Corporate Bonds (cont'd)				
MGM Resorts International 6.00% Mar 15, 2023	USD	65,000	94,253	89,040
Micron Technology Inc. (Callable) 5.50% Aug 01, 2019	USD	45,000	54,762	59,437
Murphy Oil Corporation (Callable) 6.88% Aug 15, 2019	USD	140,000	199,571	189,411
Navient Corporation 5.88% Oct 25, 2024	USD	95,000	124,491	118,750
Newfield Exploration Company 5.63% Jul 01, 2024	USD	85,000	115,027	115,350
Nielsen Finance LLC / Nielsen Finance Co. (Callable) 5.00% Jan 04, 2018	USD	170,000	224,591	220,267
Nokia Oyj 4.38% Jun 12, 2027	USD	55,000	70,306	68,593
Norbord Inc. 5.38% Dec 01, 2020	USD	136,000	181,159	181,656
North West Redwater Partnership / NWR Financing Co., Ltd. (Callable) 3.20% Apr 23, 2024		232,000	237,921	236,060
North West Redwater Partnership / NWR Financing Co., Ltd. (Callable) 4.05% Jan 24, 2044		55,000	58,182	57,461
North West Redwater Partnership / NWR Financing Co., Ltd. (Callable) 4.25% Mar 01, 2029		342,000	373,584	371,089
NOVA Chemicals Corporation 5.25% Jun 01, 2027	USD	55,000	69,977	69,158
OMERS Realty Corporation (Callable) 3.24% Jul 04, 2027		791,000	800,117	805,384
Parkland Fuel Corporation (Callable) 5.63% May 09, 2020		150,000	150,619	151,828
Pembina Pipeline Corporation (Callable) 3.71% May 11, 2026		923,000	932,594	928,797
Pembina Pipeline Corporation (Callable) 4.24% Mar 15, 2027		225,000	229,858	233,733
Pembina Pipeline Corporation (Callable) 4.74% Jul 21, 2046		171,000	168,747	173,242
Pembina Pipeline Corporation (Callable) 4.75% Oct 30, 2042		366,000	358,522	371,173
Pembina Pipeline Corporation (Callable) 4.81% Sep 25, 2043		266,000	266,569	272,956
Plenary Properties LTAP LP 6.29% Jan 31, 2044		96,172	121,734	128,536
PulteGroup Inc. (Callable) 5.50% Dec 01, 2025	USD	75,000	104,212	102,658
Quicken Loans Inc. (Callable) 5.25% Jan 15, 2023	USD	45,000	56,950	55,934
Qwest Corporation 6.75% Dec 01, 2021	USD	120,000	165,300	162,238
Range Resources Corporation (Callable) 4.88% Feb 15, 2025	USD	100,000	125,495	122,668
Rockies Express Pipeline LLC 6.88% Apr 15, 2040	USD	25,000	35,402	35,687
Rogers Communications Inc. (Callable) 4.00% Dec 13, 2023		109,000	118,293	115,475
Rogers Communications Inc. (Callable) 6.11% Feb 25, 2040		65,000	82,470	82,462
Rogers Communications Inc. (Callable) 6.56% Sep 22, 2040		165,000	212,947	220,209
Royal Bank of Canada (Floating Rate) 1.28% Apr 20, 2018		2,858,000	2,865,145	2,671,240
Royal Bank of Canada 2.86% Mar 04, 2021		4,033,000	4,192,027	4,093,828
Russel Metals Inc. (Callable) 6.00% Apr 19, 2022		75,000	76,875	77,469
Sally Holdings LLC / Sally Capital Inc. (Callable) 5.63% Dec 01, 2020	USD	35,000	47,705	43,887
Sealed Air Corporation (Callable) 5.50% Jun 15, 2025	USD	65,000	92,200	89,729
Sensata Technologies UK Financing Co. PLC (Callable) 6.25% Feb 15, 2021	USD	60,000	84,394	81,854
Shaw Communications Inc. 3.15% Feb 19, 2021		212,000	216,918	215,812
Shaw Communications Inc. 5.50% Dec 07, 2020		135,000	151,694	146,420
Shaw Communications Inc. 6.75% Nov 09, 2039		1,816,000	2,297,108	2,342,335
Sirius XM Radio Inc. (Callable) 5.38% Jul 15, 2021	USD	150,000	202,388	195,685
Smart Real Estate Investment Trust 2.88% Mar 21, 2022		334,000	339,307	332,326
Smart Real Estate Investment Trust 3.56% Feb 06, 2025		884,000	885,220	882,493
Sobeys Inc. (Callable) 4.70% May 08, 2023		175,000	179,938	182,157
Sobeys Inc. 3.52% Aug 08, 2018		220,000	221,980	221,974
Southwestern Energy Company (Callable) 6.70% Oct 23, 2024	USD	100,000	126,660	130,611
Sprint Communications Inc. 7.00% Mar 01, 2020	USD	100,000	142,865	134,224
Standard Industries Inc. (Callable) 6.00% Oct 15, 2020	USD	50,000	70,853	67,112
Superior Plus Corporation (Callable) 5.25% Feb 27, 2020		105,000	105,225	107,166
Targa Resources Partners LP / Targa Resources Partners Finance Corporation (Callable) 4.25% May 15, 2018	USD	50,000	63,513	62,236
Teck Resources Ltd. (Callable) 3.75% Nov 01, 2022	USD	205,000	266,013	259,331
Telecom Italia SpA, Milano 5.30% May 30, 2024	USD	185,000	252,182	249,664
TELUS Corporation (Callable) 4.40% Oct 01, 2042		44,000	44,484	43,949
TELUS Corporation (Callable) 4.70% Sep 06, 2047		115,000	119,340	120,697
TELUS Corporation (Callable) 4.75% Jul 17, 2044		155,000	161,264	162,980
TELUS Corporation (Callable) 4.85% Oct 05, 2043		268,000	284,576	285,625
TELUS Corporation (Callable) 5.15% May 26, 2043		256,000	282,322	284,367
TELUS Corporation 3.60% Jan 26, 2021		73,000	77,947	75,443
Tenet Healthcare Corporation 6.00% Oct 01, 2020	USD	175,000	241,741	231,811
T-Mobile US Inc. (Callable) 6.50% Jan 15, 2021	USD	190,000	278,437	260,360
Toromont Industries Ltd. (Callable) 3.84% Jul 27, 2027		518,000	518,000	530,319
Toronto-Dominion Bank, The (Callable) 3.22% Jul 25, 2024		175,000	175,000	174,956
TransCanada PipeLines Ltd. (Callable) 4.33% Mar 16, 2047		372,000	371,937	398,251
TransCanada PipeLines Ltd. (Callable) 4.35% Dec 06, 2045		535,000	560,289	574,969
TransCanada PipeLines Ltd. 4.55% Nov 15, 2041		220,000	237,017	243,154
Transcanada Trust (Callable) 4.65% May 18, 2027		924,000	928,554	923,018
United Rentals North America Inc. (Callable) 4.88% Jan 15, 2023	USD	40,000	50,740	50,710
Valeant Pharmaceuticals International Inc. (Callable) 7.00% Mar 15, 2020	USD	20,000	27,414	27,002
Videotron Ltd. (Callable) 5.63% Mar 15, 2025		340,000	342,441	365,283
Videotron Ltd. / Videotron Ltee (Callable) 5.13% Apr 15, 2022	USD	55,000	73,172	72,356
WellCare Health Plans Inc. (Callable) 5.25% Apr 01, 2020	USD	35,000	47,862	46,787
Western Digital Corporation (Callable) 10.50% Apr 01, 2019	USD	115,000	169,348	167,886
Williams Cos Inc., The (Callable) 3.70% Oct 15, 2022	USD	164,000	204,001	205,611
ZF North America Capital Inc. 4.75% Apr 29, 2025	USD	95,000	127,741	126,910
			73,920,835	72,729,898
Federal Bonds – 5.3%				
Canada Housing Trust No 1 1.75% Jun 15, 2022		3,146,000	3,107,684	3,099,743
Canada Housing Trust No. 1 2.35% Mar 15, 2028		5,264,000	5,252,103	5,232,668
Canada Housing Trust No. 1 2.35% Sep 15, 2023		1,648,000	1,669,276	1,660,657
Canada Housing Trust No. 1 2.40% Dec 15, 2022		433,000	439,486	438,253
Government of Canada 0.50% Mar 01, 2022		3,711,000	3,537,731	3,514,630
Government of Canada 1.00% Jun 01, 2027		3,781,000	3,443,650	3,445,783
Government of Canada 1.00% Sep 01, 2022		8,591,000	8,274,194	8,261,696
Government of Canada 0.75% Mar 01, 2021		1,132,000	1,102,885	1,096,667
Government of Canada 0.75% Sep 01, 2020		1,923,000	1,881,635	1,874,386
Government of Canada 2.75% Dec 01, 2048		2,816,000	3,124,232	3,119,049
Government of Canada 2.75% Jun 01, 2022		325,000	340,048	337,640
Government of Canada 3.25% Jun 01, 2021		690,000	727,667	723,347
Government of Canada 3.50% Dec 01, 2045		953,000	1,189,788	1,191,553
Government of Canada 4.00% Jun 01, 2041		2,473,000	3,279,445	3,243,415
Government of Canada 5.00% Jun 01, 2037		5,632,000	8,010,250	8,086,079
Government of Canada 5.75% Jun 01, 2033		1,704,000	2,526,332	2,501,115
			47,906,406	47,826,681
Provincial Bonds – 11.0%				
Province of Alberta 1.60% Sep 01, 2022		799,000	797,090	777,041
Province of Alberta 2.20% Jun 01, 2026		1,003,000	972,354	972,283
Province of Alberta 2.35% Jun 01, 2025		935,000	924,135	923,509
Province of Alberta 3.05% Dec 01, 2048		4,702,000	4,688,211	4,754,237
Province of Alberta 3.10% Jun 01, 2024		450,000	479,453	467,487
Province of Alberta 3.30% Dec 01, 2046		1,807,000	1,806,718	1,908,243
Province of British Columbia 3.20% Jun 18, 2044		335,000	348,878	354,846
Province of British Columbia 4.30% Jun 18, 2042		673,000	841,176	840,943
Province of Manitoba 4.60% Mar 05, 2038		319,000	372,713	395,314
Province of Manitoba 6.30% Mar 05, 2031		510,000	678,106	699,940
Province of New Brunswick 4.55% Mar 26, 2037		1,103,000	1,311,853	1,342,627
Province of New Brunswick 4.80% Jun 03, 2041		605,000	725,811	775,936
Province of Newfoundland and Labrador 2.30% Jun 02, 2025		1,181,000	1,142,036	1,150,225
Province of Newfoundland and Labrador 2.85% Jun 02, 2028		2,050,000	2,043,891	2,039,022
Province of Newfoundland and Labrador 3.00% Jun 02, 2026		2,516,000	2,517,677	2,557,723
Province of Newfoundland and Labrador 3.30% Oct 17, 2046		1,537,000	1,420,497	1,557,138
Province of Newfoundland and Labrador 3.70% Oct 17, 2048		286,000	310,241	312,366
Province of Nova Scotia 4.70% Jun 01, 2041		291,000	306,907	373,851
Province of Ontario 2.60% Jun 02, 2027		17,370,000	17,373,887	17,352,515
Province of Ontario 2.80% Jun 02, 2048		3,541,000	3,462,450	3,446,193
Province of Ontario 2.85% Jun 02, 2023		9,201,000	9,577,086	9,456,231
Province of Ontario 3.50% Jun 02, 2024		4,458,000	4,810,100	4,745,209
Province of Ontario 4.00% Jun 02, 2021		904,000	966,096	961,723
Province of Ontario 5.60% Jun 02, 2035		663,000	897,165	911,426
Province of Ontario 5.85% Mar 08, 2033		528,000	720,768	724,353
Province of Ontario 6.50% Mar 08, 2029		410,000	564,726	558,278
Province of Quebec 2.75% Sep 01, 2027		11,656,000	11,773,221	11,812,525
Province of Quebec 3.00% Sep 01, 2023		9,737,000	10,294,601	10,092,983
Province of Quebec 3.50% Dec 01, 2022		5,663,000	6,230,744	5,995,779
Province of Quebec 3.50% Dec 01, 2048		366,000	417,566	409,432

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

Scotia Balanced Opportunities Fund (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2017

Issuer	Face Value ($)/ Number of Shares	Average Cost ($)	Carrying Value ($)
BONDS AND DEBENTURES (cont'd)			
Provincial Bonds (cont'd)			
Province of Quebec 4.25% Dec 01, 2043	919,000	1,109,845	1,137,750
Province of Quebec 4.50% Dec 01, 2020	3,901,000	4,264,924	4,177,630
Province of Quebec 6.00% Oct 01, 2029	435,000	556,757	577,594
Province of Saskatchewan 2.65% Jun 02, 2027	1,587,000	1,580,319	1,588,185
Province of Saskatchewan 3.30% Jun 02, 2048	2,490,000	2,587,857	2,643,405
		98,875,859	98,793,942
TOTAL BONDS AND DEBENTURES		220,703,100	219,350,521
EQUITIES – 72.6%			
Consumer Discretionary – 6.4%			
Compagnie Financiere Richemont SA, Class A	8,300	946,355	944,057
Adidas-Salomon AG	700	182,629	175,516
Adtalem Global Education Inc.	16,800	763,779	887,220
Aimia Inc.	102,100	362,010	381,854
Amazon.com, Inc.	1,300	1,648,327	1,909,363
Bellway PLC	2,400	147,810	145,007
Benesse Holdings Inc.	800	39,371	35,293
Bloomberry Resorts Corporation	682,000	182,239	187,215
Boyd Gaming Corporation	19	477	836
Callaway Golf Company	38	536	665
Canadian Tire Corporation, Limited, Class A	1,600	259,389	262,240
Career Education Corporation	1,700	22,823	25,791
Carnival Corporation	18,500	1,551,283	1,542,054
Carnival PLC – ADR	11,800	1,021,105	982,247
Comcast Corporation, Class A	15,600	745,893	784,663
Dollarama Inc.	7,700	931,985	1,209,285
Dometic Group AB	4,900	62,185	62,721
Exedy Corporation	21,400	811,091	831,889
Foot Locker, Inc.	12,100	524,761	712,408
Fossil Group Inc.	94,700	1,001,248	924,117
Francesca's Holdings Corporation	3,500	32,509	32,132
Galaxy Entertainment Group Ltd.	209,000	1,701,822	2,098,996
Geely Automobile Holdings Limited	322,000	508,251	1,387,629
Gildan Activewear Inc.	34,900	999,507	1,417,289
Grand Canyon Education Inc.	2,600	242,946	292,347
Guangzhou Automobile Group Co., Ltd.	158,000	484,221	468,722
Hai-O Enterprise Berhad	20,700	22,469	34,469
Haseko Corporation	75,200	1,136,001	1,462,357
Home Depot Inc., The	3,400	730,051	809,306
Industria de Diseno Textil S.A.	5,000	233,476	218,437
Keihin Corporation	5,100	128,887	130,227
Komeri Co., Ltd.	600	22,260	21,738
KYB Corporation	2,600	191,355	190,244
Lear Corporation	1,000	183,202	221,868
Liberty Global PLC	69,800	2,745,816	2,966,482
Liberty Global PLC, Class A	6,700	269,536	301,577
Macy's, Inc.	33,300	989,499	1,053,485
Magna International Inc.	76,246	3,568,413	5,431,765
McDonald's Corporation	19,400	3,893,828	4,193,620
Melco International Development Ltd.	208,000	630,188	766,256
Melco Resorts & Entertainment Ltd. – ADR	10,300	289,466	375,656
Mitsuba Corporation	26	447	491
Naspers Limited N Shares	1,500	455,213	524,493
New Oriental Education & Technology Group Inc.	600	64,490	70,833
NIKE, Inc., Class B	9,400	657,446	738,433
Nikon Corporation	24,100	521,285	609,230
NOK Corporation	6,600	193,143	193,140
Office Depot Inc.	15,000	78,790	66,688
Onward Holdings Co., Ltd.	11,700	124,867	127,242
Panasonic Corporation	1,800	33,669	33,119
Persimmon PLC	27,400	1,221,015	1,271,299
Peugeot SA	24,500	571,661	625,113
Porsche Automobil Holding SE	4,900	419,540	515,130

Issuer	Number of Shares	Average Cost ($)	Carrying Value ($)
EQUITIES (cont'd)			
Consumer Discretionary (cont'd)			
Priceline Group Inc., The	1,700	4,102,937	3,710,135
Restaurant Brands International Inc.	29,254	1,808,992	2,260,457
Round One Corporation	5,800	125,860	122,154
Sands China Ltd.	32,000	187,978	206,853
Seiko Holdings Corporation	17,500	636,684	639,286
Shoe Carnival Inc.	900	30,743	30,236
Signet Jewelers Ltd.	4,300	291,922	305,392
SodaStream International Ltd.	2,100	152,591	185,514
Sony Corporation	15,500	854,665	875,019
Sumitomo Forestry Co., Ltd.	115,100	2,364,226	2,588,335
Suzuki Motor Corporation	27,300	1,813,972	1,986,646
Swatch Group AG, Class B	100	51,067	51,210
Tailored Brands Inc.	49,100	841,611	1,346,143
T-Gaia Corporation	20,600	561,858	600,057
Toho Co Ltd.	3,800	166,928	165,370
Token Corporation	300	46,064	44,536
Topre Corporation	3,100	112,003	109,963
Trigano SA	900	130,980	199,745
TS Tech Co., Ltd.	12,900	597,289	665,763
TUI AG	8,400	179,803	218,523
Unibet Group PLC	26,200	445,221	471,603
Walt Disney Company, The	12,300	1,615,338	1,660,772
Wynn Macau Ltd.	92,400	320,767	365,625
Xinyi Glass Holdings Ltd.	124,000	169,479	202,889
Yum China Holdings Inc.	4,300	199,154	216,123
		52,358,697	59,882,603
Consumer Staples – 4.9%			
Carlsberg A/S, Series B	2,100	313,172	315,988
a2 Milk Co., Ltd.	75,749	468,761	543,148
Alimentation Couche-Tard Inc., Class B	13,494	710,648	885,071
Avon Products Inc.	118,700	422,034	320,513
Barry Callebaut AG	100	251,177	261,715
British American Tobacco PLC	9,300	732,488	788,605
Coca-Cola Company, The	59,900	3,008,988	3,451,487
Coca-Cola HBC AG	14,200	363,934	580,321
Colgate-Palmolive Company	26,200	2,464,452	2,482,656
ConAgra Foods, Inc.	21,200	974,166	1,002,969
Costco Wholesale Corporation	200	47,619	46,750
Diageo PLC	80,000	2,816,354	3,678,623
Diageo PLC – ADR	500	91,818	91,700
Edgewell Personal Care Company	8,200	660,593	611,622
Empire Company Limited, Class A	23,500	545,936	575,515
Estee Lauder Companies Inc., The	2,700	431,754	431,463
Loblaw Companies Limited	23,006	1,696,969	1,569,469
Mondelez International, Inc.	64,500	3,724,449	3,467,045
Nestle SA	12,200	1,313,720	1,316,986
PepsiCo, Inc.	25,500	2,678,857	3,840,500
Philip Morris International Inc.	33,300	4,910,659	4,418,448
Procter & Gamble Company, The	43,800	5,045,563	5,054,185
PT Japfa Comfeed Indonesia TBK	737,900	110,833	88,816
Real Nutriceutical Group Ltd.	495,000	184,312	22,360
Rite Aid Corporation	46,400	94,397	114,800
Safeway Inc. Rights (Casa Ley), Feb 2, 2019*	1,800	2,298	–
Safeway Inc. Rights (PDC) Apr 06, 2017*	1,800	69	–
Saputo Inc.	35,704	1,607,887	1,613,107
Unilever NV – ADR	11,000	288,360	295,916
Unilever NV – ADR	30,600	2,252,320	2,164,413
Unilever PLC	22,900	1,342,437	1,593,954
Walgreens Boots Alliance Inc.	16,500	1,521,229	1,504,860
Wal-Mart de Mexico S.A.B. de C.V.	92,700	276,989	285,421
Wal-Mart Stores, Inc.	2,600	321,391	322,453
		41,676,633	43,740,879

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

Scotia Balanced Opportunities Fund (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2017

Issuer	Number of Shares	Average Cost ($)	Carrying Value ($)
EQUITIES (cont'd)			
Energy – 7.7%			
Adaro Energy Tbk PT	4,897,800	812,464	840,770
Arch Coal Inc.	2,100	206,051	245,700
Cameco Corporation	81,800	1,073,429	949,698
Canadian Natural Resources Ltd.	149,870	5,423,255	6,732,160
Cenovus Energy Inc.	182,400	3,558,393	2,093,952
Chevron Corporation	32,900	4,749,982	5,172,751
China Petroleum & Chemical Corporation	1,378,000	1,245,541	1,268,094
China Shenhua Energy Co Ltd.	536,500	1,541,008	1,743,068
ConocoPhillips	26,300	1,774,219	1,813,030
Cosmo Energy Holdings Co., Ltd.	14,600	499,845	691,169
Crescent Point Energy Corporation	201,100	1,917,019	1,926,538
Delta Dunia Makmur Tbk PT	1,497,400	76,416	99,068
Ecopetrol SA -ADR	159,850	2,221,964	2,937,061
Enbridge Inc.	145,702	7,701,137	7,162,710
EnCana Corporation	118,608	1,571,709	1,989,056
Exxon Mobil Corporation	58,900	5,882,627	6,187,074
Hellenic Petroleum SA	22,300	242,202	255,785
Indo Tambangraya Megah Tbk PT	346,700	562,438	663,103
Kinder Morgan Inc.	21,800	506,929	494,733
Marathon Petroleum Corporation	500	41,658	41,432
MOL Hungarian Oil & Gas PLC	16,600	255,217	242,125
Motor Oil Hellas Corinth Refineries SA	19,400	567,159	549,080
OMV AG	37,900	1,909,618	3,016,005
Parkland Fuel Corporation	28,104	819,948	754,592
Seven Generations Energy Ltd.	52,908	1,290,725	940,704
Suncor Energy, Inc.	185,724	6,714,342	8,571,163
Tatneft OAO	21,500	1,313,362	1,335,521
Tourmaline Oil Corporation	37,202	1,008,356	847,462
TransCanada Corporation	84,700	4,717,373	5,181,946
Trican Well Service Ltd.	160,770	606,656	655,942
Trinidad Drilling Ltd.	484,200	1,211,609	823,140
Tupras Turkiye Petrol Rafinerileri AS	40,900	1,458,802	1,647,350
Whitecap Resources Inc.	156,406	1,657,897	1,399,834
Yanzhou Coal Mining Co., Ltd., Class H	242,000	244,518	354,265
		65,383,868	69,626,081
Financials – 16.9%			
Danske Bank A/S	4,100	204,284	200,239
3i Group PLC	19,000	229,314	294,255
ABN AMRO Group NV	23,000	836,622	929,597
Administradora de Fondos de Pensiones Habitat S.A.	41,200	74,117	78,964
AG Mortgage Investment Trust Inc.	17,700	423,575	422,582
AIA Group Ltd.	16,600	172,298	177,804
Allstate Corporation, The	500	65,075	65,753
American Equity Investment Life Holding Company	1,200	43,567	46,313
American Express Company	21,100	2,229,646	2,631,670
American International Group, Inc.	5,500	429,878	411,547
Aon PLC	6,700	1,181,449	1,127,549
Arbor Realty Trust Inc.	68,100	737,939	738,953
ASR Nederland NV	17,500	808,516	903,998
Assured Guaranty Ltd.	13,700	556,828	582,763
Athene Holding Ltd., Class A	800	54,529	51,954
Australia and New Zealand Banking Group Limited	5,300	146,504	148,725
Banco BPI, SA	17,265	23,722	30,465
Banco Santander Brasil S.A. – ADR	69,257	798,159	841,097
Bank Mandiri Persero Tbk PT	6,900	194,306	202,261
Bank of America Corporation	79,000	2,308,831	2,928,866
Bank of Montreal	86,006	8,141,655	8,651,344
Bank of New York Mellon Corporation, The	3,500	242,815	236,750
Bank of Nova Scotia, The	163,427	10,566,341	13,257,198
Bank Tabungan Negara Persero Tbk PT	4,460,800	764,759	1,474,306
BlackRock, Inc.	600	333,786	387,102
BNP Paribas	1,000	98,866	93,668
Brookfield Asset Management Inc., Class A	52,596	2,341,963	2,878,053
Canadian Imperial Bank of Commerce	66,290	6,110,877	8,123,177

Issuer	Number of Shares	Average Cost ($)	Carrying Value ($)
EQUITIES (cont'd)			
Financials (cont'd)			
Canadian Western Bank	20,300	751,568	796,775
Chimera Investment Corporation	2,700	61,851	62,665
Chongqing Rural Commercial Bank Co., Ltd.	591,000	499,688	524,342
Chubb Ltd.	200	37,106	36,705
CI Financial Corporation	59,100	1,772,460	1,759,407
Citigroup Inc.	45,400	3,931,566	4,242,708
CNP Assurances	10,100	305,755	292,725
Commonwealth Bank of Australia	26,000	2,001,650	2,041,482
DBS Group Holdings Limited	33,200	647,347	772,346
DnB NOR ASA	20,300	463,304	471,646
Eagle Bancorp Inc.	200	14,222	14,543
ECN Capital Corporation	243,800	819,901	958,134
Element Financial Corporation	136,800	1,666,875	1,299,600
Erste Group Bank AG	7,900	306,058	427,920
Everest Re Group Ltd.	4,000	1,110,380	1,111,524
FFP	600	93,100	90,591
Goldman Sachs Group, Inc., The	7,000	1,990,122	2,239,676
Hana Financial Group Inc.	4,826	219,747	283,132
I-CABLE Communications Ltd.	831	35	31
ING Groep NV	109,300	2,424,984	2,526,173
Intact Financial Corporation	7,960	745,727	835,720
IntercontinentalExchange Inc.	1,200	106,038	106,340
Inversiones La Construccion S.A.	36,756	547,656	873,820
Invesco Limited	1,100	52,159	50,480
JPMorgan Chase & Co.	33,100	3,854,393	4,445,537
KB Financial Group Inc.	23,000	1,338,774	1,690,106
KB Financial Group Inc.	6,375	318,179	475,251
KBC Groep SA NV	18,900	1,935,029	2,022,559
Kyobo Securities Co., Ltd.	31,531	413,743	336,546
Lloyds Banking Group PLC – ADR	27,200	123,317	128,102
Macquarie Group Ltd.	4,500	429,074	438,301
Manulife Financial Corporation	360,584	7,612,276	9,454,512
Meritz Fire & Marine Insurance Co., Ltd.	8,239	165,595	228,165
Moody's Corporation	300	55,011	55,615
National Australia Bank Ltd.	400	11,630	11,560
National Bank of Canada	18,000	1,144,645	1,128,960
NN Group NV	2,000	105,866	108,621
North Pacific Bank Ltd.	119,000	571,302	499,587
Oita Bank Ltd., The	9,900	508,477	483,075
OM Asset Management PLC	11,200	213,601	235,607
Oversea-Chinese Banking Corporation Limited	63,500	662,815	737,105
Pargesa Holding SA	5,600	582,375	609,462
PennyMac Financial Services Inc.	6,600	150,714	185,258
Plus500 Ltd.	12,200	178,921	187,987
Power Corporation of Canada	117,600	3,608,929	3,806,712
Progressive Corporation, The	17,600	1,122,065	1,244,891
Prudential Financial, Inc.	2,000	294,821	288,807
Prudential PLC	22,300	556,760	720,350
Raiffeisen Bank International AG	8,700	393,775	395,699
Royal Bank of Canada	210,618	15,432,574	21,619,938
Royal Bank of Scotland Group PLC – Sponsored ADR	109,000	953,465	1,045,866
S&P Global Inc.	11,700	2,271,387	2,489,174
Shimao Property Holdings Ltd.	406,000	975,802	1,109,242
Societa Cattolica di Assicurazioni SC	9,700	136,351	132,253
Srisawad Power 1979 PCL., Warrants Jun 11, 2020	24,068	–	12,904
State Street Corporation	8,200	981,492	1,005,227
Storebrand ASA	126,900	1,314,233	1,296,180
Tochigi Bank Ltd., The	60,800	400,138	307,468
Tokai Tokyo Financial Holdings Inc.	54,300	402,062	439,401
Toronto-Dominion Bank, The	281,666	14,176,088	20,744,701
Unipol Gruppo Finanziario SpA	66,100	378,123	388,852
Universal Insurance Holdings Inc.	10,300	297,863	353,794
Walker & Dunlop Inc.	11,100	467,650	662,175
Welltower Inc.	1,200	98,735	96,107

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

Scotia Balanced Opportunities Fund (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2017

Issuer	Number of Shares	Average Cost ($)	Carrying Value ($)
EQUITIES (cont'd)			
Financials (cont'd)			
Woori Bank	21,165	299,590	392,415
Wuestenrot & Wuerttembergische AG	6,900	238,371	242,827
XL Group Ltd.	6,200	293,925	273,777
		126,159,456	152,266,114
Health Care – 5.5%			
Agilent Technologies, Inc.	15,100	1,235,746	1,270,028
Alexion Pharmaceuticals, Inc.	8,600	1,350,140	1,291,663
Allergan PLC	11,000	2,948,538	2,259,846
Amgen Inc.	7,500	1,665,988	1,638,011
Baxter International Inc.	24,900	1,719,228	2,021,421
bioMérieux	4,800	450,900	540,204
Boston Scientific Corporation	5,800	190,664	180,576
Bristol-Myers Squibb Company	31,000	2,244,572	2,385,813
Celgene Corporation	20,200	2,931,579	2,647,533
Community Health Systems Inc.	79,100	657,080	423,197
Danaher Corporation	23,500	2,468,077	2,739,463
Eli Lilly and Company	1,000	108,397	106,074
Endo Pharmaceuticals Holdings Inc.	119,500	1,491,662	1,163,123
Fukuda Denshi Co., Ltd.	5,300	350,198	486,220
Genmab A/S	2,000	560,944	416,637
Gilead Sciences, Inc.	3,700	347,888	332,900
GlaxoSmithKline PLC	10,200	285,451	226,678
GlaxoSmithKline PLC – ADR	40,300	2,144,973	1,795,239
Halyard Health Inc.	8,700	437,404	504,579
Hartalega Holdings Berhad	111,100	355,771	368,141
Hogy Medical Co., Ltd.	300	27,216	28,533
Hypermarcas S.A.	73,100	859,079	997,025
Indivior PLC	68,800	342,542	470,558
Johnson & Johnson	33,000	5,465,092	5,790,664
Lonza Group AG	500	158,810	169,674
Mallinckrodt PLC	37,100	1,366,319	1,051,160
McKesson Corporation	700	123,954	137,101
Medtronic PLC	9,600	987,941	973,576
Merck & Co., Inc.	61,000	4,844,102	4,310,848
Mettler-Toledo International Inc.	800	617,534	622,445
Miraca Holdings Inc.	2,100	112,473	113,008
Novartis AG – Sponsored ADR	400	42,439	42,178
Olympus Corporation	7,100	303,644	341,547
Pfizer Inc.	48,800	2,069,106	2,219,853
Roche Holdings AG	10,300	3,241,284	3,272,850
Thermo Fisher Scientific, Inc.	2,700	614,517	643,871
United Therapeutics Corporation	1,400	226,880	260,135
UnitedHealth Group Incorporated	11,600	2,511,637	3,211,765
Valeant Pharmaceuticals International, Inc.	44,900	785,540	1,176,380
Waters Corporation	2,000	456,864	485,256
WellCare Health Plans Inc.	800	202,917	202,060
		49,305,090	49,317,833
Industrials – 8.8%			
3M Company	12,100	2,905,196	3,576,782
ABB Ltd.	1,300	37,901	43,673
ABB Ltd. – Sponsored ADR	7,100	218,633	239,152
Adecco SA	29,700	2,756,645	2,851,570
Aena S.A.	3,000	713,354	762,834
Aeroports de Paris	2,200	455,672	524,984
AGCO Corporation	6,400	559,054	574,138
Air Canada	116,708	2,430,108	3,020,403
Air France – KLM	19,400	354,358	396,156
AirAsia Berhad	517,700	436,718	539,067
Alfa Laval AB	2,300	68,642	68,244
Asahi Glass Co., Ltd.	26,900	1,384,076	1,461,824
Atlas Copco AB, Class A	61,900	2,913,758	3,354,917
BAE Systems PLC	75,500	643,713	729,589
Barloworld Ltd.	14,400	185,429	232,633

Issuer	Number of Shares	Average Cost ($)	Carrying Value ($)
EQUITIES (cont'd)			
Industrials (cont'd)			
Boeing Company, The	9,100	2,576,747	3,370,442
CaixaBank SA	298,800	1,841,819	1,745,668
Canadian National Railway Company	91,800	6,756,666	9,515,070
Canadian Pacific Railway Limited	32,575	6,161,016	7,481,175
Capita PLC	30,900	216,502	209,896
Caterpillar Inc.	8,900	1,304,885	1,761,356
CSX Corporation	7,800	534,256	538,880
Deere & Company	1,600	236,823	314,498
Deutsche Lufthansa AG	23,100	690,783	1,066,586
Europcar Groupe SA	16,500	308,675	254,339
Finning International Inc.	74,108	2,089,085	2,350,706
Flughafen Wien AG	4,700	166,961	238,240
Fujikura Ltd.	12,100	122,536	134,168
Fujitec Co Ltd.	29,300	467,888	531,171
Furukawa Co., Ltd.	1,400	35,832	36,040
Gecoss Corporation	300	4,657	4,663
General Electric Company	123,400	4,422,482	2,704,370
Glory Ltd.	4,800	209,378	227,468
Hitachi Construction Machinery Co., Ltd.	7,200	277,629	328,135
Honeywell International Inc.	8,000	1,280,842	1,540,842
International Consolidated Airlines Group SA	59,800	644,966	651,228
Intertek Group PLC	1,700	95,817	149,618
Kurita Water Industries Ltd.	1,300	55,084	53,063
Kyokuto Kaihatsu Kogyo Co., Ltd.	2,400	54,250	53,166
Localiza Rent a Car S.A.	55,100	431,099	460,667
Loomis AB, Class B	900	47,508	47,425
LS Corporation	965	70,521	82,355
Macquarie Atlas Roads Group	55,300	326,325	339,900
ManpowerGroup Inc.	6,700	903,209	1,061,159
Meitec Corporation	1,000	66,919	66,145
MINEBEA MITSUMI Inc.	7,700	160,546	202,986
Nippon Sheet Glass Co., Ltd.	3,700	41,974	42,185
Noritake Co., Ltd.	5,600	227,542	356,434
Northgate PLC	15,000	106,534	96,768
OKUMA Corporation	3,200	232,950	267,371
QinetiQ Group PLC	11,000	43,455	42,995
Rentokil Initial PLC	92,600	322,232	497,757
Ryanair Holding PLC – ADR	200	29,025	26,171
Ryobi Limited	2,200	74,673	78,547
Sandvik AB	68,600	1,254,313	1,508,961
Sintokogio Ltd.	700	11,656	11,243
SKF AB, Class B	6,600	184,786	184,170
Smiths Group PLC	20,500	480,242	515,264
SNC-Lavalin Group Inc.	48,196	2,660,928	2,749,582
Societa Iniziative Autostradali e Servizi SpA	3,800	88,703	88,788
Star Micronics Co., Ltd.	11,400	248,190	247,455
Sumitomo Heavy Industries Ltd.	2,300	120,648	122,403
Toshiba Corporation	456,000	1,498,485	1,610,467
Toyota Tsusho Corporation	1,100	55,693	55,544
Triton International Ltd.	9,300	462,772	437,412
Triumph Group, Inc.	37,300	1,547,736	1,274,189
Union Pacific Corporation	1,500	244,728	252,625
United Parcel Service, Inc., Class B	3,700	568,686	553,671
United Technologies Corporation	14,500	1,989,245	2,323,125
United Tractors Tbk PT	240,000	618,858	785,657
Volvo AB, Class B	102,900	2,413,089	2,409,338
Waste Connections Inc.	33,552	2,335,518	2,991,496
Weichai Power Co., Ltd.	283,000	313,424	389,345
WestJet Airlines Ltd.	126,300	2,802,205	3,329,268
Yangzijiang Shipbuilding Holdings Ltd.	168,000	235,350	231,978
YRC Worldwide Inc.	19,000	310,128	343,138
		70,148,731	79,720,738

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

Scotia Balanced Opportunities Fund (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2017

Issuer	Number of Shares	Average Cost ($)	Carrying Value ($)
EQUITIES (cont'd)			
Information Technology – 10.4%			
Accenture PLC, Class A	6,400	1,198,821	1,230,503
Adobe Systems Incorporated	13,500	2,551,954	2,971,139
Alibaba Group Holding Ltd.	2,400	541,979	519,733
Alphabet Inc., Class A	100	130,215	132,297
Alphabet Inc., Class C	4,400	4,467,777	5,782,377
Amkor Technology Inc.	55,600	711,190	701,773
Apple Inc.	39,000	7,261,755	8,288,920
Arisawa Manufacturing Co., Ltd.	17,600	178,343	241,408
ASM Pacific Technology Ltd.	5,600	110,900	97,827
AU Optronics Corporation – ADR	446,927	2,352,260	2,334,995
Baidu, Inc.	9,000	2,638,474	2,647,305
Canon Electronics Inc.	25,300	643,552	695,061
Celestica Inc.	63,600	850,718	838,248
CGI Group Inc., Class A	42,344	2,364,001	2,892,095
Cielo S.A.	2,400	21,563	21,316
Constellation Software Inc.	200	154,497	152,404
Dainippon Screen Manufacturing Co., Ltd.	6,300	544,828	643,233
Daiwabo Holdings Co., Ltd.	2,700	137,272	139,588
Disco Corporation	800	234,682	221,301
Electrocomponents PLC	31,900	346,016	338,537
Facebook Inc.	16,000	3,344,021	3,545,866
Fuji Soft Inc.	16,300	636,628	656,119
Genpact Limited	68,900	2,259,788	2,746,516
Gree Inc.	9,700	96,835	76,338
Hirose Electric Co., Ltd.	600	109,640	110,220
Hitachi Ltd.	156,000	1,314,933	1,524,692
Hochiki Corporation	8,800	154,161	237,672
Hoya Corporation	400	27,268	25,112
Hyundai Robotics Co., Ltd.	48	23,826	21,509
International Business Machines Corporation	16,000	3,316,726	3,082,890
Japan Aviation Electronics Industry Ltd.	15,000	360,971	319,082
Kaga Electronics Co., Ltd.	3,100	116,808	106,204
KEMET Corporation	5,000	105,175	94,569
Kingboard Chemical Holdings Ltd.	105,000	404,515	711,598
Kingboard Laminates Holdings Ltd.	167,500	264,491	327,876
Koei Tecmo Holdings Co., Ltd.	25,200	689,854	639,966
Konami Holdings Corporation	600	39,368	41,425
Kulicke & Soffa Industries Inc.	4,500	151,451	137,531
Kyocera Corporation	18,700	1,419,310	1,535,167
LG Display Co., Ltd. – ADR	21,600	367,265	373,274
Malaysian Pacific Industries Berhad	176,100	321,953	690,148
MasterCard, Inc., Class A	21,800	3,581,137	4,144,037
Micron Technology, Inc.	37,200	2,008,897	1,921,109
Microsoft Corporation	37,000	3,032,667	3,974,907
Mixi Inc.	14,500	770,668	818,310
Murata Manufacturing Co., Ltd.	16,600	3,162,763	2,787,534
Net 1 UEPS Technologies Inc.	40,020	470,035	597,606
Nexon Co., Ltd.	11,900	417,771	434,483
Nichicon Corporation	10,900	192,789	179,346
Nintendo Co., Ltd.	3,000	1,325,821	1,372,187
Nippon Electric Glass Co., Ltd.	11,000	517,417	527,603
NSD Co., Ltd.	1,000	26,170	26,739
Oki Electric Industry Co., Ltd.	22,300	399,174	392,682
Open Text Corporation	43,468	1,590,092	1,943,454
Oracle Corporation	40,389	2,512,226	2,398,262
Osaki Electric Co., Ltd.	38,000	458,264	344,752
PayPal Holdings Inc.	1,000	93,253	92,460
Samsung Electronics Co., Ltd.	1,292	2,484,821	3,870,324
Shindengen Electric Manufacturing Co., Ltd.	1,200	109,942	119,035
Shinko Electric Industries Co., Ltd.	17,500	192,379	178,431
Shopify Inc., Class A	2,600	315,174	330,486
Siltronic AG	3,700	604,024	674,539
SK Hynix Inc.	22,724	1,342,273	2,023,083
STMicroelectronics NV	72,300	1,414,323	1,972,180
Synchronoss Technologies Inc.	55,700	876,650	625,387
Syntel Inc.	4,300	130,661	124,155
Taiwan Semiconductor Manufacturing Company Ltd. – ADR	26,000	1,148,799	1,294,710
Tencent Holdings Limited	71,100	3,482,669	4,616,222
Texas Instruments Incorporated	5,400	695,889	708,299
Tokyo Electron Ltd.	700	137,985	157,540
Tower Semiconductor Ltd.	5,100	224,915	219,103
TTM Technologies Inc.	39,800	811,525	783,264
Ulvac Inc.	10,500	890,470	825,046
Unisys Corporation	18,300	192,271	187,312
United Microelectronics Corporation – ADR	215,214	712,398	645,988
Venture Corporation Ltd.	8,500	110,955	163,194
Visa Inc.	19,300	2,675,443	2,763,722
Worldline SA	6,900	366,115	420,515
Xero Ltd.	346	9,992	9,692
YY Inc. – ADR	7,200	911,346	1,022,345
		83,365,947	93,583,877
Materials – 7.0%			
ADEKA Corporation	15,800	341,975	349,272
Agnico-Eagle Mines Limited	51,906	2,634,928	3,012,624
Agrium Inc.	32,500	3,396,479	4,698,850
Air Products and Chemicals, Inc.	10,200	1,978,437	2,101,899
Alexandria Mineral Oils Company	449,900	330,819	438,117
Anglo American PLC	30,100	498,829	790,404
Arakawa Chemical Industries Ltd.	2,600	56,494	67,007
Barrick Gold Corporation	199,508	5,057,694	3,627,055
BHP Billiton Limited	14,300	363,061	413,525
BHP Billiton Ltd. – ADR	27,100	1,426,869	1,565,268
Boliden AB	1,200	51,054	51,439
Canfor Corporation	78,606	1,682,338	1,947,857
CCL Industries Inc., Class B	18,902	1,204,573	1,097,828
Cemex S.A.B. de C.V. – ADR	170,633	1,613,917	1,607,238
China Resources Cement Holdings Ltd.	58,000	40,930	47,745
Covestro AG	18,400	1,922,297	2,376,356
Eldorado Gold Corporation	35,600	93,665	64,792
Eregli Demir ve Celik Fabrikalari TAS (Erdemir)	390,000	712,831	1,294,229
Ezz Steel	275,600	367,527	400,788
Fibria Celulose SA	23,100	453,499	426,467
First Quantum Minerals Ltd.	54,904	692,966	966,859
Fortescue Metals Group Ltd.	227,300	1,291,644	1,085,105
Franco-Nevada Corporation	9,502	782,701	954,571
Fufeng Group Ltd.	146,000	136,014	119,683
Goldcorp, Inc.	204,500	3,907,730	3,278,133
Greif Inc., Class A	100	7,660	7,608
Hanwha Chemical Corporation	21,849	661,351	811,699
Hokuetsu Kishu Paper Co., Ltd.	88,000	691,650	660,564
Indah Kiat Pulp & Paper Corporation Tbk PT	968,100	451,873	483,189
Interfor Corporation	52,690	979,506	1,112,813
Kumba Iron Ore Ltd.	44,100	1,158,161	1,695,621
Lotte Chemical Corporation	1,379	467,200	596,362
Lundin Mining Corporation	186,000	1,067,302	1,554,960
Major Drilling Group International Inc.	178,000	1,316,225	1,256,680
Methanex Corporation	48,106	2,437,454	3,663,753
Mitsubishi Chemical Holdings Corporation	128,200	1,486,928	1,768,293
Mitsubishi Gas Chemical Co., Inc.	29,300	879,479	1,059,047
Norsk Hydro ASA	32,300	252,192	306,859
PhosAgro PJSC – Sponsored GDR	900	17,634	17,342
Potash Corporation of Saskatchewan Inc.	83,216	2,438,941	2,145,308
Rayonier Advanced Materials Inc.	11,900	217,778	305,630
Rio Tinto Limited	34,288	2,130,925	2,542,179
Rio Tinto PLC	15,200	639,289	1,007,914
Rio Tinto PLC – Sponsored ADR	4,600	255,748	305,785
Sakata INX Corporation	500	10,065	10,044
Sanyo Chemical Industries Ltd.	5,700	367,565	374,669

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

Scotia Balanced Opportunities Fund (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2017

Issuer	Number of Shares	Average Cost ($)	Carrying Value ($)
EQUITIES (cont'd)			
Materials (cont'd)			
Sappi Ltd.	48,900	430,863	443,847
Sherritt International Corporation	657,820	2,512,041	1,131,450
Showa Denko KK	7,400	286,802	396,642
Sinopec Shanghai Petrochemical Co., Ltd.	520,000	322,164	372,033
Sumitomo Bakelite Co Ltd.	46,000	450,571	486,453
Sumitomo Seika Chemicals Co., Ltd.	100	6,977	6,948
Teck Resources Ltd., Class B	118,402	3,377,216	3,891,872
Toagosei Co., Ltd.	3,200	51,552	50,994
Tokuyama Corporation	11,100	361,250	453,519
Toyobo Co., Ltd.	2,200	50,280	50,168
Ube Industries Ltd.	4,400	163,769	162,705
UNIPETROL AS	27,700	598,539	615,027
United Co RUSAL PLC	333,000	286,196	292,887
Vedanta Resources PLC	2,200	30,559	29,736
Western Forest Products Inc.	128,600	328,143	315,070
Yara International ASA	1,400	77,875	80,522
		58,308,994	63,249,303
Real Estate – 1.3%			
Aeon Mall Co., Ltd.	1,300	28,920	31,957
Agile Property Holdings Ltd.	208,000	359,978	396,424
Altarea SCA	700	202,083	219,450
American Tower Corporation	6,000	1,049,364	1,075,078
Aroundtown SA	11,100	100,651	107,382
AvalonBay Communities Inc.	100	22,569	22,407
Boardwalk Real Estate Investment Trust	14,500	569,029	624,805
CBL & Associates Properties Inc.	20,400	145,832	145,012
Charter Hall Group	64,000	360,407	376,810
Cheung Kong Property Holdings Ltd	55,500	585,791	609,282
China Vanke Co., Ltd.	169,600	675,456	848,207
Corrections Corporation of America	42,700	1,399,329	1,206,609
Country Garden Holdings Co., Ltd.	55,000	88,547	131,252
Essex Property Trust, Inc.	1,200	373,146	363,765
Fastighets AB Balder, Series B	20,300	674,603	682,883
Granite Real Estate Investment Trust	6,000	303,100	295,500
Guangzhou R&F Properties Co., Ltd.	141,200	380,218	399,816
HCP, Inc. Real Estate Investment Trust	1,200	40,996	39,305
Hemfosa Fastigheter AB	13,700	228,756	230,814
Hongkong Land Holdings Limited	24,700	219,668	218,134
Kerry Properties Ltd.	41,500	208,457	234,469
KSL Holdings Berhad	204,700	143,397	68,020
Longfor Properties Co., Ltd.	222,500	694,498	700,193
Mitsubishi Estate Company Ltd.	51,400	1,280,125	1,122,086
NEPI Rockcastle PLC	2,800	48,434	60,655
Open House Co., Ltd.	3,600	142,413	242,892
ProLogis	1,000	84,507	81,018
Safestore Holdings PLC	38,400	159,980	325,309
Simon Property Group Inc.	1,600	329,846	345,102
Unibail-Rodamco SE	300	96,683	94,930
Unite Group PLC	17,200	201,531	234,752
Ventas Inc.	1,100	87,306	82,903
		11,285,620	11,617,221
Telecommunication Services – 2.3%			
AT&T Inc.	33,500	1,528,159	1,635,788
BCE Inc.	38,541	2,113,628	2,327,106
Chunghwa Telecom Co., Ltd. – ADR	1,000	44,578	44,509
Global Telecom Holding SAE	910,910	524,916	478,769
Mobile TeleSystems – ADR	193,223	2,438,753	2,472,800
O2 Czech Republic AS	32,000	404,147	522,124
Rogers Communications, Inc., Class B	43,400	1,936,766	2,779,770
SK Telecom Co., Ltd. – ADR	1,500	53,878	52,578
Telenor ASA	26,800	746,846	721,366

Issuer		Number of Shares/ Face Value ($)	Average Cost ($)	Carrying Value ($)
EQUITIES (cont'd)				
Telecommunication Services (cont'd)				
TELUS Corporation		123,104	4,799,410	5,862,212
Verizon Communications Inc.		56,800	3,461,242	3,775,776
			18,052,323	20,672,798
Utilities – 1.4%				
A2A SpA		217,900	471,363	505,975
ACEA SpA		3,800	95,650	88,073
AES Corporation, The		17,800	264,095	242,105
AGL Energy Ltd.		17,800	429,167	424,383
Capital Power Corporation		11,400	275,159	279,186
Centrais Eletricas Brasilier S.A.		26,200	172,971	186,809
E.ON SE		137,500	1,832,740	1,872,601
Edison International		5,300	467,043	420,943
Hera SpA		118,200	497,283	517,858
Just Energy Group, Inc.		77,200	419,041	416,880
NextEra Energy, Inc.		200	39,920	39,232
Northland Power Inc.		70,704	1,653,471	1,650,938
NRG Energy, Inc.		17	286	608
PG&E Corporation		12,600	804,620	709,407
PPL Corporation		9,700	424,539	377,041
RusHydro PJSC – ADR		236,471	378,613	356,416
RWE AG		30,300	771,007	776,076
Shizuoka Gas Co., Ltd.		3,400	37,828	36,355
Tokyo Electric Power Company Holdings Inc.		348,300	2,004,206	1,732,562
TransAlta Corporation		188,400	1,337,752	1,403,580
Verbund AG		5,500	125,696	166,250
			12,502,450	12,203,278
TOTAL EQUITIES			588,547,809	655,880,725
MONEY MARKET INSTRUMENTS – 2.0%				
Bankers Acceptances – 1.3%				
Canadian Imperial Bank of Commerce 0.00% Feb 06, 2018		950,000	947,103	948,749
Canadian Imperial Bank of Commerce 0.00% Jan 02, 2018		350,000	349,027	349,962
Canadian Imperial Bank of Commerce 0.00% Jan 25, 2018		200,000	199,429	199,819
Canadian Imperial Bank of Commerce 0.00% Jan 29, 2018		150,000	149,538	149,843
Canadian Imperial Bank of Commerce 0.00% Jun 16, 2018		150,000	149,499	149,552
National Bank of Canada 0.00% Feb 02, 2018		1,300,000	1,296,061	1,298,443
Royal Bank of Canada 0.00% Feb 06, 2018		2,200,000	2,193,158	2,197,079
Royal Bank of Canada 0.00% Feb 20, 2018		650,000	648,042	648,803
Royal Bank of Canada 0.00% Jan 05, 2018		400,000	398,892	399,915
Royal Bank of Canada 0.00% Mar 22, 2018		2,450,000	2,441,523	2,442,277
Toronto-Dominion Bank, The 0.00% Feb 26, 2018		1,650,000	1,644,845	1,646,549
Toronto-Dominion Bank, The 0.00% Jan 22, 2018		750,000	747,548	749,374
Toronto-Dominion Bank, The 0.00% Mar 05, 2018		150,000	149,502	149,640
			11,314,167	11,330,005
Treasury Bills – 0.7%				
Government of Canada 0.00% Jan 25, 2018		4,450,000	4,441,634	4,447,311
United States Treasury Bills 0.00% Mar 22, 2018	USD	1,350,000	1,714,991	1,690,394
			6,156,625	6,137,705
TOTAL MONEY MARKET INSTRUMENTS			17,470,792	17,467,710
Transaction Costs			(296,191)	
TOTAL INVESTMENT PORTFOLIO			826,425,510	892,698,956
Unrealized Gain (Loss) on Derivatives – 0.1%				689,436
OTHER ASSETS, LESS LIABILITIES – 0.9%				7,813,617
NET ASSETS – 100.0%				901,202,009

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

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 (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+	Mar. 20, 2018	Canadian Dollar	4,618,964	US Dollar	3,595,000	0.778	0.796	101,384
Bank of Nova Scotia, The	A-1	Mar. 20, 2018	Canadian Dollar	46,245	US Dollar	36,000	0.778	0.796	1,006
Royal Bank of Canada	A-1+	Mar. 20, 2018	Canadian Dollar	44,935	US Dollar	35,000	0.779	0.796	952
Royal Bank of Canada	A-1+	Mar. 20, 2018	Canadian Dollar	44,860	US Dollar	35,000	0.78	0.796	877
Royal Bank of Canada	A-1+	Mar. 20, 2018	US Dollar	45,000	Canadian Dollar	56,278	1.251	1.257	270
Royal Bank of Canada	A-1+	Mar. 20, 2018	South African Rand	5,227,000	US Dollar	376,908	0.072	0.08	51,344
Royal Bank of Canada	A-1+	Mar. 20, 2018	Australian Dollar	915,000	US Dollar	686,933	0.751	0.78	33,484
Royal Bank of Canada	A-1+	Mar. 20, 2018	Canadian Dollar	1,000,000	US Dollar	778,773	0.779	0.796	21,371
Royal Bank of Canada	A-1+	Mar. 20, 2018	British Pound	2,405,000	US Dollar	3,228,664	1.342	1.354	33,994
Royal Bank of Canada	A-1+	Mar. 20, 2018	European Euro	6,428,000	US Dollar	7,605,108	1.183	1.206	182,826
Royal Bank of Canada	A-1+	Mar. 20, 2018	US Dollar	97,000	Brazilian Real	324,000	3.34	3.342	71
Royal Bank of Canada	A-1+	Mar. 20, 2018	US Dollar	244,450	Canadian Dollar	306,000	1.252	1.257	1,180
Royal Bank of Canada	A-1+	Mar. 20, 2018	Japanese Yen	45,549,000	US Dollar	405,821	0.009	0.009	26
									428,785

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+	Mar. 20, 2018	US Dollar	148,000	Canadian Dollar	190,113	1.285	1.257	(4,131)
Royal Bank of Canada	A-1+	Mar. 20, 2018	US Dollar	31,000	Canadian Dollar	39,159	1.263	1.257	(203)
Royal Bank of Canada	A-1+	Mar. 20, 2018	US Dollar	1,367	New Zealand Dollar	2,000	1.463	1.412	(62)
Royal Bank of Canada	A-1+	Mar. 20, 2018	US Dollar	3,073,058	Swedish Krona	25,868,000	8.418	8.155	(124,377)
Royal Bank of Canada	A-1+	Mar. 20, 2018	US Dollar	1,669,276	Turkish Lira	6,603,000	3.956	3.883	(39,322)
Royal Bank of Canada	A-1+	Mar. 20, 2018	US Dollar	24,172	Danish Krone	152,000	6.288	6.172	(571)
Royal Bank of Canada	A-1+	Mar. 20, 2018	US Dollar	8,962,379	Japanese Yen	1,011,746,000	112.888	112.183	(70,706)
Royal Bank of Canada	A-1+	Mar. 20, 2018	US Dollar	1,375,128	South Korean Won	1,502,809,000	1092.85	1065.8	(43,832)
Royal Bank of Canada	A-1+	Mar. 20, 2018	US Dollar	631,393	Australian Dollar	824,000	1.305	1.282	(14,081)
Royal Bank of Canada	A-1+	Mar. 20, 2018	Japanese Yen	39,352,000	US Dollar	351,342	0.009	0.009	(896)
Royal Bank of Canada	A-1+	Mar. 20, 2018	US Dollar	384,379	South African Rand	5,236,000	13.622	12.525	(42,295)
Royal Bank of Canada	A-1+	Mar. 20, 2018	US Dollar	465,826	Canadian Dollar	593,000	1.273	1.257	(7,630)
Royal Bank of Canada	A-1+	Mar. 20, 2018	US Dollar	582,953	Japanese Yen	65,730,000	112.754	112.183	(3,721)
RBC Capital Markets	A-1+	Mar. 20, 2018	US Dollar	251,324	Hong Kong Dollar	1,962,000	7.807	7.802	(183)
									(352,010)

Expiry Date	Number of Contracts	Futures Contracts	Counterparty	Credit Risk	Contractual Value ($)	Fair Value ($)	Appreciation/ (Depreciation) ($)
INDEX FUTURES CONTRACTS							
Mar. 2018	254	S&P/TSX 60 Index	BMO Capital Markets	A-1	48,459,644	48,635,920	176,276
Mar. 2018	(50)	mini MSCI EAFE Index Futures	BMO Capital Markets	A-1	(6,334,145)	(6,422,373)	(88,227)
Mar. 2018	(104)	E-mini MSCI Emerging Markets Index Futures	BMO Capital Markets	A-1	(7,332,664)	(7,599,769)	(267,105)
Mar. 2018	(101)	S&P 500 Composite Stock Index - E-Mini Futures	BMO Capital Markets	A-1	(16,831,853)	(16,972,018)	(140,165)
							(319,221)
CURRENCY FUTURES CONTRACTS							
Mar. 2018	199	CME Canadian Dollar Currency Future	BMO Capital Markets	A-1	19,480,377	19,968,979	488,603
BOND FUTURES CONTRACTS							
Mar. 2018	(77)	Canada 10 Year Bond Future	BMO Capital Markets	A-1	(10,527,440)	(10,378,060)	149,380
Mar. 2018	63	U.S. 10 Year Treasury Note Futures	BMO Capital Markets	A-1	9,828,616	9,814,821	(13,795)
Mar. 2018	(168)	Canada 10 Year Bond Future	BMO Capital Markets	A-1	(22,935,287)	(22,643,040)	292,247
Mar. 2018	4	U.S. 10 Year Treasury Note Futures	BMO Capital Markets	A-1	624,039	623,163	(876)
Mar. 2018	(10)	Canada 10 Year Bond Future	BMO Capital Markets	A-1	(1,364,123)	(1,347,800)	16,323
							443,279

With respect to the above futures contracts, $4,450,000 of the January 25, 2018 Government of Canada Treasury Bills are held on margin.

Scotia Balanced Opportunities Fund (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 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	December 31, 2017 ($)	December 31, 2016 ($)
Less than 1 year	20,804,203	24,165,003
1-3 years	10,091,962	19,722,295
3-5 years	39,984,338	67,772,947
5-10 years	98,562,405	90,950,672
> 10 years	67,818,602	61,455,894
	237,261,510	264,066,811

As at December 31, 2017, 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 would have decreased or increased, respectively, by $4,341,860 or approximately 0.5% (December 31, 2016 – $4,577,520 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.

	December 31, 2017			
Currency	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
Norwegian Krone	2,890,156	–	2,890,156	0.3
South African Rand	3,051,472	(46,210)	3,005,262	0.3
Brazilian Real	1,726,309	(121,752)	1,604,557	0.2
Czech Koruna	1,394,481	–	1,394,481	0.2
Malaysian Ringgit	1,668,055	–	1,668,055	0.2
Singapore Dollar	1,982,844	–	1,982,844	0.2
Chile Peso	980,448	–	980,448	0.1
Danish Krone	993,733	(30,928)	962,805	0.1
Egyptian Pound	1,327,234	–	1,327,234	0.1
New Zealand Dollar	601,737	(1,779)	599,958	0.1
Turkish Lira	2,941,603	(2,135,770)	805,833	0.1
Hungary Forint	252,215	–	252,215	0.0
Israel Shekel	236,439	–	236,439	0.0
Mexican Peso	412,574	–	412,574	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

	December 31, 2016			
Currency	Gross currency exposure ($)	Currency contracts ($)	Net exposure ($)	Percentage of net assets (%)
US Dollar	240,599,874	(11,267,398)	229,332,476	26.9
European Euro	39,712,469	(5,969,162)	33,743,307	4.0
Japanese Yen	26,040,172	7,163,335	33,203,507	3.9
British Pound	27,101,944	(10,487,385)	16,614,559	1.9
Swiss Franc	293,019	9,034,209	9,327,228	1.1
Australian Dollar	3,554,897	4,792,917	8,347,814	1.0
Hong Kong Dollar	6,342,942	–	6,342,942	0.7
South Korean Won	11,957,026	(5,769,961)	6,187,065	0.7
Indonesian Rupiah	5,646,770	30,416	5,677,186	0.7
Swedish Krona	5,395,238	(1,121,632)	4,273,606	0.5
Norwegian Krone	3,071,461	55,547	3,127,008	0.4
Brazilian Real	7,004,782	(4,002,913)	3,001,869	0.4
Hungary Forint	2,782,446	–	2,782,446	0.3
South African Rand	–	2,234,614	2,234,614	0.3
Danish Krone	1,591,896	(226,275)	1,365,621	0.2
Egyptian Pound	1,264,189	–	1,264,189	0.1
Mexican Peso	1,219,322	–	1,219,322	0.1
Czech Koruna	961,017	–	961,017	0.1
Chile Peso	882,410	–	882,410	0.1
Singapore Dollar	761,169	16,149	777,318	0.1
Malaysian Ringgit	776,779	(3,570)	773,209	0.1
Turkish Lira	7,571,840	(6,887,404)	684,436	0.1
Israel Shekel	201,019	16,118	217,137	0.0
Philippines Peso	212,653	–	212,653	0.0
Thai Baht	98,708	–	98,708	0.0
New Zealand Dollar	482,214	(399,256)	82,958	0.0
	395,526,256	(22,791,651)	372,734,605	43.7

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 $42,370,866 or 4.7% of net assets (December 31, 2016 – $37,273,461 or 4.4%). 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 December 31, 2017, approximately 72.7% (December 31, 2016 – 67.5%) 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 of the Fund would have decreased or increased, respectively, by approximately $65,561,515 (December 31, 2016 – $57,663,691). 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 (Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

Credit ratings	December 31, 2017 Percentage of total credit rated instruments (%)	December 31, 2017 Percentage of net assets (%)	December 31, 2016 Percentage of total credit rated instruments (%)	December 31, 2016 Percentage of net assets (%)
Short Term Rating				
A-1+	6.1	1.7	6.0	1.9
A-1	1.3	0.3	–	–
Bond Credit Rating				
AAA	20.8	5.4	15.1	4.7
AA	19.8	5.2	8.3	2.6
A	31.9	8.6	38.4	11.8
BBB	15.8	4.1	22.3	6.8
BB	3.9	1.0	7.6	2.4
B	0.4	0.1	1.0	0.3
CCC	–	–	0.2	0.1
NOT RATED	–	–	1.1	0.3
	100.0	26.4	100.0	30.9

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 (%)	
	December 31, 2017	December 31, 2016
Bankers' Acceptances	1.3	1.0
Consumer Discretionary	6.4	5.6
Consumer Staples	4.9	5.6
Corporate Bonds	8.1	14.5
Energy	7.7	8.1
Federal Bonds	5.3	4.0
Financials	16.9	17.7
Health Care	5.5	2.3
Index Based ETFs	–	0.1
Industrials	8.8	7.5
Information Technology	10.4	7.2
Materials	7.0	7.0
Provincial Bonds	11.0	10.7
Real Estate	1.3	2.1
Telecommunication Services	2.3	2.3
Treasury Bills	0.7	0.8
Utilities	1.4	2.1

Fair Value Classification (note 2)

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

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

December 31, 2016	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Equities	421,523,050	155,107,409	–	576,630,459
Bonds and debentures	–	248,226,317	–	248,226,317
Money market instruments	–	15,840,494	–	15,840,494
Warrants, rights and options	–	6,454	–	6,454
Unrealized gain on currency forward contracts	–	860,270	–	860,270
Unrealized gain on currency spot contracts	–	1,541	–	1,541
Unrealized gain on futures contracts	321,015	–	–	321,015
	421,844,065	420,042,485	–	841,886,550
Unrealized loss on currency forward contracts	–	(1,119,589)	–	(1,119,589)
Unrealized loss on currency spot contracts	–	(9,084)	–	(9,084)
	421,844,065	418,913,812	–	840,757,877

Transfers between levels

During the periods ended December 31, 2017 and December 31, 2016, 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:

	December 31, 2017 ($)	December 31, 2016 ($)
Beginning of period	–	2,647
Purchases	–	–
Sales	–	–
Transfers into Level 3	–	–
Transfers out of Level 3	–	–
Net realized gains (losses)	–	–
Net changes in unrealized gain (loss)*	–	(2,647)
End of period	–	–

* Net change in unrealized gain (loss) for Level 3 financial instruments held as at December 31, 2017 and December 31, 2016 was nil and $(2,647), respectively.

Level 3 valuation techniques

The table below summarizes 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

FUND SPECIFIC NOTES
For the periods indicated in Note 1

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 December 31, 2017 ($)	Reasonable possible shift (+/-) ($)
Rights	Fundamental model analysis based on financial data	Discount to company NAV	–	–
			–	

Security	Valuation technique	Significant unobservable input	Carrying value as at December 31, 2016 ($)	Reasonable possible shift (+/-) ($)
Equities	Fundamental model analysis based on financial data	Company NAV	–	n/a
			–	

Offsetting of financial assets and liabilities (note 2)

The following tables present 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.

	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

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

	December 31, 2016			
Financial assets – by type	Gross amount of assets ($)	Master netting offset ($)	Collateral pledged/ received ($)	Net Amount ($)
Currency forward contracts	860,270	(799,276)	–	60,994
Options contracts – OTC	–	–	–	–
Swap contracts – OTC	–	–	–	–
	860,270	(799,276)	–	60,994

Financial liabilities – by type	Gross amount of liabilities ($)	Master netting offset ($)	Collateral pledged/ received ($)	Net Amount ($)
Currency forward contracts	1,119,589	(799,276)	–	320,313
Options contracts – OTC	–	–	–	–
Swap contracts – OTC	–	–	–	–
	1,119,589	(799,276)	–	320,313

Interest in Underlying Funds (note 2)

The following table presents the percentage of the Underlying Funds owned by the Fund. The Fund did not hold any interest in Underlying Funds as at December 31, 2017.

	December 31, 2016	
Underlying Fund	Carrying value of the Underlying Fund ($)	Ownership percentage in Underlying Fund (%)
iShares S&P/TSX 60 Index ETF	719,952	0.0
	719,952	

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

As at December 31, 2017 or December 31, 2016, 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

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	December 31, 2017	December 31, 2016
ASSETS		
Current assets		
Investments		
Non-derivative financial assets	108,843,294	102,508,458
Unrealized gain on currency forward contracts	280,717	41,425
Unrealized gain on currency spot contracts	419	–
Cash	4,819,544	2,704,766
Subscriptions receivable	213,167	210,937
Accrued investment income and other	105,674	109,104
	114,262,815	105,574,690
LIABILITIES		
Current liabilities		
Payable for securities purchased	179,732	179,971
Redemptions payable	144,690	151,541
Accrued expenses	–	6,797
Distributions payable	2	–
Unrealized loss on currency forward contracts	40,937	129,717
Unrealized loss on currency spot contracts	–	374
	365,361	468,400
Net assets attributable to holders of redeemable units	113,897,454	105,106,290
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series A	113,612,272	104,987,374
Series D	285,182	118,916
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series A	14.58	13.98
Series D	9.52	9.13

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except average units)	2017	2016
INCOME		
Net gain (loss) on investments		
Dividends	3,287,563	1,237,047
Interest for distribution purposes	101,892	1,370,881
Net realized gain (loss) on non-derivative financial assets	3,679,682	10,084,770
Net realized gain (loss) on currency forward contracts	125,508	83,348
Change in unrealized gain (loss) on non-derivative financial assets	3,733,628	(12,436,752)
Change in unrealized gain (loss) on currency forward contracts	328,072	(88,292)
Change in unrealized gain (loss) on currency spots contracts	793	(374)
Net gain (loss) on investments	11,257,138	250,628
Securities lending (note 11)	247	–
Net realized and unrealized foreign currency translation gain (loss)	(35,863)	(6,353)
Other income	2,975	3,284
Total income (loss), net	11,224,497	247,559
EXPENSES		
Management fees (note 5)	1,801,604	2,096,568
Fixed administration fees (note 6)	163,095	157,302
Independent Review Committee fees	1,135	1,184
Interest expense and bank overdraft charges	691	49
Foreign withholding taxes/tax reclaims	221,216	52,551
Other fund costs	–	18
Harmonized Sales Tax/Goods and Services Tax	199,006	227,770
Transaction costs	68,011	85,605
Total expenses	2,454,758	2,621,047
Increase (decrease) in net assets attributable to holders of redeemable units from operations	8,769,739	(2,373,488)
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A	8,756,144	(2,371,930)
Series D	13,595	(1,558)
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT†		
Series A	1.18	(0.34)
Series D	0.64	(0.14)
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series A	7,392,296	7,075,704
Series D	21,343	11,326

† 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 Global Balanced Fund (Continued)

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

For the periods ended December 31 (note 1),

(in dollars)	2017	2016
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series A	104,987,374	100,491,489
Series D	118,916	102,602
	105,106,290	100,594,091
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A	8,756,144	(2,371,930)
Series D	13,595	(1,558)
	8,769,739	(2,373,488)
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net investment income		
Series A	(925,635)	–
Series D	(3,894)	–
From net realized gains on investments		
Series A	(3,484,356)	(7,923,657)
Series D	(8,611)	(8,963)
	(4,422,496)	(7,932,620)
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A	20,120,651	26,713,508
Series D	226,312	36,771
Reinvested distributions		
Series A	4,380,773	7,873,823
Series D	12,505	8,963
Payments on redemption		
Series A	(20,222,679)	(19,795,859)
Series D	(73,641)	(18,899)
	4,443,921	14,818,307
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A	8,624,898	4,495,885
Series D	166,266	16,314
	8,791,164	4,512,199
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series A	113,612,272	104,987,374
Series D	285,182	118,916
	113,897,454	105,106,290

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	8,769,739	(2,373,488)
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(3,679,682)	(10,084,770)
Unrealized foreign currency translation (gain) loss	(8,312)	289
Change in unrealized (gain) loss on non-derivative financial assets	(3,733,628)	12,436,752
Change in unrealized (gain) loss on currency forward contracts	(328,072)	88,292
Change in unrealized (gain) loss on currency spot contracts	(793)	374
Non-cash transactions	(1,636,071)	(2,088,458)
Purchases of portfolio investments	(94,914,058)	(138,979,186)
Proceeds from sale of portfolio investments	97,628,364	135,835,777
Accrued investment income and other	3,430	(108,811)
Accrued expenses and other payables	(6,797)	6,797
Net cash provided by (used in) operating activities	2,094,120	(5,266,432)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	20,239,210	26,748,411
Amounts paid on redemption of redeemable units	(20,197,648)	(19,784,443)
Distributions to unitholders of redeemable units	(29,216)	(49,833)
Net cash provided by (used in) financing activities	12,346	6,914,135
Unrealized foreign currency translation gain (loss)	8,312	(289)
Net increase (decrease) in cash	2,106,466	1,647,703
Cash (bank overdraft), beginning of period	2,704,766	1,057,352
CASH (BANK OVERDRAFT), END OF PERIOD	4,819,544	2,704,766
Interest paid[1]	691	49
Interest received[1]	25,592	10,136
Dividends received, net of withholding taxes[1]	1,510,007	347,973

[1] Classified as operating items.

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

Scotia Global Balanced Fund (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2017

Issuer	Number of Shares/Units	Average Cost ($)	Carrying Value ($)
EQUITIES – 95.6%			
Belgium – 1.2%			
Anheuser-Busch InBev NV	9,400	1,389,340	1,316,970
Canada – 43.5%			
Canadian Imperial Bank of Commerce	14,900	1,500,631	1,825,846
Canadian Pacific Railway Limited	3,000	599,541	688,980
Enbridge Inc.	29,229	1,530,305	1,436,898
Scotia Private Global Credit Pool Series I	4,513,002	44,817,749	44,875,944
TransCanada Corporation	15,820	992,983	967,868
		49,441,209	49,795,536
Denmark – 0.6%			
Danske Bank A/S	14,800	675,034	722,815
France – 1.7%			
Danone	11,235	946,465	1,183,090
Thales SA	5,300	682,258	716,372
		1,628,723	1,899,462
Germany – 3.3%			
Bayer AG	10,400	1,470,486	1,624,698
GEA Group AG	11,200	650,406	674,535
Siemens AG	8,200	1,380,136	1,429,058
		3,501,028	3,728,291
Hong Kong – 1.2%			
CK Hutchison Holdings Ltd.	83,400	1,351,048	1,315,076
Japan – 2.2%			
KDDI Corporation	19,100	773,283	597,468
Mitsubishi Electric Corporation	30,100	556,737	628,370
SoftBank Group Corporation	12,400	1,354,460	1,230,820
		2,684,480	2,456,658
Netherlands – 1.2%			
ING Groep NV	59,300	1,212,730	1,370,559
Spain – 1.6%			
Ferrovial S.A.	62,326	1,601,359	1,774,322
Sweden – 1.3%			
Assa Abloy AB, Class B	55,200	1,447,339	1,441,401
Switzerland – 0.9%			
Novartis AG	9,300	965,735	987,688
United Kingdom – 8.0%			
British American Tobacco PLC	16,800	1,292,646	1,424,576
Imperial Brands PLC	17,800	1,096,957	955,735
Kingfisher PLC	133,100	752,014	762,354
Lloyds Banking Group PLC	899,900	1,009,100	1,035,332
National Grid PLC	105,266	1,712,296	1,553,635
Prudential PLC	32,300	919,118	1,043,377
Reckitt Benkiser Group PLC	5,800	657,570	680,693
Shire PLC	25,700	1,908,110	1,674,825
		9,347,811	9,130,527
United States – 28.9%			
Affiliated Managers Group, Inc.	2,900	695,730	747,545
Allergan PLC	7,600	2,025,128	1,561,348
American Tower Corporation	3,400	464,028	609,211
Anthem, Inc.	3,900	647,355	1,102,104
Apple Inc.	6,000	927,323	1,275,219
Broadcom Ltd.	2,900	909,122	935,660
Cisco Systems, Inc.	21,400	903,802	1,029,363
Citigroup Inc.	9,400	797,589	878,446
Coca-Cola Company, The	22,400	1,260,116	1,290,706
Equity Residential Real Estate Investment Trust	7,900	662,166	632,702
First Republic Bank	6,100	693,333	663,750
Intel Corporation	18,400	1,044,962	1,066,693
Johnson Controls International PLC	13,400	653,700	641,357
McDonald's Corporation	4,000	607,580	864,664
Medtronic PLC	13,500	1,397,576	1,369,091
Merck & Co., Inc.	18,900	1,465,739	1,335,656
Microsoft Corporation	16,000	1,208,535	1,718,879
Mondelez International, Inc.	25,300	1,313,181	1,359,942
Nielsen Holdings PLC	30,000	1,720,621	1,371,446
Oracle Corporation	33,300	1,778,771	1,977,323
Pfizer Inc.	29,600	1,271,299	1,346,468
PPG Industries, Inc.	7,300	971,557	1,071,016
Starbucks Corporation	15,000	1,081,840	1,081,897
TD Ameritrade Holding Corporation	10,200	680,106	654,986
Texas Instruments Incorporated	9,900	1,041,331	1,298,548
United Technologies Corporation	9,000	1,233,178	1,441,940
Verizon Communications Inc.	15,700	1,029,277	1,043,656
Visa Inc.	10,100	1,057,034	1,446,300
Wells Fargo & Company	14,280	888,396	1,088,073
		30,430,375	32,903,989
Transaction Costs		(41,256)	
TOTAL INVESTMENT PORTFOLIO		105,634,955	108,843,294
Unrealized Gain (Loss) on Derivatives – 0.2%			239,780
OTHER ASSETS, LESS LIABILITIES – 4.2%			4,814,380
NET ASSETS – 100.0%			113,897,454

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

Scotia Global Balanced Fund (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+	Jan. 24, 2018	Canadian Dollar	459,599	US Dollar	360,000	0.783	0.795	7,031
Toronto-Dominion Bank, The	A-1+	Jan. 24, 2018	Canadian Dollar	229,482	US Dollar	180,000	0.784	0.795	3,198
Toronto-Dominion Bank, The	A-1+	Jan. 24, 2018	Canadian Dollar	167,417	US Dollar	130,000	0.777	0.795	3,990
Bank of Montreal	A-1	Jan. 24, 2018	Canadian Dollar	165,374	US Dollar	130,000	0.786	0.795	1,947
Toronto-Dominion Bank, The	A-1+	Feb. 14, 2018	Canadian Dollar	629,481	British Pound	370,000	0.588	0.588	572
Bank of Montreal	A-1	Feb. 14, 2018	Canadian Dollar	978,136	British Pound	575,000	0.588	0.588	776
Canadian Imperial Bank of Commerce	A-1	Feb. 14, 2018	Canadian Dollar	2,434,432	British Pound	1,430,000	0.587	0.588	3,782
Canadian Imperial Bank of Commerce	A-1	Feb. 14, 2018	Canadian Dollar	156,495	Swiss Franc	120,000	0.767	0.772	1,135
Royal Bank of Canada	A-1+	Feb. 14, 2018	Canadian Dollar	234,680	Swiss Franc	180,000	0.767	0.772	1,640
Royal Bank of Canada	A-1+	Feb. 14, 2018	Canadian Dollar	2,774,416	European Euro	1,820,000	0.656	0.661	21,429
Royal Bank of Canada	A-1+	Feb. 14, 2018	Canadian Dollar	736,791	Japanese Yen	64,140,000	87.053	89.422	19,520
Royal Bank of Canada	A-1+	Feb. 14, 2018	Canadian Dollar	536,433	British Pound	315,000	0.587	0.588	1,010
State Street Bank & Trust Company	A-1+	Feb. 14, 2018	Canadian Dollar	105,052	European Euro	69,000	0.657	0.661	680
Canadian Imperial Bank of Commerce	A-1	Feb. 14, 2018	Canadian Dollar	1,239	Japanese Yen	110,000	88.749	89.422	9
State Street Bank & Trust Company	A-1+	Feb. 21, 2018	Canadian Dollar	128,447	US Dollar	100,000	0.779	0.796	2,746
Canadian Imperial Bank of Commerce	A-1	Feb. 21, 2018	Canadian Dollar	5,433,435	US Dollar	4,230,000	0.779	0.796	116,291
Royal Bank of Canada	A-1+	Feb. 21, 2018	Canadian Dollar	166,959	US Dollar	130,000	0.779	0.796	3,548
Toronto-Dominion Bank, The	A-1+	Feb. 21, 2018	Canadian Dollar	2,379,322	US Dollar	1,850,000	0.778	0.796	53,858
Bank of Montreal	A-1	Feb. 21, 2018	Canadian Dollar	1,659,095	US Dollar	1,290,000	0.778	0.796	37,555
									280,717

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	Jan. 24, 2018	US Dollar	50,000	Canadian Dollar	63,831	1.277	1.257	(974)
Royal Bank of Canada	A-1+	Jan. 24, 2018	US Dollar	1,360,000	Canadian Dollar	1,734,510	1.275	1.257	(24,803)
Toronto-Dominion Bank, The	A-1+	Jan. 24, 2018	US Dollar	290,000	Canadian Dollar	369,315	1.274	1.257	(4,746)
Bank of Montreal	A-1	Jan. 24, 2018	US Dollar	250,000	Canadian Dollar	321,085	1.284	1.257	(6,799)
Toronto-Dominion Bank, The	A-1+	Feb. 14, 2018	Canadian Dollar	75,025	European Euro	50,000	0.666	0.661	(607)
Bank of Montreal	A-1	Feb. 14, 2018	Canadian Dollar	135,434	European Euro	90,000	0.665	0.661	(703)
Bank of Montreal	A-1	Feb. 14, 2018	Japanese Yen	6,550,000	Canadian Dollar	75,157	0.011	0.011	(1,923)
State Street Bank & Trust Company	A-1+	Feb. 14, 2018	Swiss Franc	21,000	Canadian Dollar	27,437	1.307	1.295	(249)
Royal Bank of Canada	A-1+	Feb. 14, 2018	Canadian Dollar	37,683	European Euro	25,000	0.663	0.661	(133)
									(40,937)

Scotia Global Balanced Fund (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 December 31, 2017 and December 31, 2016. 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.

	December 31, 2017			
Currency	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

	December 31, 2016			
Currency	Gross currency exposure ($)	Currency contracts ($)	Net exposure ($)	Percentage of net assets (%)
US Dollar	37,530,011	(9,394,727)	28,135,284	26.8
European Euro	7,143,970	(3,538,570)	3,605,400	3.4
Swiss Franc	4,065,249	(1,916,215)	2,149,034	2.0
British Pound	3,579,366	(1,619,464)	1,959,902	1.9
Japanese Yen	1,943,673	(974,481)	969,192	0.9
Danish Krone	605,457	–	605,457	0.6
Australian Dollar	1,877,147	(1,448,241)	428,906	0.4
	56,744,873	(18,891,698)	37,853,175	36.0

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 $4,294,509 or 3.8% of net assets (December 31, 2016 – $3,785,317 or 3.6%). 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 December 31, 2017, approximately 95.6% (December 31, 2016 – 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 of the Fund would have decreased or increased, respectively, by approximately $10,884,329 (December 31, 2016 – $10,250,846). 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 December 31, 2017 or December 31, 2016.

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 (%)	
	December 31, 2017	December 31, 2016
Australia	–	1.8
Belgium	1.2	–
Canada	43.5	43.8
Denmark	0.6	0.6
France	1.7	0.6
Germany	3.3	2.7
Hong Kong	1.2	–
Italy	–	1.2
Japan	2.2	1.8
Netherlands	1.2	1.2
Spain	1.6	1.1
Sweden	1.3	–
Switzerland	0.9	3.9
United Kingdom	8.0	3.4
United States	28.9	35.4

Scotia Global Balanced Fund (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.

December 31, 2017	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
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

December 31, 2016	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Equities	41,405,776	19,184,101	–	60,589,877
Underlying funds	41,918,581	–	–	41,918,581
Unrealized gain on currency forward contracts	–	41,425	–	41,425
	83,324,357	19,225,526	–	102,549,883
Unrealized loss on currency forward contracts	–	(129,717)	–	(129,717)
Unrealized loss on currency spot contracts	–	(374)	–	(374)
	83,324,357	19,095,435	–	102,419,792

Transfers between levels

During the periods ended December 31, 2017 and December 31, 2016, there were no significant transfers between Level 1 and Level 2.

Offsetting of financial assets and liabilities (note 2)

The following tables present 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.

	December 31, 2017			
Financial assets – by type	Gross amount of assets ($)	Master netting offset ($)	Collateral pledged/ received ($)	Net Amount ($)
Currency forward contracts	280,717	(40,937)	–	239,780
Options contracts – OTC	–	–	–	–
Swap contracts – OTC	–	–	–	–
	280,717	(40,937)	–	239,780

Financial liabilities – by type	Gross amount of liabilities ($)	Master netting offset ($)	Collateral pledged/ received ($)	Net Amount ($)
Currency forward contracts	40,937	(40,937)	–	–
Options contracts – OTC	–	–	–	–
Swap contracts – OTC	–	–	–	–
	40,937	(40,937)	–	–

	December 31, 2016			
Financial assets – by type	Gross amount of assets ($)	Master netting offset ($)	Collateral pledged/ received ($)	Net Amount ($)
Currency forward contracts	41,425	(41,425)	–	–
Options contracts – OTC	–	–	–	–
Swap contracts – OTC	–	–	–	–
	41,425	(41,425)	–	–

Financial liabilities – by type	Gross amount of liabilities ($)	Master netting offset ($)	Collateral pledged/ received ($)	Net Amount ($)
Currency forward contracts	129,717	(41,425)	–	88,292
Options contracts – OTC	–	–	–	–
Swap contracts – OTC	–	–	–	–
	129,717	(41,425)	–	88,292

Interest in Underlying Funds (note 2)

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

	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	

	December 31, 2016	
Underlying Fund	Carrying value of the Underlying Fund ($)	Ownership percentage in Underlying Fund (%)
PIMCO Investment Grade Credit Fund (Canada), Class I	41,918,581	3.6
	41,918,581	

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

As at December 31, 2017 or December 31, 2016, 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

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	December 31, 2017	December 31, 2016
	U.S. $	U.S. $
ASSETS		
Current assets		
Investments		
Non-derivative financial assets	83,445,728	88,237,185
Unrealized gain on futures contracts	6,313	–
Cash	1,337,789	3,729,919
Margin deposited on derivatives	41,888	2
Receivable for securities sold	–	2,987,141
Subscriptions receivable	1,850	12,774
Accrued investment income and other	278,363	270,813
	85,111,931	95,237,834
LIABILITIES		
Current liabilities		
Payable for securities purchased	–	1,076,340
Redemptions payable	11,099	157,446
Accrued expenses	–	5,543
	11,099	1,239,329
Net assets attributable to holders of redeemable units	85,100,832	93,998,505
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series A	85,100,832	93,998,505
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series A	11.12	10.77

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except average units)	2017	2016
	U.S. $	U.S. $
INCOME		
Net gain (loss) on investments		
Dividends	845,698	843,817
Interest for distribution purposes	952,571	1,005,324
Net realized gain (loss) on non-derivative financial assets	1,103,263	(2,061,945)
Net realized gain (loss) on futures contracts	16,945	(213,749)
Change in unrealized gain (loss) on non-derivative financial assets	1,705,480	7,171,382
Change in unrealized gain (loss) on futures contracts	6,313	(32,672)
Net gain (loss) on investments	4,630,270	6,712,157
Net realized and unrealized foreign currency translation gain (loss)	4,533	6,480
Other income	39	142
Total income (loss), net	4,634,842	6,718,779
EXPENSES		
Management fees (note 5)	1,475,526	1,775,163
Fixed administration fees (note 6)	80,229	86,359
Independent Review Committee fees	987	895
Interest expense and bank overdraft charges	3	61
Foreign withholding taxes/tax reclaims	105,652	106,084
Other fund costs	–	21
Harmonized Sales Tax/Goods and Services Tax	176,112	208,023
Transaction costs	85,560	102,514
Total expenses	1,924,069	2,279,120
Increase (decrease) in net assets attributable to holders of redeemable units from operations	2,710,773	4,439,659
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A	2,710,773	4,439,659
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT†		
Series A	0.33	0.49
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series A	8,273,507	9,118,483

† 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 December 31 (note 1),

(in dollars)	2017	2016
	U.S. $	U.S. $
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series A	93,998,505	101,731,622
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A	2,710,773	4,439,659
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net realized gains on investments		
Series A	–	(843,341)
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A	9,718,627	9,460,454
Reinvested distributions		
Series A	–	825,726
Payments on redemption		
Series A	(21,327,073)	(21,615,615)
	(11,608,446)	(11,329,435)
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A	(8,897,673)	(7,733,117)
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series A	85,100,832	93,998,505

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2017	2016
	U.S. $	U.S. $
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	2,710,773	4,439,659
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(1,103,263)	2,061,945
Unrealized foreign currency translation (gain) loss	–	2,455
Change in unrealized (gain) loss on non-derivative financial assets	(1,705,480)	(7,171,382)
Change in unrealized (gain) loss on futures contracts	(6,313)	32,672
Non-cash transactions	(41,438)	–
Purchases of portfolio investments	(160,450,313)	(99,490,527)
Proceeds from sale of portfolio investments	170,002,752	113,003,756
Margin deposited on derivatives	(41,886)	351,273
Accrued investment income and other	(7,550)	(8,565)
Accrued expenses and other payables	(5,543)	5,543
Net cash provided by (used in) operating activities	9,351,739	13,226,829
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	9,729,551	9,494,510
Amounts paid on redemption of redeemable units	(21,473,420)	(21,532,133)
Distributions to unitholders of redeemable units	–	(18,161)
Net cash provided by (used in) financing activities	(11,743,869)	(12,055,784)
Unrealized foreign currency translation gain (loss)	–	(2,455)
Net increase (decrease) in cash	(2,392,130)	1,171,045
Cash (bank overdraft), beginning of period	3,729,919	2,561,329
CASH (BANK OVERDRAFT), END OF PERIOD	1,337,789	3,729,919
Interest paid(1)	3	61
Interest received(1)	957,405	1,006,383
Dividends received, net of withholding taxes(1)	686,223	728,109

(1) Classified as operating items.

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

Scotia U.S. $ Balanced Fund (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2017

Issuer	Number of Shares/ Face Value ($)	Average Cost ($)	Carrying Value ($)
	U.S. $	U.S. $	U.S. $
BONDS AND DEBENTURES – 39.8%			
Corporate Bonds – 12.4%			
Aetna Inc. (Callable) 2.75% Aug 15, 2022	418,000	413,986	414,008
Amazon.com Inc. 2.80% Aug 22, 2024	414,000	412,928	412,708
Anheuser-Busch InBev Finance Inc. (Callable) 3.30% Dec 01, 2022	493,000	506,899	504,790
Bank of America Corporation 4.10% Jul 24, 2023	367,000	387,295	388,411
Boston Properties LP (Callable) 5.63% Aug 15, 2020	67,000	77,338	72,715
Crown Castle Towers LLC (Callable) 3.22% May 15, 2021	490,000	490,784	496,140
Crown Castle Towers LLC (Callable) 6.11% Jul 15, 2019	10,000	11,209	10,564
Federal Realty Investment Trust (Callable) 3.95% Oct 15, 2023	398,000	411,058	415,846
Fortis Inc. (Callable) 2.10% Sep 04, 2021	401,000	386,843	390,959
Fortis Inc. 3.06% Oct 04, 2026	182,000	177,326	176,064
Heathrow Funding Ltd. 4.88% Jul 15, 2021	560,000	620,207	593,888
JPMorgan Chase & Co. (Callable) 3.90% Apr 15, 2025	576,000	605,364	603,798
Kimco Realty Corporation (Callable) 2.70% Jan 01, 2024	1,530,150	1,485,056	1,484,773
McDonald's Corporation 2.63% Jan 15, 2022	310,000	311,302	310,854
Medtronic Inc. 3.15% Mar 15, 2022	584,000	603,704	597,490
National Hockey League Inc. 3.33% Aug 10, 2024*	500,000	500,000	500,000
Pernod Ricard SA 4.45% Jan 15, 2022	373,000	394,765	396,277
Reynolds American Inc. 8.13% Jun 23, 2019	200,000	244,272	216,141
Reynolds American Inc. 4.00% Jun 12, 2022	97,000	102,926	101,020
Thermo Fisher Scientific Inc. (Callable) 3.60% May 15, 2021	329,000	341,531	339,526
Union Pacific Corporation (Callable) 4.16% Apr 15, 2022	9,000	9,594	9,644
United Parcel Service Inc. (Callable) 2.80% Sep 15, 2024	240,000	239,158	238,725
UnitedHealth Group Inc. (Callable) 3.38% Aug 15, 2021	395,000	412,747	407,622
Ventas Realty LP / Ventas Capital Corporation (Callable) 2.70% Jan 01, 2020	582,000	582,004	583,307
Visa Inc. (Callable) 2.80% Oct 14, 2022	377,000	380,990	381,701
Wells Fargo & Company 3.00% Feb 19, 2025	522,000	523,394	517,023
		10,632,680	10,563,994
Federal Bonds – 27.4%			
United States Treasury Notes 1.13% Feb 28, 2021	1,645,000	1,642,815	1,600,618
United States Treasury Notes 1.50% Oct 31, 2019	510,000	508,904	506,787
United States Treasury Notes 1.63% Dec 31, 2019	1,975,000	1,966,822	1,965,421
United States Treasury Notes 1.63% Jun 30, 2019	2,760,000	2,758,606	2,751,734
United States Treasury Notes 1.63% Nov 15, 2022	2,760,000	2,682,241	2,691,304
United States Treasury Notes 1.75% Oct 31, 2020	2,965,000	2,951,912	2,949,923
United States Treasury Notes 2.00% Feb 15, 2022	880,000	874,038	876,388
United States Treasury Notes 2.00% Nov 15, 2026	635,000	604,788	615,344
United States Treasury Notes 2.13% Nov 30, 2023	1,710,000	1,703,454	1,697,372
United States Treasury Notes 2.25% Nov 15, 2027	1,700,000	1,688,977	1,678,410
United States Treasury Notes 2.38% May 31, 2018	1,270,000	1,324,965	1,274,947
United States Treasury Notes 2.50% Feb 15, 2045	430,000	376,183	411,276
United States Treasury Notes 2.50% Feb 15, 2046	1,275,000	1,164,480	1,217,676
United States Treasury Notes 3.63% Feb 15, 2021	3,000,000	3,329,531	3,148,245
		23,577,716	23,385,445
TOTAL BONDS AND DEBENTURES		34,210,396	33,949,439
EQUITIES – 58.3%			
Consumer Discretionary – 6.3%			
Amazon.com, Inc.	1,074	1,043,882	1,256,011
Aptiv PLC	2,414	242,415	204,780
Delphi Technologies PLC	804	41,438	42,186
General Motors Company	8,324	357,115	341,201
Lowe's Companies, Inc.	15,028	1,216,122	1,396,702
McDonald's Corporation	7,197	1,148,463	1,238,748
Priceline Group Inc., The	137	262,689	238,070
PVH Corporation	4,394	561,800	602,901
		4,873,924	5,320,599
Consumer Staples – 4.7%			
Colgate-Palmolive Company	8,479	615,329	639,741
Constellation Brands, Inc., Class A	1,927	419,719	440,454
CVS Health Corporation	4,283	295,783	310,518

Issuer	Number of Shares	Average Cost ($)	Carrying Value ($)
	U.S. $	U.S. $	U.S. $
EQUITIES (cont'd)			
Consumer Staples (cont'd)			
Mondelez International, Inc.	12,001	505,865	513,643
PepsiCo, Inc.	7,285	832,103	873,617
Philip Morris International Inc.	5,322	591,243	562,269
Walgreens Boots Alliance Inc.	9,013	732,330	654,524
		3,992,372	3,994,766
Energy – 3.5%			
Halliburton Company	6,046	254,905	295,468
Marathon Petroleum Corporation	20,167	1,085,488	1,330,619
Williams Companies Inc., The	43,478	1,291,422	1,325,644
		2,631,815	2,951,731
Financials – 8.2%			
Assurant, Inc.	6,712	682,191	676,838
BlackRock, Inc.	685	342,206	351,891
Capital One Financial Corporation	1,867	171,647	185,916
Citigroup Inc.	16,729	1,248,070	1,244,805
Citizens Financial Group Inc.	7,944	322,423	333,489
Comerica Incorporated	5,034	397,445	437,002
Leucadia National Corporation	25,155	632,322	666,356
Prudential Financial, Inc.	6,454	734,111	742,081
S&P Global Inc.	7,113	1,154,883	1,204,942
Synchrony Financial	2,394	74,865	92,432
Wells Fargo & Company	17,803	1,004,043	1,080,108
		6,764,206	7,015,860
Health Care – 8.7%			
Abbott Laboratories	11,113	619,572	634,219
AbbVie Inc.	1,303	120,883	126,013
Agilent Technologies, Inc.	2,408	159,205	161,264
Baxter International Inc.	1,233	80,633	79,701
Biogen Inc.	800	252,819	254,856
Bristol-Myers Squibb Company	3,997	252,441	244,936
CIGNA Corporation	4,605	956,464	935,229
Gilead Sciences, Inc.	16,890	1,321,616	1,210,000
Johnson & Johnson	9,065	1,122,061	1,266,562
Medtronic PLC	9,535	768,657	769,951
Merck & Co., Inc.	14,442	921,225	812,651
Mettler-Toledo International Inc.	345	215,097	213,734
UnitedHealth Group Incorporated	2,968	605,592	654,325
		7,396,265	7,363,441
Industrials – 6.2%			
Boeing Company, The	1,497	379,198	441,480
FedEx Corporation	740	159,583	184,660
General Dynamics Corporation	927	186,988	188,598
Honeywell International Inc.	5,248	724,029	804,833
Ingersoll-Rand PLC	12,627	1,089,461	1,126,202
JB Hunt Transport Services Inc	1,272	138,850	146,255
Kansas City Southern	1,532	162,564	161,197
Raytheon Company	4,971	908,318	933,802
Republic Services, Inc.	4,356	285,929	294,509
Rockwell Automation, Inc.	1,308	250,295	256,826
Southwest Airlines Company	8,578	465,356	561,430
United Parcel Service, Inc., Class B	732	86,089	87,218
Waste Management, Inc.	1,047	85,332	90,356
		4,921,992	5,277,366
Information Technology – 15.0%			
Adobe Systems Incorporated	2,283	339,255	400,073
Alphabet Inc., Class A	1,239	1,109,662	1,305,163
Apple Inc.	7,350	1,081,259	1,243,841
Applied Materials, Inc.	23,935	1,169,596	1,223,557

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

Scotia U.S. $ Balanced Fund (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2017

Issuer	Number of Shares	Average Cost ($)	Carrying Value ($)
	U.S. $	U.S. $	U.S. $
EQUITIES (cont'd)			
Information Technology (cont'd)			
Broadcom Ltd.	2,218	535,685	569,804
Cisco Systems, Inc.	19,504	715,541	747,003
Cognizant Technology Solutions Corporation	17,334	1,255,073	1,231,061
Facebook Inc.	7,028	1,202,391	1,240,161
Fidelity National Information Service, Inc.	4,552	426,432	428,298
HP Inc.	52,288	1,117,734	1,098,571
MasterCard, Inc., Class A	2,382	296,291	360,540
Microsoft Corporation	14,886	1,145,564	1,273,348
Oracle Corporation	17,507	845,657	827,731
Synopsys Inc.	1,900	170,694	161,956
Texas Instruments Incorporated	3,116	300,611	325,435
Total System Services, Inc.	3,873	280,061	306,316
		11,991,506	12,742,858
Materials – 2.0%			
Air Products and Chemicals, Inc.	6,104	988,583	1,001,544
Avery Dennison Corporation	3,764	402,666	432,333
Newmont Mining Corporation	7,139	257,217	267,855
		1,648,466	1,701,732
Real Estate – 1.4%			
American Tower Corporation	2,809	400,154	400,760
Duke Realty Corporation	29,095	822,168	791,675
		1,222,322	1,192,435
Telecommunication Services – 0.9%			
Verizon Communications Inc.	13,899	679,956	735,674
Utilities – 1.4%			
CMS Energy Corporation	1,721	85,689	81,402
DTE Energy Company	1,558	172,286	170,539
PG&E Corporation	21,144	1,208,169	947,886
		1,466,144	1,199,827
TOTAL EQUITIES		47,588,968	49,496,289
Transaction Costs		(8,659)	
TOTAL INVESTMENT PORTFOLIO		81,790,705	83,445,728
OTHER ASSETS, LESS LIABILITIES – 1.9%			1,655,104
NET ASSETS – 100.0%			85,100,832

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

Expiry Date	Number of Contracts	Futures Contracts	Counterparty	Credit Risk	Contractual Value ($)	Fair Value ($)	Appreciation/ (Depreciation) ($)
BOND FUTURES CONTRACTS							
Mar. 2018	(8)	U.S. 10 Year Treasury Note Futures	BMO Capital Markets	A-1	(998,688)	(992,375)	6,313

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

Scotia U.S. $ Balanced Fund (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	December 31, 2017 ($)	December 31, 2016 ($)
Less than 1 year	1,281,260	4,273,277
1-3 years	9,056,592	13,841,124
3-5 years	12,755,684	12,247,399
5-10 years	9,233,264	6,934,950
> 10 years	1,628,952	2,235,395
	33,955,752	39,532,145

As at December 31, 2017, 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 would have decreased or increased, respectively, by $389,641 or approximately 0.5% (December 31, 2016 – $393,803 or approximately 0.4%).

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

	December 31, 2016			
Currency	Gross currency exposure ($)	Currency contracts ($)	Net exposure ($)	Percentage of net assets (%)
Canadian Dollar	1,150,976	–	1,150,976	1.2
	1,150,976	–	1,150,976	1.2

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 by $115,098 or 0.1% of net assets. 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 December 31, 2017, approximately 58.3% (December 31, 2016 – 51.8%) 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 of the Fund would have decreased or increased, respectively, by approximately $4,949,629 (December 31, 2016 – $4,870,504). 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.

	December 31, 2017		December 31, 2016	
Credit ratings	Percentage of total credit rated instruments (%)	Percentage of net assets (%)	Percentage of total credit rated instruments (%)	Percentage of net assets (%)
AAA	68.9	27.4	65.7	27.6
AA	1.2	0.5	1.7	0.7
A	16.6	6.6	24.0	10.1
BBB	11.8	4.7	8.6	3.7
NOT RATED	1.5	0.6	–	–
	100.0	39.8	100.0	42.1

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 (%)	
	December 31, 2017	December 31, 2016
Consumer Discretionary	6.3	7.6
Consumer Staples	4.7	12.9
Corporate Bonds	12.4	14.4
Energy	3.5	4.5
Federal Bonds	27.4	27.7
Financials	8.2	2.9
Health Care	8.7	11.4
Industrials	6.2	4.0
Information Technology	15.0	7.0
Materials	2.0	0.8
Real Estate	1.4	–
Telecommunication Services	0.9	0.1
Utilities	1.4	0.6

Fair Value Classification (note 2)

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

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

Scotia U.S. $ Balanced Fund (Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1
All amounts are in U.S.$ unless otherwise stated

December 31, 2016	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Equities	48,705,040	–	–	48,705,040
Bonds and debentures	–	39,532,145	–	39,532,145
	48,705,040	39,532,145	–	88,237,185

Transfers between levels

During the periods ended December 31, 2017 and December 31, 2016, 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:

	December 31, 2017 ($)	December 31, 2016 ($)
Beginning of period	–	–
Purchases	500,000	–
Sales	–	–
Transfers into Level 3	–	–
Transfers out of Level 3	–	–
Net realized gains (losses)	–	–
Net changes in unrealized gain (loss)*	–	–
End of period	500,000	–

* Net change in unrealized gain (loss) for Level 3 financial instruments held as at December 31, 2017 and December 31, 2016 was nil and nil, respectively.

Level 3 valuation techniques

The table below summarizes the valuation techniques and the significant unobservable inputs used in the fair value measurement of Level 3 financial instruments. The significant unobservable inputs used in valuation of Level 3 financial instruments can vary considerably over 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 December 31, 2017 ($)	Reasonable possible shift (+/-) ($)
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 December 31, 2017 and December 31, 2016, 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 December 31, 2017 or December 31, 2016.

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

As at December 31, 2017 or December 31, 2016, 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

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	December 31, 2017	December 31, 2016
ASSETS		
Current assets		
Investments		
Non-derivative financial assets	8,533,971,697	7,390,504,797
Unrealized gain on currency forward contracts	42,741,305	2,296,805
Cash	862,839,695	634,288,984
Subscriptions receivable	8,668,235	10,228,592
Accrued investment income and other	22,745,921	18,330,466
	9,470,966,853	8,055,649,644
LIABILITIES		
Current liabilities		
Redemptions payable	5,925,737	7,317,397
Accrued expenses	–	206,960
Distributions payable	2,962	2,055
Unrealized loss on currency forward contracts	–	4,131,701
	5,928,699	11,658,113
Net assets attributable to holders of redeemable units	9,465,038,154	8,043,991,531
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
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
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series A	62.88	57.03
Advisor Series	62.63	56.73
Series F	62.57	56.83
Series I	62.73	56.87
Series K	11.22	10.25
Series M	61.22	55.57

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except average units)	2017	2016
INCOME		
Net gain (loss) on investments		
Dividends	229,484,866	209,686,130
Interest for distribution purposes	17,103,208	9,625,080
Net realized gain (loss) on non-derivative financial assets	102,483,851	433,478,131
Net realized gain (loss) on currency forward contracts	86,408,647	7,094,726
Change in unrealized gain (loss) on non-derivative financial assets	615,596,292	432,784,014
Change in unrealized gain (loss) on currency forward contracts	44,576,201	6,447,964
Net gain (loss) on investments	1,095,653,065	1,099,116,045
Securities lending (note 11)	238,864	185,286
Net realized and unrealized foreign currency translation gain (loss)	516,647	4,250,242
Other income	44,238	29,311
Total income (loss), net	1,096,452,814	1,103,580,884
EXPENSES		
Management fees (note 5)	70,813,620	60,392,462
Fixed administration fees and operating expense (note 6)	3,634,767	3,081,261
Independent Review Committee fees	1,132	1,178
Interest expense and bank overdraft charges	2,425	–
Foreign withholding taxes/tax reclaims	11,282,002	8,644,354
Other fund costs	–	1,261
Harmonized Sales Tax/Goods and Services Tax	8,128,025	6,888,246
Transaction costs	1,047,148	2,618,898
Total expenses	94,909,119	81,627,660
Expenses absorbed by the Manager	(285)	–
Net expenses	94,908,834	81,627,660
Increase (decrease) in net assets attributable to holders of redeemable units from operations	1,001,543,980	1,021,953,224
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A	486,571,394	503,159,297
Advisor Series	2,898,880	4,010,547
Series F	5,934,186	3,852,062
Series I	314,006,236	330,440,670
Series K	1,708,180	76,523
Series M	190,425,104	180,414,125
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT†		
Series A	6.37	7.05
Advisor Series	6.44	6.89
Series F	6.84	7.66
Series I	7.43	8.04
Series K	1.15	0.86
Series M	7.11	7.81
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series A	76,410,901	71,321,821
Advisor Series	450,058	582,119
Series F	867,182	502,737
Series I	42,235,310	41,110,709
Series K	1,491,217	89,471
Series M	26,775,817	23,087,068

† 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 Canadian Dividend Fund (Continued)

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

For the periods ended December 31 (note 1),

(in dollars)	2017	2016
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series A	4,192,115,154	3,703,575,406
Advisor Series	28,449,067	33,992,169
Series F	40,001,736	19,233,262
Series I	2,386,648,016	2,087,519,843
Series K	4,240,512	–
Series M	1,392,537,046	1,076,835,835
	8,043,991,531	6,921,156,515
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A	486,571,394	503,159,297
Advisor Series	2,898,880	4,010,547
Series F	5,934,186	3,852,062
Series I	314,006,236	330,440,670
Series K	1,708,180	76,523
Series M	190,425,104	180,414,125
	1,001,543,980	1,021,953,224
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net investment income		
Series A	(41,130,328)	(41,937,130)
Advisor Series	(223,162)	(327,076)
Series F	(979,815)	(564,416)
Series I	(65,538,497)	(62,376,765)
Series K	(442,923)	(16,654)
Series M	(39,328,129)	(33,257,414)
From net realized gains on investments		
Series A	–	(93,281,564)
Advisor Series	–	(643,513)
Series F	–	(884,764)
Series I	–	(53,271,542)
Series K	–	(67,649)
Series M	–	(30,939,986)
	(147,642,854)	(317,568,473)
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A	747,148,891	446,985,538
Advisor Series	24,676	17,606
Series F	30,573,871	21,422,526
Series I	104,315,641	142,449,470
Series K	26,603,458	4,169,972
Series M	405,412,461	341,476,531
Reinvested distributions		
Series A	40,489,298	133,036,236
Advisor Series	201,642	869,020
Series F	740,610	1,117,716
Series I	65,538,497	115,648,307
Series K	442,923	84,304
Series M	34,024,950	59,258,444
Payments on redemption		
Series A	(524,576,775)	(459,422,629)
Advisor Series	(6,822,670)	(9,469,686)
Series F	(12,236,826)	(4,174,650)
Series I	(115,713,376)	(173,761,967)
Series K	(4,037,740)	(5,984)
Series M	(224,984,034)	(201,250,489)
	567,145,497	418,450,265
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A	708,502,480	488,539,748
Advisor Series	(3,920,634)	(5,543,102)
Series F	24,032,026	20,768,474
Series I	302,608,501	299,128,173
Series K	24,273,898	4,240,512
Series M	365,550,352	315,701,211
	1,421,046,623	1,122,835,016
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END 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
	9,465,038,154	8,043,991,531

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	1,001,543,980	1,021,953,224
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(102,483,851)	(433,478,131)
Unrealized foreign currency translation (gain) loss	(293,911)	(3,547,540)
Change in unrealized (gain) loss on non-derivative financial assets	(615,596,292)	(432,784,014)
Change in unrealized (gain) loss on currency forward contracts	(44,576,201)	(6,447,964)
Non-cash transactions	(463,224)	(2,199,505)
Purchases of portfolio investments	(1,135,579,067)	(1,859,798,987)
Proceeds from sale of portfolio investments	710,655,106	1,688,714,609
Accrued investment income and other	(4,415,455)	(1,664,792)
Accrued expenses and other payables	(206,960)	206,960
Net cash provided by (used in) operating activities	(191,415,875)	(29,046,140)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	1,277,883,503	934,126,265
Amounts paid on redemption of redeemable units	(852,006,801)	(825,196,810)
Distributions to unitholders of redeemable units	(6,204,027)	(7,554,757)
Net cash provided by (used in) financing activities	419,672,675	101,374,698
Unrealized foreign currency translation gain (loss)	293,911	3,547,540
Net increase (decrease) in cash	228,256,800	72,328,558
Cash (bank overdraft), beginning of period	634,288,984	558,412,886
CASH (BANK OVERDRAFT), END OF PERIOD	862,839,695	634,288,984
Interest paid[1]	2,425	–
Interest received[1]	17,343,105	9,583,700
Dividends received, net of withholding taxes[1]	214,733,577	197,277,446

[1] Classified as operating items.

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

Scotia Canadian Dividend Fund (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2017

Issuer	Number of Shares	Average Cost ($)	Carrying Value ($)
EQUITIES – 90.1%			
Consumer Discretionary – 5.6%			
Comcast Corporation, Class A	3,852,000	49,785,696	193,751,381
McDonald's Corporation	968,000	114,299,822	209,248,669
Starbucks Corporation	1,750,700	126,879,859	126,271,854
		290,965,377	529,271,904
Consumer Staples – 8.0%			
Alimentation Couche-Tard Inc., Class B	2,335,100	55,930,586	153,159,209
Coca-Cola Company, The	2,330,000	133,075,425	134,256,506
Costco Wholesale Corporation	670,804	131,716,224	156,799,508
Loblaw Companies Limited	2,523,841	98,249,270	172,176,433
Mondelez International, Inc.	2,590,000	140,213,448	139,219,331
		559,184,953	755,610,987
Energy – 11.0%			
Canadian Natural Resources Ltd.	3,058,100	109,645,499	137,369,852
Enbridge Inc.	4,241,266	191,170,161	208,500,637
Pembina Pipeline Corporation	2,863,062	100,206,778	130,297,952
Suncor Energy, Inc.	5,337,106	184,173,437	246,307,442
TransCanada Corporation	5,152,394	222,555,223	315,223,465
		807,751,098	1,037,699,348
Financials – 22.0%			
Bank of Nova Scotia, The	4,763,200	251,272,589	386,390,785
Brookfield Asset Management Inc., Class A	3,281,170	59,260,627	179,545,622
Canadian Imperial Bank of Commerce	2,665,000	253,653,229	326,569,100
Intact Financial Corporation	877,039	45,091,677	92,080,325
Manulife Financial Corporation	6,344,453	118,998,013	166,351,558
Royal Bank of Canada	3,619,300	254,578,002	371,521,145
Sun Life Financial Inc.	3,743,700	145,997,551	194,223,156
Toronto-Dominion Bank, The	4,980,800	174,164,010	366,835,920
		1,303,015,698	2,083,517,611
Health Care – 7.5%			
Allergan PLC	811,000	225,263,988	166,612,303
Johnson & Johnson	1,196,633	132,321,413	209,978,854
Medtronic PLC	1,602,900	160,585,134	162,556,735
Pfizer Inc.	3,675,000	144,596,951	167,171,330
		662,767,486	706,319,222
Industrials – 8.5%			
Canadian National Railway Company	2,243,480	88,362,518	232,536,702
Canadian Pacific Railway Limited	1,001,000	167,982,467	229,889,660
Honeywell International Inc.	1,088,000	124,647,970	209,554,506
Union Pacific Corporation	814,500	67,928,635	137,175,286
		448,921,590	809,156,154
EQUITIES (cont'd)			
Information Technology – 8.0%			
Apple Inc.	810,200	114,689,417	172,197,008
Microsoft Corporation	1,946,000	107,474,005	209,058,626
Oracle Corporation	2,568,500	136,833,656	152,515,171
Visa Inc.	1,555,800	85,019,518	222,787,496
		444,016,596	756,558,301
Materials – 1.4%			
PPG Industries, Inc.	915,600	128,274,185	134,331,850
Real Estate – 3.3%			
American Tower Corporation	1,129,000	160,375,970	202,293,818
First Capital Realty, Inc.	1,209,727	14,890,380	25,065,543
Weyerhaeuser Company	2,000,000	81,274,524	88,566,261
		256,540,874	315,925,622
Telecommunication Services – 7.9%			
BCE Inc.	3,017,000	145,633,000	182,166,460
Rogers Communications, Inc., Class B	2,859,100	119,711,302	183,125,355
TELUS Corporation	3,868,000	102,284,225	184,194,160
Verizon Communications Inc.	3,024,194	158,692,518	201,033,091
		526,321,045	750,519,066
Utilities – 6.9%			
Brookfield Infrastructure Partners LP	2,649,500	51,444,849	149,378,810
Emera Inc.	2,100,000	96,287,340	98,658,000
Fortis Inc.	5,125,889	185,097,634	236,354,742
Hydro One Limited	7,619,200	173,358,269	170,670,080
		506,188,092	655,061,632
Transaction Costs		(4,148,195)	
TOTAL INVESTMENT PORTFOLIO		5,929,798,799	8,533,971,697
Unrealized Gain (Loss) on Derivatives – 0.5%			42,741,305
OTHER ASSETS, LESS LIABILITIES – 9.4%			888,325,152
NET ASSETS – 100.0%			9,465,038,154

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+	Jan. 24, 2018	Canadian Dollar	641,014,337	US Dollar	503,657,000	0.786	0.795	7,849,879
State Street Bank & Trust Company	A-1+	Jan. 24, 2018	Canadian Dollar	149,979,894	US Dollar	117,846,000	0.786	0.795	1,831,652
Bank of Montreal	A-1	Jan. 24, 2018	Canadian Dollar	272,196,924	US Dollar	213,798,000	0.785	0.795	3,424,138
Toronto-Dominion Bank, The	A-1+	Jan. 24, 2018	Canadian Dollar	27,418,455	US Dollar	21,530,000	0.785	0.795	352,355
Canadian Imperial Bank of Commerce	A-1	Jan. 24, 2018	Canadian Dollar	1,643,181	US Dollar	1,280,000	0.779	0.795	34,049
Bank of Montreal	A-1	Jan. 24, 2018	Canadian Dollar	1,835,761	US Dollar	1,430,000	0.779	0.795	38,059
Bank of Montreal	A-1	Jan. 24, 2018	Canadian Dollar	29,707,757	US Dollar	23,250,000	0.783	0.795	479,386
Bank of Montreal	A-1	Jan. 24, 2018	Canadian Dollar	147,367,333	US Dollar	114,760,000	0.779	0.795	3,098,608
Canadian Imperial Bank of Commerce	A-1	Feb. 21, 2018	Canadian Dollar	363,942,523	US Dollar	283,334,000	0.779	0.796	7,789,470
Royal Bank of Canada	A-1+	Feb. 21, 2018	Canadian Dollar	487,936,393	US Dollar	379,924,000	0.779	0.796	10,368,954
Bank of Nova Scotia, The	A-1	Feb. 21, 2018	Canadian Dollar	41,497,849	US Dollar	32,250,000	0.777	0.796	959,347
State Street Bank & Trust Company	A-1+	Feb. 21, 2018	Canadian Dollar	158,555,644	US Dollar	123,441,000	0.779	0.796	3,389,342
Toronto-Dominion Bank, The	A-1+	Feb. 21, 2018	Canadian Dollar	54,274,264	US Dollar	42,200,000	0.778	0.796	1,228,534
Bank of Montreal	A-1	Feb. 21, 2018	Canadian Dollar	83,829,302	US Dollar	65,180,000	0.778	0.796	1,897,532
									42,741,305

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

Scotia Canadian Dividend Fund (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 December 31, 2017 and December 31, 2016. 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.

	December 31, 2017			
Currency	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

	December 31, 2016			
Currency	Gross currency exposure ($)	Currency contracts ($)	Net exposure ($)	Percentage of net assets (%)
US Dollar	2,628,698,184	(1,512,194,099)	1,116,504,085	13.9
	2,628,698,184	(1,512,194,099)	1,116,504,085	13.9

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 $99,686,822 or 1.1% of net assets (December 31, 2016 – $111,650,409 or 1.4%). 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 December 31, 2017, approximately 90.1% (December 31, 2016 – 91.9%) 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 of the Fund would have decreased or increased, respectively, by approximately $853,397,170 (December 31, 2016 – $739,050,480). 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 December 31, 2017 or December 31, 2016.

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 (%)	
	December 31, 2017	December 31, 2016
Consumer Discretionary	5.6	6.3
Consumer Staples	8.0	7.5
Energy	11.0	10.3
Financials	22.0	23.8
Health Care	7.5	5.6
Industrials	8.5	8.4
Information Technology	8.0	8.8
Materials	1.4	–
Real Estate	3.3	4.9
Telecommunication Services	7.9	8.5
Utilities	6.9	7.8

Fair Value Classification (note 2)

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

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

December 31, 2016	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Equities	7,390,504,797	–	–	7,390,504,797
Unrealized gain on currency forward contracts	–	2,296,805	–	2,296,805
	7,390,504,797	2,296,805	–	7,392,801,602
Unrealized loss on currency forward contracts	–	(4,131,701)	–	(4,131,701)
	7,390,504,797	(1,834,896)	–	7,388,669,901

Transfers between levels

During the periods ended December 31, 2017 and December 31, 2016, there were no significant transfers between Level 1 and Level 2.

Offsetting of financial assets and liabilities (note 2)

The following tables present offsetting of financial assets and liabilities and collateral amounts that would occur if future events, such as

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.

	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

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	–	–	–	–
	–	–	–	–

	December 31, 2016			
Financial assets – by type	Gross amount of assets ($)	Master netting offset ($)	Collateral pledged/ received ($)	Net Amount ($)
Currency forward contracts	2,296,805	–	–	2,296,805
Options contracts – OTC	–	–	–	–
Swap contracts – OTC	–	–	–	–
	2,296,805	–	–	2,296,805

Financial liabilities – by type	Gross amount of liabilities ($)	Master netting offset ($)	Collateral pledged/ received ($)	Net Amount ($)
Currency forward contracts	4,131,701	–	–	4,131,701
Options contracts – OTC	–	–	–	–
Swap contracts – OTC	–	–	–	–
	4,131,701	–	–	4,131,701

Interest in Underlying Funds (note 2)

The Fund did not hold any interest in Underlying Funds as at December 31, 2017 or December 31, 2016.

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

The table below provides a comparison of the net asset value per unit and net assets per unit. A difference could arise when the last traded market price for a financial instrument is not within the bid-ask spread.

	December 31, 2017		December 31, 2016	
	Net asset value per unit ($)	Net assets per unit ($)	Net asset value per unit ($)	Net assets per unit ($)
Series A	62.88	62.88	57.02	57.03
Advisor Series	62.63	62.63	56.72	56.73
Series F	62.57	62.57	56.82	56.83
Series I	62.73	62.73	56.86	56.87
Series K	11.22	11.22	10.25	10.25
Series M	61.22	61.22	55.56	55.57

Scotia Canadian Blue Chip Fund

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	December 31, 2017	December 31, 2016
ASSETS		
Current assets		
Investments		
Non-derivative financial assets	264,122,696	249,176,459
Unrealized gain on currency forward contracts	549,381	60,121
Cash	18,015,482	14,003,885
Subscriptions receivable	224,298	68,449
Accrued investment income and other	540,619	504,601
	283,452,476	263,813,515
LIABILITIES		
Current liabilities		
Redemptions payable	189,187	145,765
Accrued expenses	–	15,729
Distributions payable	–	1,442
Unrealized loss on currency forward contracts	2,487	38,258
	191,674	201,194
Net assets attributable to holders of redeemable units	283,260,802	263,612,321
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series A	282,409,455	263,006,241
Series F	429,405	198,256
Series I	421,942	407,824
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series A	31.17	28.05
Series F	32.96	29.48
Series I	39.31	34.67

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except average units)	2017	2016
INCOME		
Net gain (loss) on investments		
Dividends	5,882,906	6,065,137
Interest for distribution purposes	117,920	74,783
Net realized gain (loss) on non-derivative financial assets	11,659,478	21,757,402
Net realized gain (loss) on currency forward contracts	1,554,740	(2,280,868)
Change in unrealized gain (loss) on non-derivative financial assets	18,342,904	12,747,284
Change in unrealized gain (loss) on currency forward contracts	525,031	2,076,383
Net gain (loss) on investments	38,082,979	40,440,121
Securities lending (note 11)	5,078	3,628
Net realized and unrealized foreign currency translation gain (loss)	(99,959)	460,170
Other income	1,727	235
Total income (loss), net	37,989,825	40,904,154
EXPENSES		
Management fees (note 5)	4,730,791	4,611,067
Fixed administration fees and operating expense (note 6)	300,256	277,627
Independent Review Committee fees	1,129	1,184
Interest expense and bank overdraft charges	2	5
Foreign withholding taxes/tax reclaims	159,989	142,708
Other fund costs	–	43
Harmonized Sales Tax/Goods and Services Tax	554,138	537,029
Transaction costs	108,603	274,993
Total expenses	5,854,908	5,844,656
Expenses absorbed by the Manager	(1,204)	(2,672)
Net expenses	5,853,704	5,841,984
Increase (decrease) in net assets attributable to holders of redeemable units from operations	32,136,121	35,062,170
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A	32,027,837	34,981,389
Series F	49,046	21,424
Series I	59,238	59,357
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT†		
Series A	3.49	3.89
Series F	3.75	5.14
Series I	5.18	5.70
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series A	9,169,397	8,991,833
Series F	13,075	4,171
Series I	11,446	10,419

† 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 Canadian Blue Chip Fund (Continued)

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

For the periods ended December 31 (note 1),

(in dollars)	2017	2016
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series A	263,006,241	245,750,326
Series F	198,256	41,622
Series I	407,824	328,947
	263,612,321	246,120,895
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A	32,027,837	34,981,389
Series F	49,046	21,424
Series I	59,238	59,357
	32,136,121	35,062,170
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net realized gains on investments		
Series A	(3,439,756)	(20,007,354)
Series F	(5,684)	(14,814)
Series I	(5,215)	(31,431)
	(3,450,655)	(20,053,599)
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A	18,134,873	10,750,201
Series F	2,325,050	158,777
Series I	45,020	52,400
Reinvested distributions		
Series A	3,414,584	19,902,956
Series F	4,867	10,722
Series I	5,215	31,431
Payments on redemption		
Series A	(30,734,324)	(28,371,277)
Series F	(2,142,130)	(19,475)
Series I	(90,140)	(32,880)
	(9,036,985)	2,482,855
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A	19,403,214	17,255,915
Series F	231,149	156,634
Series I	14,118	78,877
	19,648,481	17,491,426
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series A	282,409,455	263,006,241
Series F	429,405	198,256
Series I	421,942	407,824
	283,260,802	263,612,321

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	32,136,121	35,062,170
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(11,659,478)	(21,757,402)
Unrealized foreign currency translation (gain) loss	(28,626)	(619,378)
Change in unrealized (gain) loss on non-derivative financial assets	(18,342,904)	(12,747,284)
Change in unrealized (gain) loss on currency forward contracts	(525,031)	(2,076,383)
Non-cash transactions	(16,104)	(67,900)
Purchases of portfolio investments	(68,283,649)	(179,594,299)
Proceeds from sale of portfolio investments	83,355,898	188,825,050
Accrued investment income and other	(36,018)	(92,855)
Accrued expenses and other payables	(15,729)	15,729
Net cash provided by (used in) operating activities	16,584,480	6,947,448
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	20,214,732	10,843,654
Amounts paid on redemption of redeemable units	(32,788,811)	(28,302,584)
Distributions to unitholders of redeemable units	(27,430)	(107,047)
Net cash provided by (used in) financing activities	(12,601,509)	(17,565,977)
Unrealized foreign currency translation gain (loss)	28,626	619,378
Net increase (decrease) in cash	3,982,971	(10,618,529)
Cash (bank overdraft), beginning of period	14,003,885	24,003,036
CASH (BANK OVERDRAFT), END OF PERIOD	18,015,482	14,003,885
Interest paid[1]	2	5
Interest received[1]	124,793	71,171
Dividends received, net of withholding taxes[1]	5,663,922	5,765,286

[1] Classified as operating items.

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

Scotia Canadian Blue Chip Fund (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2017

Issuer	Number of Shares	Average Cost ($)	Carrying Value ($)
EQUITIES – 93.2%			
Consumer Discretionary – 14.1%			
Canadian Tire Corporation, Limited, Class A	24,200	3,070,306	3,966,380
Dollarama Inc.	26,622	830,709	4,180,985
Gildan Activewear Inc.	114,600	4,299,422	4,653,906
Linamar Corporation	44,200	2,511,003	3,235,882
NIKE, Inc., Class B	48,100	3,488,362	3,778,578
Restaurant Brands International Inc.	99,400	4,811,078	7,680,638
Shaw Communications, Inc., Class B	302,400	8,053,637	8,675,856
Walt Disney Company, The	27,900	2,945,184	3,767,117
		30,009,701	39,939,342
Consumer Staples – 10.5%			
Alimentation Couche-Tard Inc., Class B	95,800	5,882,351	6,283,522
Costco Wholesale Corporation	27,600	5,735,288	6,451,462
Jean Coutu Group (PJC) Inc., The, Class A	173,900	3,267,230	4,246,638
Loblaw Companies Limited	83,400	4,011,768	5,689,548
North West Company Inc.	100,000	2,804,515	3,007,000
Saputo Inc.	90,000	3,870,717	4,066,200
		25,571,869	29,744,370
Energy – 10.1%			
Canadian Natural Resources Ltd.	80,900	2,368,803	3,634,028
Cenovus Energy Inc.	350,000	4,937,433	4,018,000
Enbridge Inc.	135,100	7,061,601	6,641,516
Enerflex Ltd.	295,000	4,234,826	4,525,300
PrairieSky Royalty Ltd.	308,628	8,130,054	9,894,614
		26,732,717	28,713,458
Financials – 24.4%			
Bank of America Corporation	50,000	1,521,651	1,853,712
Bank of Nova Scotia, The	108,100	5,754,147	8,769,072
Brookfield Asset Management Inc., Class A	120,100	5,202,946	6,571,872
Canadian Imperial Bank of Commerce	74,700	7,122,730	9,153,738
Intact Financial Corporation	76,500	6,857,591	8,031,735
JPMorgan Chase & Co.	28,800	2,578,271	3,868,020
Manulife Financial Corporation	231,600	4,903,878	6,072,552
Power Corporation of Canada	170,100	4,974,220	5,506,137
Royal Bank of Canada	106,400	5,157,563	10,921,960
Toronto-Dominion Bank, The	113,196	3,495,349	8,336,885
		47,568,346	69,085,683
EQUITIES (cont'd)			
Health Care – 3.4%			
Johnson & Johnson	31,100	4,422,079	5,457,264
Thermo Fisher Scientific, Inc.	17,500	4,283,502	4,173,239
		8,705,581	9,630,503
Industrials – 12.0%			
Canadian National Railway Company	63,540	2,812,490	6,585,921
Canadian Pacific Railway Limited	14,400	2,654,046	3,307,104
Honeywell International Inc.	29,000	4,563,994	5,585,552
Toromont Industries Ltd.	105,700	3,232,061	5,824,070
United Parcel Service, Inc., Class B	46,500	6,355,342	6,958,298
Waste Connections Inc.	63,600	3,869,935	5,670,576
		23,487,868	33,931,521
Information Technology – 10.0%			
Alphabet Inc., Class C	5,140	2,200,531	6,754,868
CGI Group Inc., Class A	104,500	4,607,092	7,137,350
Microsoft Corporation	68,900	2,533,010	7,401,922
Visa Inc.	49,300	4,687,997	7,059,663
		14,028,630	28,353,803
Materials – 6.0%			
Agrium Inc.	46,600	5,876,911	6,737,427
Franco-Nevada Corporation	70,500	4,919,309	7,079,633
Teck Resources Ltd., Class B	100,000	3,227,091	3,287,000
		14,023,311	17,104,060
Telecommunication Services – 2.7%			
BCE Inc.	126,200	7,169,757	7,619,956
Transaction Costs		(139,979)	
TOTAL INVESTMENT PORTFOLIO		197,157,801	264,122,696
Unrealized Gain (Loss) on Derivatives – 0.2%			546,894
OTHER ASSETS, LESS LIABILITIES – 6.6%			18,591,212
NET ASSETS – 100.0%			283,260,802

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+	Jan. 24, 2018	Canadian Dollar	5,451,355	US Dollar	4,270,000	0.783	0.795	83,392
Bank of Montreal	A-1	Jan. 24, 2018	Canadian Dollar	2,233,770	US Dollar	1,750,000	0.783	0.795	33,785
Canadian Imperial Bank of Commerce	A-1	Jan. 24, 2018	Canadian Dollar	18,005,700	US Dollar	14,100,000	0.783	0.795	280,108
Toronto-Dominion Bank, The	A-1+	Jan. 24, 2018	Canadian Dollar	5,653,788	US Dollar	4,430,000	0.784	0.795	84,683
Bank of Montreal	A-1	Jan. 24, 2018	Canadian Dollar	1,412,124	US Dollar	1,100,000	0.779	0.795	29,276
Toronto-Dominion Bank, The	A-1+	Feb. 21, 2018	Canadian Dollar	1,440,454	US Dollar	1,120,000	0.778	0.796	32,606
Bank of Montreal	A-1	Feb. 21, 2018	Canadian Dollar	244,363	US Dollar	190,000	0.778	0.796	5,531
									549,381

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+	Jan. 24, 2018	US Dollar	140,000	Canadian Dollar	178,486	1.275	1.257	(2,487)
									(2,487)

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

Scotia Canadian Blue Chip Fund (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 December 31, 2017 and December 31, 2016. 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.

	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

	December 31, 2016			
Currency	Gross currency exposure ($)	Currency contracts ($)	Net exposure ($)	Percentage of net assets (%)
US Dollar	58,302,024	(26,853,668)	31,448,356	11.9
British Pound	12	–	12	0.0
	58,302,036	(26,853,668)	31,448,368	11.9

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 $3,671,127 or 1.3% of net assets (December 31, 2016 – $3,144,837 or 1.2%). 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 December 31, 2017, approximately 93.2% (December 31, 2016 – 94.5%) 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 of the Fund would have decreased or increased, respectively, by approximately $26,412,270 (December 31, 2016 – $24,917,646). 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 December 31, 2017 or December 31, 2016.

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 (%)	
	December 31, 2017	December 31, 2016
Consumer Discretionary	14.1	14.9
Consumer Staples	10.5	11.0
Energy	10.1	10.5
Financials	24.4	25.4
Health Care	3.4	1.5
Industrials	12.0	12.3
Information Technology	10.0	9.0
Materials	6.0	5.6
Telecommunication Services	2.7	2.5
Utilities	–	1.8

Fair Value Classification (note 2)

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

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

December 31, 2016	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Equities	249,176,459	–	–	249,176,459
Unrealized gain on currency forward contracts	–	60,121	–	60,121
	249,176,459	60,121	–	249,236,580
Unrealized loss on currency forward contracts	–	(38,258)	–	(38,258)
	249,176,459	21,863	–	249,198,322

Transfers between levels

During the periods ended December 31, 2017 and December 31, 2016, there were no significant transfers between Level 1 and Level 2.

Offsetting of financial assets and liabilities (note 2)

The following tables present 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 Canadian Blue Chip Fund (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	549,381	(2,487)	–	546,894
Options contracts – OTC	–	–	–	–
Swap contracts – OTC	–	–	–	–
	549,381	(2,487)	–	546,894

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)	–	–

	December 31, 2016			
Financial assets – by type	Gross amount of assets ($)	Master netting offset ($)	Collateral pledged/ received ($)	Net Amount ($)
Currency forward contracts	60,121	(38,258)	–	21,863
Options contracts – OTC	–	–	–	–
Swap contracts – OTC	–	–	–	–
	60,121	(38,258)	–	21,863

Financial liabilities – by type	Gross amount of liabilities ($)	Master netting offset ($)	Collateral pledged/ received ($)	Net Amount ($)
Currency forward contracts	38,258	(38,258)	–	–
Options contracts – OTC	–	–	–	–
Swap contracts – OTC	–	–	–	–
	38,258	(38,258)	–	–

Interest in Underlying Funds (note 2)

The Fund did not hold any interest in Underlying Funds as at December 31, 2017 or December 31, 2016.

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

The table below provides a comparison of the net asset value per unit and net assets per unit. A difference could arise when the last traded market price for a financial instrument is not within the bid-ask spread.

	December 31, 2017		December 31, 2016	
	Net asset value per unit ($)	Net assets per unit ($)	Net asset value per unit ($)	Net assets per unit ($)
Series A	31.17	31.17	28.04	28.05
Series F	32.96	32.96	29.48	29.48
Series I	39.31	39.31	34.66	34.67

Scotia Private Canadian Equity Pool

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	December 31, 2017	December 31, 2016
ASSETS		
Current assets		
Investments		
Non-derivative financial assets	599,511,098	627,191,640
Cash	3,590,881	227,370
Subscriptions receivable	504,913	846,134
Accrued investment income and other	1,164,922	1,253,267
	604,771,814	629,518,411
LIABILITIES		
Current liabilities		
Redemptions payable	1,022,639	524,520
Accrued expenses	–	1,416
	1,022,639	525,936
Net assets attributable to holders of redeemable units	603,749,175	628,992,475
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series I	266,398,635	283,571,958
Series K	12,050,745	228,346
Series M	325,299,795	345,192,171
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series I	13.83	13.12
Series K	11.02	10.45
Series M	13.78	13.07

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except average units)	2017	2016
INCOME		
Net gain (loss) on investments		
Dividends	15,797,715	16,487,110
Interest for distribution purposes	21,163	59,131
Net realized gain (loss) on non-derivative financial assets	20,942,461	9,407,905
Change in unrealized gain (loss) on non-derivative financial assets	12,223,550	54,742,902
Net gain (loss) on investments	48,984,889	80,697,048
Securities lending (note 11)	24,221	29,392
Net realized and unrealized foreign currency translation gain (loss)	(14,075)	3,223
Total income (loss), net	48,995,035	80,729,663
EXPENSES		
Management fees (note 5)	325,817	356,235
Fixed administration fees (note 6)	133,524	124,598
Independent Review Committee fees	1,135	1,184
Interest expense and bank overdraft charges	6,819	5,067
Other fund costs	–	110
Harmonized Sales Tax/Goods and Services Tax	44,866	48,511
Transaction costs	546,321	807,723
Total expenses	1,058,482	1,343,428
Increase (decrease) in net assets attributable to holders of redeemable units from operations	47,936,553	79,386,235
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series I	21,554,177	34,576,151
Series K	575,815	8,711
Series M	25,806,561	44,801,373
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT†		
Series I	1.04	1.61
Series K	0.94	1.33
Series M	1.06	1.55
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series I	20,676,256	21,417,464
Series K	612,254	6,569
Series M	24,457,700	28,814,321

† 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 Canadian Equity Pool (Continued)

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

For the periods ended December 31 (note 1),

(in dollars)	2017	2016
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series I	283,571,958	248,131,684
Series K	228,346	–
Series M	345,192,171	354,909,281
	628,992,475	603,040,965
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series I	21,554,177	34,576,151
Series K	575,815	8,711
Series M	25,806,561	44,801,373
	47,936,553	79,386,235
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net investment income		
Series I	(6,953,879)	(7,568,824)
Series K	(291,154)	(5,740)
Series M	(8,192,924)	(8,841,430)
	(15,437,957)	(16,415,994)
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series I	3,058,250	14,618,990
Series K	11,742,275	219,635
Series M	44,127,808	62,848,564
Reinvested distributions		
Series I	6,953,879	7,568,824
Series K	291,154	5,740
Series M	6,871,960	7,303,386
Payments on redemption		
Series I	(41,785,750)	(13,754,867)
Series K	(495,691)	–
Series M	(88,505,781)	(115,829,003)
	(57,741,896)	(37,018,731)
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series I	(17,173,323)	35,440,274
Series K	11,822,399	228,346
Series M	(19,892,376)	(9,717,110)
	(25,243,300)	25,951,510
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END 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
	603,749,175	628,992,475

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	47,936,553	79,386,235
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(20,942,461)	(9,407,905)
Unrealized foreign currency translation (gain) loss	(6,369)	1,122
Change in unrealized (gain) loss on non-derivative financial assets	(12,223,550)	(54,742,902)
Non-cash transactions	(49,800)	(204,542)
Purchases of portfolio investments	(202,729,260)	(374,372,100)
Proceeds from sale of portfolio investments	263,625,612	406,432,262
Accrued investment income and other	88,345	461,268
Accrued expenses and other payables	(1,416)	1,416
Net cash provided by (used in) operating activities	75,697,654	47,554,854
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	58,262,727	78,088,056
Amounts paid on redemption of redeemable units	(129,282,275)	(129,311,670)
Distributions to unitholders of redeemable units	(1,320,964)	(1,538,044)
Net cash provided by (used in) financing activities	(72,340,512)	(52,761,658)
Unrealized foreign currency translation gain (loss)	6,369	(1,122)
Net increase (decrease) in cash	3,357,142	(5,206,804)
Cash (bank overdraft), beginning of period	227,370	5,435,296
CASH (BANK OVERDRAFT), END OF PERIOD	3,590,881	227,370
Interest paid[1]	6,819	5,067
Interest received[1]	21,756	61,232
Dividends received, net of withholding taxes[1]	15,835,667	16,741,737

[1] Classified as operating items.

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

Scotia Private Canadian Equity Pool (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2017

Issuer	Number of Shares	Average Cost ($)	Carrying Value ($)
EQUITIES – 99.1%			
Consumer Discretionary – 13.1%			
Canadian Tire Corporation, Limited, Class A	89,000	12,554,369	14,587,100
EnerCare Inc.	740,200	14,844,404	15,181,502
Magna International Inc.	152,290	5,002,144	10,849,140
Restaurant Brands International Inc.	128,500	10,729,932	9,929,195
Shaw Communications, Inc., Class B	591,400	14,715,348	16,967,266
Thomson Reuters Corporation	209,936	12,969,054	11,502,393
		70,815,251	79,016,596
Consumer Staples – 7.6%			
Alimentation Couche-Tard Inc., Class B	236,700	14,766,104	15,525,153
Loblaw Companies Limited	217,800	11,098,457	14,858,316
Saputo Inc.	348,620	10,068,766	15,750,652
		35,933,327	46,134,121
Energy – 13.7%			
Canadian Natural Resources Ltd.	369,170	13,640,308	16,583,116
EnCana Corporation	630,100	9,409,634	10,566,777
Keyera Corporation	353,300	14,195,570	12,513,886
PrairieSky Royalty Ltd.	515,300	15,259,067	16,520,518
ShawCor Ltd.	276,900	7,805,254	7,592,598
Suncor Energy, Inc.	413,798	14,876,005	19,096,778
		75,185,838	82,873,673
Financials – 33.8%			
Bank of Montreal	270,041	20,433,578	27,163,424
Brookfield Asset Management Inc., Class A	318,250	8,278,720	17,414,640
Canadian Imperial Bank of Commerce	247,090	20,939,789	30,278,409
Intact Financial Corporation	187,485	10,511,910	19,684,050
Manulife Financial Corporation	737,996	12,922,734	19,350,255
Onex Corporation	120,600	11,842,008	11,118,114
Power Corporation of Canada	384,788	11,368,728	12,455,588
Royal Bank of Canada	346,213	19,811,833	35,538,764
Toronto-Dominion Bank, The	425,300	18,610,137	31,323,345
		134,719,437	204,326,589
Industrials – 12.5%			
Canadian National Railway Company	168,490	8,855,632	17,463,989
Canadian Pacific Railway Limited	50,900	10,327,312	11,689,694
Finning International Inc.	340,000	9,074,431	10,784,800
Maxar Technologies Ltd.	171,300	13,799,324	13,861,596
Stantec Inc.	226,400	7,537,845	7,960,224
Waste Connections Inc.	153,300	10,572,297	13,668,228
		60,166,841	75,428,531
Information Technology – 3.9%			
CGI Group Inc., Class A	346,643	14,709,283	23,675,717
Materials – 7.0%			
Agnico-Eagle Mines Limited	106,200	6,032,108	6,163,848
Agrium Inc.	104,550	9,763,564	15,115,839
CCL Industries Inc., Class B	178,700	8,828,105	10,378,896
Franco-Nevada Corporation	108,400	11,161,601	10,889,864
		35,785,378	42,548,447
Telecommunication Services – 5.6%			
BCE Inc.	292,304	12,503,235	17,649,316
TELUS Corporation	343,400	14,752,944	16,352,708
		27,256,179	34,002,024
Utilities – 1.9%			
Emera Inc.	244,900	11,270,231	11,505,400
Transaction Costs		(388,372)	
TOTAL INVESTMENT PORTFOLIO		465,453,393	599,511,098
OTHER ASSETS, LESS LIABILITIES – 0.9%			4,238,077
NET ASSETS – 100.0%			603,749,175

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

Scotia Private Canadian Equity Pool (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 December 31, 2017 and December 31, 2016. 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.

	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

	December 31, 2016			
Currency	Gross currency exposure ($)	Currency contracts ($)	Net exposure ($)	Percentage of net assets (%)
US Dollar	106,697	–	106,697	0.0
	106,697	–	106,697	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 of the Fund would have decreased or increased, respectively, by $38,374 or 0.0% of net assets (December 31, 2016 – $10,670 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 December 31, 2017, approximately 99.1% (December 31, 2016 – 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 of the Fund would have decreased or increased, respectively, by approximately $59,951,110 (December 31, 2016 – $62,719,164). 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 December 31, 2017 or December 31, 2016.

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 (%)	
	December 31, 2017	December 31, 2016
Consumer Discretionary	13.1	12.4
Consumer Staples	7.6	7.5
Energy	13.7	16.9
Financials	33.8	34.1
Industrials	12.5	12.7
Information Technology	3.9	6.4
Materials	7.0	4.9
Telecommunication Services	5.6	4.8
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.

December 31, 2017	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Equities	599,511,098	–	–	599,511,098
	599,511,098	–	–	599,511,098

December 31, 2016	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Equities	627,191,640	–	–	627,191,640
	627,191,640	–	–	627,191,640

Transfers between levels

During the periods ended December 31, 2017 and December 31, 2016, there were no significant transfers between Level 1 and Level 2.

Offsetting of financial assets and liabilities (note 2)

As at December 31, 2017 and December 31, 2016, 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 December 31, 2017 or December 31, 2016.

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

As at December 31, 2017 or December 31, 2016, 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

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	December 31, 2017	December 31, 2016
ASSETS		
Current assets		
Investments		
Non-derivative financial assets	276,212,940	255,669,293
Cash	5,623,970	3,058,671
Subscriptions receivable	5,600	–
Accrued investment income and other	452,289	332,944
	282,294,799	259,060,908
LIABILITIES		
Current liabilities		
Accrued expenses	8	550
Distributions payable	5	2
	13	552
Net assets attributable to holders of redeemable units	282,294,786	259,060,356
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series I	282,294,786	259,060,356
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series I	10.46	10.10

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except average units)	2017	2016
INCOME		
Net gain (loss) on investments		
Dividends	6,799,340	635,885
Interest for distribution purposes	31,459	5,449
Net realized gain (loss) on non-derivative financial assets	(1,564,233)	107,525
Change in unrealized gain (loss) on non-derivative financial assets	10,752,506	2,515,422
Net gain (loss) on investments	16,019,072	3,264,281
Securities lending (note 11)	905	–
Net realized and unrealized foreign currency translation gain (loss)	(5,780)	132,052
Total income (loss), net	16,014,197	3,396,333
EXPENSES		
Fixed administration fees (note 6)	186,586	15,680
Independent Review Committee fees	1,135	–
Foreign withholding taxes/tax reclaims	51,616	9,270
Harmonized Sales Tax/Goods and Services Tax	19,927	1,737
Transaction costs	27,380	107,438
Total expenses	286,644	134,125
Increase (decrease) in net assets attributable to holders of redeemable units from operations	15,727,553	3,262,208
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series I	15,727,553	3,262,208
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT†		
Series I	0.60	0.16
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series I	26,174,617	20,905,780

† 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 December 31 (note 1),

(in dollars)	2017	2016
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series I	259,060,356	–
	259,060,356	–
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series I	15,727,553	3,262,208
	15,727,553	3,262,208
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net investment income		
Series I	(6,452,823)	(285,145)
From net realized gains on investments		
Series I	–	(132,237)
	(6,452,823)	(417,382)
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series I	7,990,042	255,801,250
Reinvested distributions		
Series I	6,452,818	417,380
Payments on redemption		
Series I	(483,160)	(3,100)
	13,959,700	256,215,530
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series I	23,234,430	259,060,356
	23,234,430	259,060,356
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series I	282,294,786	259,060,356
	282,294,786	259,060,356

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	15,727,553	3,262,208
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	1,564,233	(107,525)
Unrealized foreign currency translation (gain) loss	(4,548)	(15,502)
Change in unrealized (gain) loss on non-derivative financial assets	(10,752,506)	(2,515,422)
Purchases of portfolio investments	(21,356,260)	(253,046,433)
Proceeds from sale of portfolio investments	10,000,886	87
Accrued investment income and other	(119,345)	(332,944)
Accrued expenses and other payables	(542)	550
Net cash provided by (used in) operating activities	(4,940,529)	(252,754,981)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	7,984,442	255,801,250
Amounts paid on redemption of redeemable units	(483,160)	(3,100)
Distributions to unitholders of redeemable units	(2)	–
Net cash provided by (used in) financing activities	7,501,280	255,798,150
Unrealized foreign currency translation gain (loss)	4,548	15,502
Net increase (decrease) in cash	2,560,751	3,043,169
Cash (bank overdraft), beginning of period	3,058,671	–
CASH (BANK OVERDRAFT), END OF PERIOD	5,623,970	3,058,671
Interest received[1]	34,351	2,557
Dividends received, net of withholding taxes[1]	6,625,488	296,562

[1] Classified as operating items.

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

Scotia Private Fundamental Canadian Equity Pool (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2017

Issuer	Number of Shares	Average Cost ($)	Carrying Value ($)
EQUITIES – 97.8%			
Consumer Discretionary – 7.0%			
Canadian Tire Corporation, Limited, Class A	42,030	5,955,049	6,888,717
Gildan Activewear Inc.	175,380	6,453,114	7,122,182
Thomson Reuters Corporation	105,640	6,114,381	5,788,016
		18,522,544	19,798,915
Consumer Staples – 10.5%			
Alimentation Couche-Tard Inc., Class B	153,110	9,538,892	10,042,485
Loblaw Companies Limited	97,590	6,803,784	6,657,590
Metro Inc., Class A	168,580	6,924,880	6,785,345
Saputo Inc.	139,040	6,304,740	6,281,827
		29,572,296	29,767,247
Energy – 16.3%			
ARC Resources Ltd.	245,880	5,306,321	3,626,730
Canadian Natural Resources Ltd.	269,040	12,011,172	12,085,277
Crescent Point Energy Corporation	232,370	3,916,271	2,226,105
Enbridge Inc.	268,100	15,117,283	13,179,796
Keyera Corporation	77,770	2,868,685	2,754,613
Pembina Pipeline Corporation	172,110	6,816,401	7,832,726
Vermilion Energy, Inc.	96,330	5,271,337	4,400,354
		51,307,470	46,105,601
Financials – 34.9%			
Bank of Nova Scotia, The	218,150	16,110,784	17,696,328
Great-West Lifeco Inc.	155,480	5,472,360	5,457,348
Industrial Alliance Insurance and Financial Services Inc.	71,200	4,023,506	4,259,184
Intact Financial Corporation	72,860	6,820,296	7,649,571
JPMorgan Chase & Co.	46,460	5,014,471	6,239,868
Manulife Financial Corporation	383,823	9,036,030	10,063,839
Royal Bank of Canada	230,570	20,480,400	23,668,011
Toronto-Dominion Bank, The	319,180	20,403,055	23,507,607
		87,360,902	98,541,756
Health Care – 4.2%			
Becton, Dickinson and Company	23,460	5,304,177	6,306,952
DaVita, Inc.	60,150	5,145,574	5,457,949
		10,449,751	11,764,901
Industrials – 12.3%			
CAE, Inc.	208,380	4,119,326	4,865,673
Canadian National Railway Company	127,800	11,504,768	13,246,470
General Electric Company	124,090	5,236,602	2,719,495
SNC-Lavalin Group Inc.	118,050	6,696,774	6,734,753
Stantec Inc.	130,120	4,668,875	4,575,019
WSP Global Inc.	43,130	2,184,238	2,583,918
		34,410,583	34,725,328
Information Technology – 6.2%			
CGI Group Inc., Class A	104,020	6,673,236	7,104,566
Open Text Corporation	230,230	9,615,526	10,293,583
		16,288,762	17,398,149
Materials – 6.4%			
CCL Industries Inc., Class B	87,730	4,123,816	5,095,358
Potash Corporation of Saskatchewan Inc.	347,960	8,346,590	8,970,409
West Fraser Timber Co., Ltd.	52,150	2,576,741	4,045,276
		15,047,147	18,111,043
Transaction Costs		(109,983)	
TOTAL INVESTMENT PORTFOLIO		262,849,472	276,212,940
OTHER ASSETS, LESS LIABILITIES – 2.2%			6,081,846
NET ASSETS – 100.0%			282,294,786

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

Scotia Private Fundamental Canadian Equity Pool (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 December 31, 2017 and December 31, 2016. 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.

	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

	December 31, 2016			
Currency	Gross currency exposure ($)	Currency contracts ($)	Net exposure ($)	Percentage of net assets (%)
US Dollar	20,975,206	–	20,975,206	8.1
	20,975,206	–	20,975,206	8.1

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 $2,101,416 or 0.7% of net assets (December 31, 2016 – $2,097,521 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 December 31, 2017, approximately 97.8% (December 31, 2016 – 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 of the Fund would have decreased or increased, respectively, by approximately $27,621,294 (December 31, 2016 – $25,566,929). 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 December 31, 2017 or December 31, 2016.

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 (%)	
	December 31, 2017	December 31, 2016
Consumer Discretionary	7.0	7.1
Consumer Staples	10.5	10.6
Energy	16.3	19.5
Financials	34.9	33.3
Health Care	4.2	4.0
Industrials	12.3	12.0
Information Technology	6.2	7.4
Materials	6.4	4.8

Fair Value Classification (note 2)

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

December 31, 2017	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Equities	276,212,940	–	–	276,212,940
	276,212,940	–	–	276,212,940

December 31, 2016	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Equities	255,669,293	–	–	255,669,293
	255,669,293	–	–	255,669,293

Transfers between levels

During the periods ended December 31, 2017 and December 31, 2016, there were no significant transfers between Level 1 and Level 2.

Offsetting of financial assets and liabilities (note 2)

As at December 31, 2017 and December 31, 2016, 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 December 31, 2017 or December 31, 2016.

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

As at December 31, 2017 or December 31, 2016, 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

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	December 31, 2017	December 31, 2016
ASSETS		
Current assets		
Investments		
Non-derivative financial assets	383,639,242	304,391,364
Cash	6,343,523	4,701,567
Receivable for securities sold	–	1,502,582
Subscriptions receivable	137,400	–
Accrued investment income and other	887,869	742,576
	391,008,034	311,338,089
LIABILITIES		
Current liabilities		
Payable for securities purchased	263,753	1,171,189
Accrued expenses	8	658
Distributions payable	1	–
	263,762	1,171,847
Net assets attributable to holders of redeemable units	390,744,272	310,166,242
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series I	390,744,272	310,166,242
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series I	10.77	10.10

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except average units)	2017	2016
INCOME		
Net gain (loss) on investments		
Dividends	7,824,696	1,070,303
Interest for distribution purposes	69,617	4,655
Net realized gain (loss) on non-derivative financial assets	(17,193,304)	(326,923)
Change in unrealized gain (loss) on non-derivative financial assets	41,324,950	1,216,519
Net gain (loss) on investments	32,025,959	1,964,554
Securities lending (note 11)	8,738	–
Net realized and unrealized foreign currency translation gain (loss)	(607)	(950)
Total income (loss), net	32,034,090	1,963,604
EXPENSES		
Fixed administration fees (note 6)	234,780	20,910
Independent Review Committee fees	1,135	–
Interest expense and bank overdraft charges	38	–
Foreign withholding taxes/tax reclaims	2,225	–
Other fund costs	1,353	–
Harmonized Sales Tax/Goods and Services Tax	25,004	2,326
Transaction costs	1,118,229	275,243
Total expenses	1,382,764	298,479
Increase (decrease) in net assets attributable to holders of redeemable units from operations	30,651,326	1,665,125
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series I	30,651,326	1,665,125
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT†		
Series I	0.94	0.06
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series I	32,572,766	27,736,222

† 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 December 31 (note 1),

(in dollars)	2017	2016
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series I	310,166,242	–
	310,166,242	–
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series I	30,651,326	1,665,125
	30,651,326	1,665,125
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net investment income		
Series I	(7,475,502)	(305,762)
	(7,475,502)	(305,762)
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series I	55,520,032	308,504,817
Reinvested distributions		
Series I	7,475,501	305,762
Payments on redemption		
Series I	(5,593,327)	(3,700)
	57,402,206	308,806,879
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series I	80,578,030	310,166,242
	80,578,030	310,166,242
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series I	390,744,272	310,166,242
	390,744,272	310,166,242

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	30,651,326	1,665,125
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	17,193,304	326,923
Unrealized foreign currency translation (gain) loss	(25)	120
Change in unrealized (gain) loss on non-derivative financial assets	(41,324,950)	(1,216,519)
Purchases of portfolio investments	(383,605,950)	(318,739,963)
Proceeds from sale of portfolio investments	329,084,864	14,906,802
Accrued investment income and other	(145,293)	(742,576)
Accrued expenses and other payables	(650)	658
Net cash provided by (used in) operating activities	(48,147,374)	(303,799,430)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	55,382,632	308,504,817
Amounts paid on redemption of redeemable units	(5,593,327)	(3,700)
Net cash provided by (used in) financing activities	49,789,305	308,501,117
Unrealized foreign currency translation gain (loss)	25	(120)
Net increase (decrease) in cash	1,641,931	4,701,687
Cash (bank overdraft), beginning of period	4,701,567	–
CASH (BANK OVERDRAFT), END OF PERIOD	6,343,523	4,701,567
Interest paid[1]	38	–
Interest received[1]	71,450	2,822
Dividends received, net of withholding taxes[1]	7,675,346	329,559

(1) Classified as operating items.

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

Scotia Private Canadian All Cap Equity Pool (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2017

Issuer	Number of Shares	Average Cost ($)	Carrying Value ($)
EQUITIES – 98.2%			
Consumer Discretionary – 15.6%			
AutoCanada Inc.	51,900	1,127,934	1,175,016
BMTC Group Inc.	7,170	113,131	119,739
BRP Inc.	132,500	3,781,016	6,162,574
Canadian Tire Corporation, Limited, Class A	27,000	3,921,416	4,425,300
Cogeco Communication Inc.	52,100	3,827,703	4,505,608
Cogeco Inc.	33,400	2,399,818	3,023,034
Dollarama Inc.	15,000	1,766,949	2,355,750
Gildan Activewear Inc.	35,000	1,368,112	1,421,350
goeasy Ltd.	8,800	215,914	326,920
Great Canadian Gaming Corporation	64,300	1,971,300	2,172,697
Leon's Furniture Ltd.	22,700	398,029	418,815
Linamar Corporation	45,000	2,732,320	3,294,450
Magna International Inc.	70,000	3,970,600	4,986,800
Martinrea International Inc.	461,400	4,839,123	7,400,856
Pollard Banknote Ltd.	24,700	363,708	429,780
Quebecor Inc., Class B	180,000	3,819,484	4,266,000
Restaurant Brands International Inc.	13,000	1,095,747	1,004,510
Sleep Country Canada Holdings Inc.	60,000	2,097,009	2,004,000
Spin Master Corporation	75,400	3,334,791	4,073,108
Stars Group Inc., The	103,000	2,755,398	3,012,750
Thomson Reuters Corporation	70,000	4,141,284	3,835,300
Transat AT Inc.	38,100	402,867	427,482
		50,443,653	60,841,839
Consumer Staples – 4.5%			
Andrew Peller Ltd., Class A	11,900	180,307	185,640
Empire Company Limited, Class A	120,000	2,734,988	2,938,800
George Weston Limited	14,000	1,711,927	1,528,240
Lassonde Industries Inc.	2,001	474,739	512,296
Loblaw Companies Limited	58,000	4,061,672	3,956,760
Maple Leaf Foods Inc.	67,000	2,115,383	2,399,940
Premium Brands Holdings Corporation	57,600	4,720,556	5,942,016
		15,999,572	17,463,692
Energy – 11.8%			
Calfrac Well Services Ltd.	682,500	3,635,533	4,081,350
CES Energy Solutions Corporation	111,500	764,285	728,095
Enbridge Inc.	150,000	8,018,389	7,374,000
EnCana Corporation	130,000	1,882,420	2,180,100
Enerplus Corporation	95,000	1,066,719	1,169,450
Freehold Royalties Ltd.	26,500	393,167	372,325
Gran Tierra Energy, Inc.	240,800	820,351	821,128
Husky Energy Inc.	100,000	1,742,620	1,775,000
Kelt Exploration Ltd.	52,000	363,816	373,880
North American Energy Partners Inc.	22,977	131,122	144,296
NuVista Energy Ltd.	91,300	763,854	732,226
Parex Resources Inc.	337,500	5,644,379	6,129,000
Pason Systems Inc.	26,500	536,278	482,035
Pembina Pipeline Corporation	90,000	3,578,725	4,095,900
Peyto Exploration & Development Corporation	26,000	385,308	390,780
STEP Energy Services Ltd.	45,500	493,591	466,830
Suncor Energy, Inc.	80,000	3,339,053	3,692,000
Total Energy Services Inc.	24,500	363,890	364,070
TransCanada Corporation	120,000	7,467,908	7,341,600
TransGlobe Energy Corporation	125,670	224,130	238,773
Trican Well Service Ltd.	740,800	3,510,614	3,022,464
Yangarra Resources Ltd.	38,900	179,619	193,333
		45,305,771	46,168,635
Financials – 24.2%			
AGF Management Ltd., Class B	95,000	724,279	777,100
Bank of Montreal	35,000	3,166,817	3,520,650
Bank of Nova Scotia, The	170,000	12,485,564	13,790,400
Brookfield Asset Management Inc., Class A	50,000	2,644,944	2,736,000
Canadian Imperial Bank of Commerce	73,000	7,824,798	8,945,420
Canadian Western Bank	105,900	3,598,311	4,156,575

Issuer	Number of Shares	Average Cost ($)	Carrying Value ($)
EQUITIES (cont'd)			
Financials (cont'd)			
Equitable Group Inc.	32,100	2,213,930	2,295,150
Fiera Sceptre Inc.	52,000	687,211	676,000
FirstService Corporation	17,300	1,296,765	1,521,189
Genworth MI Canada Inc.	70,000	2,682,686	3,045,000
Industrial Alliance Insurance and Financial Services Inc.	55,000	3,240,371	3,290,100
Laurentian Bank of Canada	18,200	1,084,878	1,028,846
Manulife Financial Corporation	130,000	3,216,838	3,408,600
National Bank of Canada	81,000	4,439,482	5,080,320
Power Corporation of Canada	80,000	2,621,484	2,589,600
Royal Bank of Canada	161,000	14,604,479	16,526,650
Sun Life Financial Inc.	98,000	4,946,466	5,084,240
Toronto-Dominion Bank, The	215,000	13,925,846	15,834,750
		85,405,149	94,306,590
Health Care – 0.4%			
Valeant Pharmaceuticals International, Inc.	60,000	1,631,250	1,572,000
Industrials – 14.9%			
Air Canada	190,000	3,017,138	4,917,200
Algoma Central Corporation	12,600	186,138	202,104
ATS Automation Tooling Systems Inc.	69,400	1,023,858	1,079,170
Badger Daylighting Ltd.	51,900	1,443,724	1,410,642
Brookfield Business Partners LP	39,400	1,588,007	1,705,626
CAE, Inc.	90,000	1,798,821	2,101,500
Canadian National Railway Company	100,000	9,001,569	10,365,000
CanWel Building Materials Group Ltd.	79,100	569,526	582,967
Cargojet Inc.	5,200	264,339	304,980
Chorus Aviation Inc.	603,900	4,383,631	5,827,635
Finning International Inc.	130,000	3,708,971	4,123,600
Harwoods Distribution Inc.	28,700	543,288	579,740
K-Bro Linen Inc.	4,500	185,888	185,940
Magellan Aerospace Corporation	37,000	769,686	777,370
New Flyer Industries Inc.	40,000	1,748,669	2,160,000
People Corporation	54,200	290,418	417,340
Richelieu Hardware Ltd.	24,000	731,381	822,960
Rocky Mountain Dealerships Inc.	28,500	376,781	390,450
Russel Metals Inc.	53,500	1,419,703	1,560,595
Stuart Olson Inc.	30,800	204,438	217,448
TFI International Inc.	84,400	2,698,969	2,773,384
Toromont Industries Ltd.	60,000	3,028,220	3,306,000
Transcontinental Inc., Class A	209,000	4,835,722	5,191,560
Wajax Corporation	30,300	739,864	747,501
WestJet Airlines Ltd.	152,900	3,892,243	4,030,444
WSP Global Inc.	40,000	2,339,820	2,396,400
		50,790,812	58,177,556
Information Technology – 3.9%			
Avigilon Corporation	344,600	5,673,888	7,267,614
CGI Group Inc., Class A	20,000	1,298,775	1,366,000
Constellation Software Inc.	5,000	3,493,194	3,810,100
Descartes Systems Group Inc., The	10,600	358,091	378,844
Kinaxis Inc.	5,500	496,417	422,345
Shopify Inc., Class A	15,000	1,974,600	1,906,650
		13,294,965	15,151,553
Materials – 17.7%			
Alamos Gold Inc.	46,500	420,786	380,835
Canfor Corporation	169,200	3,388,599	4,192,776
Canfor Pulp Products Inc.	4,700	59,941	62,745
Centerra Gold Inc.	403,000	3,108,013	2,595,320
Chemtrade Logistics Income Fund	19,000	353,840	368,600
Detour Gold Corporation	28,400	470,929	419,752
Dundee Precious Metals Inc.	394,000	1,126,435	1,182,000
Franco-Nevada Corporation	14,000	1,331,583	1,406,440
Golden Star Resources Ltd.	349,100	389,022	387,501
HudBay Minerals, Inc.	265,100	2,613,529	2,950,563

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

Scotia Private Canadian All Cap Equity Pool (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2017

Issuer	Number of Shares	Average Cost ($)	Carrying Value ($)
EQUITIES (cont'd)			
Materials (cont'd)			
IAMGOLD Corporation	399,000	2,679,339	2,924,670
Interfor Corporation	222,400	3,582,259	4,697,088
Kirkland Lake Gold Ltd.	322,301	3,759,339	6,210,740
Labrador Iron Ore Royalty Corporation	227,100	4,351,608	6,177,120
Lucara Diamond Corporation	1,138,300	2,865,903	3,198,623
Lundin Mining Corporation	350,000	2,710,484	2,926,000
Methanex Corporation	40,000	2,626,048	3,046,400
Norbord Inc.	128,700	4,771,079	5,476,185
Pan American Silver Corporation	49,400	1,115,800	967,252
Potash Corporation of Saskatchewan Inc.	50,000	1,125,431	1,289,000
Premier Gold Mines Ltd.	276,500	1,079,101	995,400
Roxgold Inc.	81,500	100,851	114,100
Stella-Jones Inc.	22,900	1,095,880	1,156,450
Taseko Mines Ltd.	1,256,800	2,974,864	3,694,992
Teck Resources Ltd., Class B	40,000	1,268,285	1,314,800
Trevali Mining Corporation	2,311,100	3,178,479	3,512,872
West Fraser Timber Co., Ltd.	61,900	3,356,333	4,801,583
Western Forest Products Inc.	1,146,000	2,803,605	2,807,700
		58,707,365	69,257,507
Real Estate – 1.5%			
Altus Group Ltd.	61,100	1,936,709	2,256,423
Colliers International Group Inc.	17,700	1,167,291	1,342,899
Killam Apartment Real Estate Investment Trust	83,100	1,091,585	1,181,682
Northview Apartment Real Estate Investment Trust	50,300	1,094,035	1,256,997
		5,289,620	6,038,001
Telecommunication Services – 1.5%			
BCE Inc.	78,489	4,575,833	4,739,166
Rogers Communications, Inc., Class B	20,000	1,236,767	1,281,000
		5,812,600	6,020,166
Utilities – 2.2%			
Brookfield Infrastructure Partners LP	20,000	1,112,184	1,127,600
Emera Inc.	30,000	1,429,240	1,409,400
Fairfax Financial Holdings Limited	2,500	1,502,195	1,673,350
Fortis Inc.	80,000	3,639,481	3,688,800
Polaris Infrastructure Inc.	42,700	733,916	742,553
		8,417,016	8,641,703
Transaction Costs		(424,624)	
TOTAL INVESTMENT PORTFOLIO		340,673,149	383,639,242
OTHER ASSETS, LESS LIABILITIES – 1.8%			7,105,030
NET ASSETS – 100.0%			390,744,272

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

Scotia Private Canadian All Cap Equity Pool (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 December 31, 2017 and December 31, 2016. 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.

	December 31, 2017			
Currency	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 of the Fund would have decreased or increased, respectively, by $152 or 0.0% of net assets (December 31, 2016 – $0 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 December 31, 2017, approximately 98.2% (December 31, 2016 – 98.1%) 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 of the Fund would have decreased or increased, respectively, by approximately $38,363,924 (December 31, 2016 – $30,439,136). 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 December 31, 2017 or December 31, 2016.

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 (%)	
	December 31, 2017	December 31, 2016
Consumer Discretionary	15.6	10.8
Consumer Staples	4.5	4.4
Energy	11.8	19.8
Financials	24.2	27.1
Health Care	0.4	0.2
Industrials	14.9	13.9
Information Technology	3.9	3.1
Materials	17.7	12.2
Real Estate	1.5	1.5
Telecommunication Services	1.5	2.8
Utilities	2.2	2.3

Fair Value Classification (note 2)

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

December 31, 2017	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Equities	383,639,242	–	–	383,639,242
	383,639,242	–	–	383,639,242

December 31, 2016	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Equities	304,391,364	–	–	304,391,364
	304,391,364	–	–	304,391,364

Transfers between levels

During the periods ended December 31, 2017 and December 31, 2016, there were no significant transfers between Level 1 and Level 2.

Offsetting of financial assets and liabilities (note 2)

As at December 31, 2017 and December 31, 2016, 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 December 31, 2017 or December 31, 2016.

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

As at December 31, 2017 or December 31, 2016, 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

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	December 31, 2017	December 31, 2016
ASSETS		
Current assets		
Investments		
Non-derivative financial assets	380,115,553	394,126,697
Unrealized gain on currency forward contracts	–	877
Cash	1,640,015	452,968
Subscriptions receivable	195,277	71,687
Accrued investment income and other	634,876	528,674
	382,585,721	395,180,903
LIABILITIES		
Current liabilities		
Redemptions payable	352,700	224,266
Accrued expenses	–	17,636
Unrealized loss on currency forward contracts	–	207,576
	352,700	449,478
Net assets attributable to holders of redeemable units	382,233,021	394,731,425
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
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
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series A	67.43	68.29
Advisor Series	65.56	66.45
Series F	73.33	73.65
Series I	88.07	87.90

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except average units)	2017	2016
INCOME		
Net gain (loss) on investments		
Dividends	8,216,669	7,050,866
Interest for distribution purposes	19,591	27,000
Net realized gain (loss) on non-derivative financial assets	20,264,331	10,147,307
Net realized gain (loss) on currency forward contracts	3,581,435	(2,266,076)
Change in unrealized gain (loss) on non-derivative financial assets	(13,373,986)	(2,881,677)
Change in unrealized gain (loss) on currency forward contracts	206,699	(206,699)
Net gain (loss) on investments	18,914,739	11,870,721
Securities lending (note 11)	28,620	52,427
Net realized and unrealized foreign currency translation gain (loss)	(774,009)	153,769
Other income	1,136	1,480
Total income (loss), net	18,170,486	12,078,397
EXPENSES		
Management fees (note 5)	4,801,380	5,353,498
Fixed administration fees and operating expense (note 6)	400,019	421,551
Independent Review Committee fees	1,135	1,184
Interest expense and bank overdraft charges	57,627	24,747
Foreign withholding taxes/tax reclaims	88,689	225,644
Other fund costs	–	63
Harmonized Sales Tax/Goods and Services Tax	558,597	615,943
Transaction costs	950,057	567,014
Total expenses	6,857,504	7,209,644
Expenses absorbed by the Manager	(814)	(13,462)
Net expenses	6,856,690	7,196,182
Increase (decrease) in net assets attributable to holders of redeemable units from operations	11,313,796	4,882,215
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A	6,386,907	82,303
Advisor Series	521	(7,780)
Series F	14,523	11,593
Series I	4,911,845	4,796,099
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT†		
Series A	1.58	0.02
Advisor Series	1.58	(7.68)
Series F	2.37	1.68
Series I	4.05	4.97
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series A	4,036,186	4,509,668
Advisor Series	329	1,013
Series F	6,117	6,901
Series I	1,213,964	964,206

† 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 Canadian Growth Fund (Continued)

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

For the periods ended December 31 (note 1),

(in dollars)	2017	2016
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series A	291,896,670	319,828,383
Advisor Series	21,861	121,444
Series F	528,509	423,773
Series I	102,284,385	68,512,868
	394,731,425	388,886,468
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A	6,386,907	82,303
Advisor Series	521	(7,780)
Series F	14,523	11,593
Series I	4,911,845	4,796,099
	11,313,796	4,882,215
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net investment income		
Series I	(613,365)	–
From net realized gains on investments		
Series A	(9,744,119)	–
Advisor Series	(815)	–
Series F	(13,777)	–
Series I	(4,212,987)	–
	(14,585,063)	–
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A	8,570,223	10,249,162
Series F	86,281	186,459
Series I	10,230,417	32,209,913
Reinvested distributions		
Series A	9,689,423	–
Advisor Series	815	–
Series F	9,957	–
Series I	4,826,352	–
Payments on redemption		
Series A	(41,019,745)	(38,263,178)
Advisor Series	–	(91,803)
Series F	(261,960)	(93,316)
Series I	(1,358,900)	(3,234,495)
	(9,227,137)	962,742
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A	(26,117,311)	(27,931,713)
Advisor Series	521	(99,583)
Series F	(164,976)	104,736
Series I	13,783,362	33,771,517
	(12,498,404)	5,844,957
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END 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
	382,233,021	394,731,425

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	11,313,796	4,882,215
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(20,264,331)	(10,147,307)
Unrealized foreign currency translation (gain) loss	(6,932)	(70,217)
Change in unrealized (gain) loss on non-derivative financial assets	13,373,986	2,881,677
Change in unrealized (gain) loss on currency forward contracts	(206,699)	206,699
Purchases of portfolio investments	(466,509,104)	(269,653,326)
Proceeds from sale of portfolio investments	487,410,593	270,673,160
Accrued investment income and other	(106,202)	255,211
Accrued expenses and other payables	(17,636)	17,636
Net cash provided by (used in) operating activities	24,987,471	(954,252)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	18,590,385	42,696,129
Amounts paid on redemption of redeemable units	(42,339,225)	(41,341,104)
Distributions to unitholders of redeemable units	(58,516)	–
Net cash provided by (used in) financing activities	(23,807,356)	1,355,025
Unrealized foreign currency translation gain (loss)	6,932	70,217
Net increase (decrease) in cash	1,180,115	400,773
Cash (bank overdraft), beginning of period	452,968	(18,022)
CASH (BANK OVERDRAFT), END OF PERIOD	1,640,015	452,968
Interest paid[1]	57,627	24,747
Interest received[1]	20,818	26,046
Dividends received, net of withholding taxes[1]	8,020,549	7,081,386

[1] Classified as operating items.

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

Scotia Canadian Growth Fund (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2017

Issuer	Number of Shares	Average Cost ($)	Carrying Value ($)
EQUITIES – 99.4%			
Consumer Discretionary – 7.5%			
Canadian Tire Corporation, Limited, Class A	32,700	4,798,107	5,359,530
Lowe's Companies, Inc.	53,100	5,755,994	6,198,023
Restaurant Brands International Inc.	102,200	8,491,838	7,896,994
Shaw Communications, Inc., Class B	316,700	7,793,701	9,086,123
		26,839,640	28,540,670
Consumer Staples – 4.5%			
Alimentation Couche-Tard Inc., Class B	144,500	9,087,247	9,477,755
Loblaw Companies Limited	112,000	7,352,431	7,640,640
		16,439,678	17,118,395
Energy – 12.5%			
Birchcliff Energy Ltd.	1,032,500	5,839,251	4,543,000
Canadian Natural Resources Ltd.	196,700	8,042,068	8,835,764
EnCana Corporation	471,800	6,841,510	7,912,086
Keyera Corporation	214,400	8,772,946	7,594,048
PrairieSky Royalty Ltd.	322,900	9,781,951	10,352,176
Suncor Energy, Inc.	183,700	8,021,783	8,477,755
		47,299,509	47,714,829
Financials – 26.6%			
Bank of America Corporation	268,700	7,630,100	9,961,851
Bank of Montreal	128,500	12,061,876	12,925,815
Bank of Nova Scotia, The	116,300	9,514,085	9,434,256
Canadian Imperial Bank of Commerce	101,900	9,909,229	12,486,826
Invesco Limited	162,700	7,541,581	7,466,415
Manulife Financial Corporation	417,000	9,424,870	10,933,740
Morgan Stanley	168,400	8,559,418	11,097,091
Sun Life Financial Inc.	224,500	11,393,364	11,647,060
Toronto-Dominion Bank, The	214,400	13,708,550	15,790,560
		89,743,073	101,743,614
Health Care – 6.9%			
Biogen Inc.	19,800	6,775,293	7,921,840
Celgene Corporation	67,100	11,480,611	8,794,529
Merck & Co., Inc.	139,200	10,934,366	9,837,215
		29,190,270	26,553,584
Industrials – 14.0%			
BuildDirect.com Technologies Inc., Restricted*	302,390	1,649,400	–
CAE, Inc.	250,100	5,703,142	5,839,835
Canadian National Railway Company	82,000	6,735,234	8,499,300
Finning International Inc.	236,000	5,662,708	7,485,920
JB Hunt Transport Services Inc	28,800	3,804,195	4,158,826
Maxar Technologies Ltd.	78,100	5,794,705	6,319,852
Rockwell Automation, Inc.	15,600	3,888,932	3,846,905
SNC-Lavalin Group Inc.	176,700	9,656,850	10,080,735
Waste Connections Inc.	82,600	7,324,131	7,364,616
		50,219,297	53,595,989
Information Technology – 14.0%			
Alphabet Inc., Class C	8,451	6,637,360	11,106,107
CGI Group Inc., Class A	153,700	6,773,354	10,497,710
Corning Incorporated	223,200	8,820,392	8,967,357
First Data Corporation	535,700	10,974,083	11,242,272
Microsoft Corporation	109,300	8,031,718	11,742,090
		41,236,907	53,555,536
Materials – 7.7%			
Agnico-Eagle Mines Limited	98,400	5,784,154	5,711,136
CCL Industries Inc., Class B	122,600	7,148,553	7,120,608
First Quantum Minerals Ltd.	362,900	5,578,181	6,390,669
Franco-Nevada Corporation	49,400	4,908,338	4,962,724
Teck Resources Ltd., Class B	161,800	4,682,896	5,318,366
		28,102,122	29,503,503
EQUITIES (cont'd)			
Telecommunication Services – 5.7%			
Rogers Communications, Inc., Class B	58,000	3,984,827	3,714,900
TELUS Corporation	229,900	10,289,032	10,947,838
Zayo Group Holdings Inc.	154,200	6,764,975	7,126,695
		21,038,834	21,789,433
Transaction Costs		(318,106)	
TOTAL INVESTMENT PORTFOLIO		349,791,224	380,115,553
OTHER ASSETS, LESS LIABILITIES – 0.6%			2,117,468
NET ASSETS – 100.0%			382,233,021

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

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

Scotia Canadian Growth Fund (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 December 31, 2017 and December 31, 2016. 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.

	December 31, 2017			
Currency	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

	December 31, 2016			
Currency	Gross currency exposure ($)	Currency contracts ($)	Net exposure ($)	Percentage of net assets (%)
US Dollar	91,897,553	(46,719,431)	45,178,122	11.4
British Pound	2	–	2	0.0
	91,897,555	(46,719,431)	45,178,124	11.4

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 $11,995,677 or 3.1% of net assets (December 31, 2016 – $4,517,812 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 December 31, 2017, approximately 99.4% (December 31, 2016 – 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 of the Fund would have decreased or increased, respectively, by approximately $38,011,555 (December 31, 2016 – $39,412,670). 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 December 31, 2017 or December 31, 2016.

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 (%)	
	December 31, 2017	December 31, 2016
Consumer Discretionary	7.5	12.9
Consumer Staples	4.5	6.1
Energy	12.5	17.9
Financials	26.6	21.7
Health Care	6.9	3.8
Industrials	14.0	12.3
Information Technology	14.0	16.7
Materials	7.7	4.2
Telecommunication Services	5.7	4.3

Fair Value Classification (note 2)

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

December 31, 2017	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Equities	380,115,553	–	–	380,115,553
	380,115,553	–	–	380,115,553

December 31, 2016	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Equities	393,390,772	–	695,497	394,086,269
Warrants, rights and options	40,428	–	–	40,428
Unrealized gain on currency forward contracts	–	877	–	877
	393,431,200	877	695,497	394,127,574
Unrealized loss on currency forward contracts	–	(207,576)	–	(207,576)
	393,431,200	(206,699)	695,497	393,919,998

Transfers between levels

During the periods ended December 31, 2017 and December 31, 2016, 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:

	December 31, 2017 ($)	December 31, 2016 ($)
Beginning of period	695,497	2,303,662
Purchases	–	–
Sales	–	–
Transfers into Level 3	–	–
Transfers out of Level 3	–	–
Net realized gains (losses)	–	–
Net changes in unrealized gain (loss)*	(695,497)	(1,608,165)
End of period	–	695,497

* Net change in unrealized gain (loss) for Level 3 financial instruments held as at December 31, 2017 and December 31, 2016 was $(695,497) and $(1,608,165), respectively.

Scotia Canadian Growth Fund (Continued)

FUND SPECIFIC NOTES
For the periods indicated in Note 1

Level 3 valuation techniques

The table below summarizes 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 December 31, 2017 ($)	Reasonable possible shift (+/-) ($)
Equities	Fundamental model analysis based on financial data	Financing price	Discount to company NAV	–
			–	

Security	Valuation technique	Significant unobservable input	Carrying value as at December 31, 2016 ($)	Reasonable possible shift (+/-) ($)
Equities	Financing transaction price	Financing price	695,497	n/a
	–	–	695,497	

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.

	December 31, 2016			
Financial assets – by type	Gross amount of assets ($)	Master netting offset ($)	Collateral pledged/ received ($)	Net Amount ($)
Currency forward contracts	877	(877)	–	–
Options contracts – OTC	–	–	–	–
Swap contracts– OTC	–	–	–	–
	877	(877)	–	–

Financial liabilities – by type	Gross amount of liabilities ($)	Master netting offset ($)	Collateral pledged/ received ($)	Net Amount ($)
Currency forward contracts	207,576	(877)	–	206,699
Options contracts – OTC	–	–	–	–
Swap contracts – OTC	–	–	–	–
	207,576	(877)	–	206,699

Interest in Underlying Funds (note 2)

The Fund did not hold any interest in Underlying Funds as at December 31, 2017 or December 31, 2016.

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

The table below provides a comparison of the net asset value per unit and net assets per unit. A difference could arise when the last traded market price for a financial instrument is not within the bid-ask spread.

	December 31, 2017		December 31, 2016	
	Net asset value per unit ($)	Net assets per unit ($)	Net asset value per unit ($)	Net assets per unit ($)
Series A	67.43	67.43	68.29	68.29
Advisor Series	65.56	65.56	66.44	66.45
Series F	73.33	73.33	73.65	73.65
Series I	88.07	88.07	87.89	87.90

Scotia Canadian Small Cap Fund

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	December 31, 2017	December 31, 2016
ASSETS		
Current assets		
Investments		
Non-derivative financial assets	30,926,846	69,160,138
Unrealized gain on currency forward contracts	–	1,030
Cash	1,372,471	2,198,237
Receivable for securities sold	3,839	68,437
Subscriptions receivable	2,823	80,033
Accrued investment income and other	45,942	76,415
	32,351,921	71,584,290
LIABILITIES		
Current liabilities		
Payable for securities purchased	6,186	–
Redemptions payable	10,211	85,441
Accrued expenses	–	2,819
Unrealized loss on currency forward contracts	–	10,116
	16,397	98,376
Net assets attributable to holders of redeemable units	32,335,524	71,485,914
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
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
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series A	25.85	25.28
Series F	26.63	25.80
Series K	11.22	10.76
Series M	–	28.56

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except average units)	2017	2016
INCOME		
Net gain (loss) on investments		
Dividends	611,486	839,723
Interest for distribution purposes	24,102	22,478
Net realized gain (loss) on non-derivative financial assets	6,482,278	1,973,274
Net realized gain (loss) on currency forward contracts	47,538	53,414
Change in unrealized gain (loss) on non-derivative financial assets	(5,610,833)	4,035,151
Change in unrealized gain (loss) on currency forward contracts	9,086	(9,086)
Net gain (loss) on investments	1,563,657	6,914,954
Securities lending (note 11)	83	–
Net realized and unrealized foreign currency translation gain (loss)	10,381	(25,723)
Other income	63	177
Total income (loss), net	1,574,184	6,889,408
EXPENSES		
Management fees (note 5)	592,879	740,421
Fixed administration fees (note 6)	92,930	173,745
Independent Review Committee fees	1,135	1,184
Interest expense and bank overdraft charges	179	343
Foreign withholding taxes/tax reclaims	1,085	348
Other fund costs	–	12
Harmonized Sales Tax/Goods and Services Tax	71,305	96,257
Transaction costs	145,173	196,371
Total expenses	904,686	1,208,681
Increase (decrease) in net assets attributable to holders of redeemable units from operations	669,498	5,680,727
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A	688,091	2,453,140
Series F	1,843	3,819
Series K	46	76
Series M	(20,482)	3,223,692
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT†		
Series A	0.51	1.64
Series F	0.88	2.00
Series K	0.46	0.76
Series M	(0.24)	2.38
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series A	1,345,066	1,491,814
Series F	2,099	1,910
Series K	100	100
Series M	85,631	1,354,016

† 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 Canadian Small Cap Fund (Continued)

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

For the periods ended December 31 (note 1),

(in dollars)	2017	2016
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series A	36,117,169	36,576,415
Series F	49,407	45,650
Series K	1,076	–
Series M	35,318,262	37,661,341
	71,485,914	74,283,406
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A	688,091	2,453,140
Series F	1,843	3,819
Series K	46	76
Series M	(20,482)	3,223,692
	669,498	5,680,727
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A	1,039,968	1,688,977
Series F	9,834	500
Series K	–	1,000
Series M	127,059	4,660,780
Payments on redemption		
Series A	(5,566,694)	(4,601,363)
Series F	(5,216)	(562)
Series M	(35,424,839)	(10,227,551)
	(39,819,888)	(8,478,219)
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A	(3,838,635)	(459,246)
Series F	6,461	3,757
Series K	46	1,076
Series M	(35,318,262)	(2,343,079)
	(39,150,390)	(2,797,492)
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END 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
	32,335,524	71,485,914

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	669,498	5,680,727
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(6,482,278)	(1,973,274)
Unrealized foreign currency translation (gain) loss	(518)	22,306
Change in unrealized (gain) loss on non-derivative financial assets	5,610,833	(4,035,151)
Change in unrealized (gain) loss on currency forward contracts	(9,086)	9,086
Non-cash transactions	(56,740)	–
Purchases of portfolio investments	(18,773,906)	(44,135,298)
Proceeds from sale of portfolio investments	58,006,166	53,270,282
Accrued investment income and other	30,473	(47,266)
Accrued expenses and other payables	(2,819)	2,819
Net cash provided by (used in) operating activities	38,991,623	8,794,231
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	1,244,237	6,332,011
Amounts paid on redemption of redeemable units	(41,062,144)	(14,784,135)
Net cash provided by (used in) financing activities	(39,817,907)	(8,452,124)
Unrealized foreign currency translation gain (loss)	518	(22,306)
Net increase (decrease) in cash	(826,284)	342,107
Cash (bank overdraft), beginning of period	2,198,237	1,878,436
CASH (BANK OVERDRAFT), END OF PERIOD	1,372,471	2,198,237
Interest paid[1]	179	343
Interest received[1]	24,713	22,636
Dividends received, net of withholding taxes[1]	583,524	791,950

[1] Classified as operating items.

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

Scotia Canadian Small Cap Fund (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2017

Issuer	Number of Shares	Average Cost ($)	Carrying Value ($)
EQUITIES – 95.6%			
Consumer Discretionary – 10.5%			
Dorel Industries Inc., Class B	7,600	238,144	236,360
EnerCare Inc.	56,000	1,091,153	1,148,560
Park Lawn Corporation	18,300	348,571	418,155
Uni-Select Inc.	40,900	1,201,295	1,161,970
Yellow Media Ltd.	50,200	760,679	422,182
		3,639,842	3,387,227
Consumer Staples – 2.7%			
Liquor Stores N.A. Ltd.	82,100	797,712	876,828
Energy – 16.4%			
Birchcliff Energy Ltd.	115,500	949,069	508,200
NuVista Energy Ltd.	51,700	438,707	414,634
Parex Resources Inc.	39,200	631,778	711,872
Parkland Fuel Corporation	39,500	1,045,880	1,060,575
Secure Energy Services Inc.	80,700	629,923	706,932
Source Energy Services Ltd.	68,900	625,548	626,301
Tidewater Midstream and Infrastructure Ltd.	407,800	578,655	619,856
Whitecap Resources Inc.	72,500	707,133	648,875
		5,606,693	5,297,245
Financials – 6.0%			
Fiera Sceptre Inc.	87,800	852,456	1,141,400
Westaim Corporation, The	260,500	694,718	810,155
		1,547,174	1,951,555
Health Care – 6.4%			
Civitas Solutions Inc.	31,700	757,433	680,787
Extendicare Inc. Cda Com	85,600	822,938	783,240
Jamieson Wellness Inc.	27,300	442,845	609,882
		2,023,216	2,073,909
Industrials – 19.9%			
ATS Automation Tooling Systems Inc.	21,300	304,369	331,215
Boyd Group Income Fund	12,500	733,989	1,261,125
Brookfield Business Partners LP	18,100	600,273	783,549
BuildDirect.com Technologies Inc., Restricted*	471,600	1,925,700	–
Carmanah Technologies Corporation	74,614	392,155	346,955
Maxar Technologies Ltd.	15,700	1,045,560	1,270,444
Neo Performance Materials Inc.	25,500	456,899	456,450
Paylocity Holding Corporation	12,000	724,841	710,740
People Corporation	169,200	524,316	1,302,840
		6,708,102	6,463,318
Information Technology – 11.8%			
Absolute Software Corporation	67,700	412,298	465,776
BSM Technologies Inc.	624,064	673,090	879,930
Real Matters Inc.	69,000	728,768	695,520
Stingray Digital Group Inc.	124,050	829,424	1,230,576
SYNNEX Corporation	3,200	504,276	546,368
		3,147,856	3,818,170
Materials – 8.8%			
Alamos Gold Inc.	84,300	801,425	690,417
HudBay Minerals, Inc.	35,600	227,891	396,228
Intertape Polymer Group Inc.	50,800	1,077,927	1,091,692
Osisko Gold Royalties Ltd.	45,300	640,083	657,756
		2,747,326	2,836,093
Real Estate – 8.5%			
Altus Group Ltd.	25,700	569,138	949,101
Tricon Capital Group Inc.	94,100	897,633	1,086,855
WPT Industrial Real Estate Investment Trust	44,100	727,901	702,923
		2,194,672	2,738,879
EQUITIES (cont'd)			
Telecommunication Services – 1.5%			
Trilogy International Partners Inc.	77,300	618,852	484,671
Utilities – 3.1%			
Polaris Infrastructure Inc.	57,444	570,426	998,951
Transaction Costs		(50,279)	
TOTAL INVESTMENT PORTFOLIO		29,551,592	30,926,846
OTHER ASSETS, LESS LIABILITIES – 4.4%			1,408,678
NET ASSETS – 100.0%			32,335,524

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

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

Scotia Canadian Small Cap Fund (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 December 31, 2017 and December 31, 2016. 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.

	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

	December 31, 2016			
Currency	Gross currency exposure ($)	Currency contracts ($)	Net exposure ($)	Percentage of net assets (%)
US Dollar	3,044,801	(1,477,121)	1,567,680	2.2
	3,044,801	(1,477,121)	1,567,680	2.2

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 $267,553 or 0.8% of net assets (December 31, 2016 – $156,768 or 0.2%). 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 December 31, 2017, approximately 95.6% (December 31, 2016 – 96.7%) 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 of the Fund would have decreased or increased, respectively, by approximately $3,092,685 (December 31, 2016 – $6,916,014). 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 December 31, 2017 or December 31, 2016.

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 (%)	
	December 31, 2017	December 31, 2016
Consumer Discretionary	10.5	10.1
Consumer Staples	2.7	2.4
Energy	16.4	22.4
Financials	6.0	6.0
Health Care	6.4	9.7
Industrials	19.9	21.0
Information Technology	11.8	11.8
Materials	8.8	5.0
Real Estate	8.5	5.5
Telecommunication Services	1.5	–
Utilities	3.1	2.8

Fair Value Classification (note 2)

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

December 31, 2017	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Equities	30,926,846	–	–	30,926,846
	30,926,846	–	–	30,926,846

December 31, 2016	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Equities	67,433,558	641,900	1,084,680	69,160,138
Unrealized gain on currency forward contracts	–	1,030	–	1,030
	67,433,558	642,930	1,084,680	69,161,168
Unrealized loss on currency forward contracts	–	(10,116)	–	(10,116)
	67,433,558	632,814	1,084,680	69,151,052

Transfers between levels

During the periods ended December 31, 2017 and December 31, 2016, there were no significant transfers between Level 1 and Level 2.

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:

	December 31, 2017 ($)	December 31, 2016 ($)
Beginning of period	1,084,680	3,963,832
Purchases	–	825,300
Sales	–	–
Transfers into Level 3	–	–
Transfers out of Level 3	–	–
Net realized gains (losses)	(1,080,160)	–
Net changes in unrealized gain (loss)*	(4,520)	(3,704,452)
End of period	–	1,084,680

* Net change in unrealized gain (loss) for Level 3 financial instruments held as at December 31, 2017 and December 31, 2016 was $(1,084,680) and $(3,704,452), respectively.

Level 3 valuation techniques

The table below summarizes 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 December 31, 2017 ($)	Reasonable possible shift (+/-) ($)
Equities	Fundamental model analysis based on financial data	Discount to company NAV	–	–
			–	

Security	Valuation technique	Significant unobservable input	Carrying value as at December 31, 2016 ($)	Reasonable possible shift (+/-) ($)
Equities	Financing transaction price	Financing price	1,084,680	n/a
Equities	Fundamental model analysis based on financial data	Discount to company NAV	–	–
			1,084,680	

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.

	December 31, 2016			
Financial assets – by type	Gross amount of assets ($)	Master netting offset ($)	Collateral pledged/ received ($)	Net Amount ($)
Currency forward contracts	1,030	–	–	1,030
Options contracts – OTC	–	–	–	–
Swap contracts – OTC	–	–	–	–
	1,030	–	–	1,030

Financial liabilities – by type	Gross amount of liabilities ($)	Master netting offset ($)	Collateral pledged/ received ($)	Net Amount ($)
Currency forward contracts	10,116	–	–	10,116
Options contracts – OTC	–	–	–	–
Swap contracts – OTC	–	–	–	–
	10,116	–	–	10,116

Interest in Underlying Funds (note 2)

The Fund did not hold any interest in Underlying Funds as at December 31, 2017 or December 31, 2016.

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

As at December 31, 2017 or December 31, 2016, 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

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	December 31, 2017	December 31, 2016
ASSETS		
Current assets		
Investments		
Non-derivative financial assets	106,008,321	105,959,641
Unrealized gain on currency forward contracts	87,420	242,191
Unrealized gain on currency spot contracts	–	96
Unrealized gain on swap contracts	68,412	–
Cash*	6,226,697	8,257,367
Receivable for securities sold	633	151,129
Subscriptions receivable	80,051	64,995
Accrued investment income and other	204,113	110,456
	112,675,647	114,785,875
LIABILITIES		
Current liabilities		
Redemptions payable	226,521	81,699
Accrued expenses	–	7,439
Unrealized loss on currency forward contracts	152,566	42,770
	379,087	131,908
Net assets attributable to holders of redeemable units	112,296,560	114,653,967
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series A	112,155,680	114,541,335
Series F	140,880	112,632
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series A	23.68	21.37
Series F	25.03	22.39

* $163,267 held by brokers as collateral for derivatives (December 31, 2016 – nil).

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except average units)	2017	2016
INCOME		
Net gain (loss) on investments		
Dividends	1,727,989	1,277,079
Interest for distribution purposes	61,897	35,447
Net realized gain (loss) on non-derivative financial assets	11,807,206	(1,273,432)
Net realized gain (loss) on option contracts	–	5,076
Net realized gain (loss) on currency forward contracts	60,980	(1,372,407)
Net realized gain (loss) on swap contracts	(254,717)	181,125
Change in unrealized gain (loss) on non-derivative financial assets	928,749	41,562,099
Change in unrealized gain (loss) on currency forward contracts	(264,567)	597,860
Change in unrealized gain (loss) on currency spots contracts	(96)	1,263
Change in unrealized gain (loss) on swap contracts	68,412	243,029
Net gain (loss) on investments	14,135,853	41,257,139
Securities lending (note 11)	94,565	62,162
Net realized and unrealized foreign currency translation gain (loss)	(316,803)	(134,103)
Other income	1,766	2,234
Total income (loss), net	13,915,381	41,187,432
EXPENSES		
Management fees (note 5)	1,956,624	2,178,033
Fixed administration fees (note 6)	178,324	174,293
Independent Review Committee fees	1,135	1,184
Interest expense and bank overdraft charges	2,074	785
Foreign withholding taxes/tax reclaims	104,743	111,001
Other fund costs	–	19
Harmonized Sales Tax/Goods and Services Tax	212,369	234,760
Transaction costs	202,423	127,128
Total expenses	2,657,692	2,827,203
Expenses absorbed by the Manager	(17,877)	–
Net expenses	2,639,815	2,827,203
Increase (decrease) in net assets attributable to holders of redeemable units from operations	11,275,566	38,360,229
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A	11,261,718	38,356,768
Series F	13,848	3,461
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT†		
Series A	2.21	6.87
Series F	2.56	1.24
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series A	5,100,264	5,581,810
Series F	5,402	2,784

† 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 Resource Fund (Continued)

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

For the periods ended December 31 (note 1),

(in dollars)	2017	2016
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series A	114,541,335	83,600,933
Series F	112,632	9,184
	114,653,967	83,610,117
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A	11,261,718	38,356,768
Series F	13,848	3,461
	11,275,566	38,360,229
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From return of capital		
Series A	(17,877)	–
	(17,877)	–
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A	9,501,166	13,876,493
Series F	17,284	109,176
Reinvested distributions		
Series A	17,877	–
Payments on redemption		
Series A	(23,148,539)	(21,292,859)
Series F	(2,884)	(9,189)
	(13,615,096)	(7,316,379)
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A	(2,385,655)	30,940,402
Series F	28,248	103,448
	(2,357,407)	31,043,850
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series A	112,155,680	114,541,335
Series F	140,880	112,632
	112,296,560	114,653,967

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	11,275,566	38,360,229
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(11,807,206)	1,273,432
Net realized (gain) loss on option contracts	–	(5,076)
Unrealized foreign currency translation (gain) loss	(81,045)	153,325
Change in unrealized (gain) loss on non-derivative financial assets	(928,749)	(41,562,099)
Change in unrealized (gain) loss on currency forward contracts	264,567	(597,860)
Change in unrealized (gain) loss on currency spot contracts	96	(1,263)
Change in unrealized (gain) loss on swap contracts	(68,412)	(243,029)
Purchases of portfolio investments	(51,553,488)	(39,507,654)
Proceeds from sale of portfolio investments	64,391,258	45,275,864
Accrued investment income and other	(93,657)	16,697
Accrued expenses and other payables	(7,439)	7,439
Net cash provided by (used in) operating activities	11,391,491	3,170,005
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	9,487,784	13,908,543
Amounts paid on redemption of redeemable units	(22,990,990)	(21,207,991)
Net cash provided by (used in) financing activities	(13,503,206)	(7,299,448)
Unrealized foreign currency translation gain (loss)	81,045	(153,325)
Net increase (decrease) in cash	(2,111,715)	(4,129,443)
Cash (bank overdraft), beginning of period	8,257,367	12,540,135
CASH (BANK OVERDRAFT), END OF PERIOD	6,226,697	8,257,367
Interest paid[1]	2,074	785
Interest received[1]	64,403	34,840
Dividends received, net of withholding taxes[1]	1,531,213	1,218,901

[1] Classified as operating items.

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

Scotia Resource Fund (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2017

Issuer	Number of Shares	Average Cost ($)	Carrying Value ($)
EQUITIES – 94.4%			
Energy – 51.9%			
ARC Resources Ltd.	76,965	1,551,603	1,135,234
Canadian Natural Resources Ltd.	115,600	4,209,901	5,192,752
Devon Energy Corporation	39,200	1,123,720	2,038,179
Enbridge Inc.	23,807	1,297,905	1,170,352
Enerplus Corporation	269,100	3,237,840	3,312,621
EOG Resources, Inc.	11,900	1,242,950	1,612,741
Gibson Energy Inc.	100,000	1,906,465	1,818,000
Halliburton Company	43,900	3,275,088	2,694,405
NexGen Energy Ltd.	3,350,000	1,956,518	10,753,501
Occidental Petroleum Corporation	20,000	1,497,024	1,850,196
Pembina Pipeline Corporation	85,630	3,086,545	3,897,021
PrairieSky Royalty Ltd.	77,468	2,195,843	2,483,624
Raging River Exploration Inc.	145,000	1,133,637	1,160,000
Royal Dutch Shell PLC, Class A – ADR	531	42,204	44,488
Royal Dutch Shell PLC, Class B – ADR	35,000	2,565,083	3,001,796
Schlumberger Limited	13,500	1,451,583	1,142,576
Seven Generations Energy Ltd.	146,500	2,196,407	2,604,770
Suncor Energy, Inc.	123,906	4,454,231	5,718,262
TransCanada Corporation	65,264	2,718,331	3,992,852
Whitecap Resources Inc.	292,700	2,659,048	2,619,665
		43,801,926	58,243,035
Materials – 42.5%			
Agnico-Eagle Mines Limited	85,176	2,742,692	4,943,615
Arizona Mining Inc.	1,100,000	758,961	3,806,000
Coro Mining Corporation	819,065	122,860	98,288
Ero Copper Corporation, Restricted	300,400	601,554	2,277,032
Glencore PLC	920,000	4,793,877	6,081,548
Independence Group NL	1,200,000	3,775,464	5,585,270
Kidman Resources Ltd.	2,200,000	1,482,458	4,031,945
Neo Lithium Corporation	900,000	1,862,198	2,070,000
Neo Lithium Corporation, Restricted, Mar 21, 2018	188,800	368,160	429,871
Northern Star Resources Ltd.	1,515,000	1,718,059	9,014,160
Peel Mining Ltd.	150,000	79,750	77,922
Randgold Resources Ltd. – ADR	23,000	1,793,061	2,856,513
Syrah Resources Ltd.	250,000	1,057,904	1,102,217
Tinka Resources Ltd.	1,475,000	982,511	1,076,750
Toachi Mining Inc.	1,961,200	780,812	509,912
Xanadu Mines Ltd.	14,165,900	2,747,889	3,804,243
		25,668,210	47,765,286
Transaction Costs		(78,455)	
TOTAL INVESTMENT PORTFOLIO		69,391,681	106,008,321
Unrealized Gain (Loss) on Derivatives – 0.0%			3,266
OTHER ASSETS, LESS LIABILITIES – 5.6%			6,284,973
NET ASSETS – 100.0%			112,296,560

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+	Jan. 24, 2018	Canadian Dollar	4,658,155	US Dollar	3,660,000	0.786	0.795	57,044
Toronto-Dominion Bank, The	A-1+	Feb. 14, 2018	Canadian Dollar	2,550,249	British Pound	1,499,000	0.588	0.588	2,316
Canadian Imperial Bank of Commerce	A-1	Feb. 14, 2018	Canadian Dollar	612,864	British Pound	360,000	0.587	0.588	952
Bank of Montreal	A-1	Feb. 14, 2018	Canadian Dollar	835,315	British Pound	480,000	0.575	0.588	19,432
Royal Bank of Canada	A-1+	Feb. 14, 2018	Australian Dollar	194,000	Canadian Dollar	186,788	0.963	0.981	3,428
Canadian Imperial Bank of Commerce	A-1	Feb. 14, 2018	Canadian Dollar	86,034	British Pound	50,000	0.581	0.588	1,046
Royal Bank of Canada	A-1+	Feb. 14, 2018	Canadian Dollar	127,990	Australian Dollar	130,000	1.016	1.02	528
Royal Bank of Canada	A-1+	Feb. 14, 2018	Canadian Dollar	127,786	Australian Dollar	130,000	1.017	1.02	324
Toronto-Dominion Bank, The	A-1+	Feb. 14, 2018	Canadian Dollar	9,826	Australian Dollar	10,000	1.018	1.02	21
Bank of Montreal	A-1	Feb. 21, 2018	Canadian Dollar	102,890	US Dollar	80,000	0.778	0.796	2,329
									87,420

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+	Feb. 14, 2018	Canadian Dollar	4,704,114	Australian Dollar	4,865,000	1.034	1.02	(65,914)
Bank of Montreal	A-1	Feb. 14, 2018	Canadian Dollar	2,841,985	Australian Dollar	2,941,000	1.035	1.02	(41,603)
Canadian Imperial Bank of Commerce	A-1	Feb. 14, 2018	Canadian Dollar	2,663,528	Australian Dollar	2,753,000	1.034	1.02	(35,731)
Royal Bank of Canada	A-1+	Feb. 14, 2018	Canadian Dollar	386,958	Australian Dollar	400,000	1.034	1.02	(5,233)
Canadian Imperial Bank of Commerce	A-1	Feb. 14, 2018	Canadian Dollar	96,701	Australian Dollar	100,000	1.034	1.02	(1,347)
Bank of Montreal	A-1	Feb. 14, 2018	Canadian Dollar	209,109	Australian Dollar	215,000	1.028	1.02	(1,694)
Royal Bank of Canada	A-1+	Feb. 14, 2018	British Pound	189,000	Canadian Dollar	321,965	1.704	1.7	(708)
Canadian Imperial Bank of Commerce	A-1	Feb. 14, 2018	Canadian Dollar	156,541	Australian Dollar	160,000	1.022	1.02	(336)
									(152,566)

Scotia Resource Fund (Continued)

SCHEDULE OF DERIVATIVE INSTRUMENTS

EQUITY SWAP CONTRACTS

Number of Units	Termination Date	Notional Amount (U.S. $)	Variable Rate %	Appreciation/ (Depreciation) ($)
Enterprise Products Partners, Variable 1 month USD – LIBOR, Counterparty: Goldman Sachs				
3,400	1/6/2018	88,706	2.10%	1,729
2,700	4/24/2018	70,443	2.10%	1,373
4,300	4/25/2018	112,187	2.10%	2,186
5,600	5/1/2018	146,104	2.10%	2,847
3,400	5/2/2018	88,706	2.10%	1,729
1,600	5/3/2018	41,744	2.10%	813
11,600	5/4/2018	302,644	2.10%	5,898
800	5/8/2018	20,872	2.10%	407
11,000	5/9/2018	286,990	2.10%	5,593
1,600	5/10/2018	41,744	2.10%	813
2,800	5/18/2018	73,052	2.10%	1,424
7,600	5/30/2018	198,284	2.10%	3,864
5,000	8/14/2018	130,450	2.10%	2,542
4,200	8/17/2018	109,578	2.10%	2,135
100	8/24/2018	2,609	2.10%	51
3,900	10/16/2018	101,751	2.10%	1,983
10,600	11/29/2018	255,372	1.96%	31,703
2,600	5/15/2018	67,834	2.10%	1,322
				68,412

The swap contracts outstanding at December 31, 2017 are placed with a financial institution with a minimum credit rating of A-1+ by S&P.

Scotia Resource Fund (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 December 31, 2017 and December 31, 2016. 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.

	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

	December 31, 2016			
Currency	Gross currency exposure ($)	Currency contracts ($)	Net exposure ($)	Percentage of net assets (%)
US Dollar	21,494,916	(5,231,896)	16,263,020	14.2
Australian Dollar	19,373,026	(11,581,161)	7,791,865	6.8
British Pound	590,606	(392,261)	198,345	0.2
	41,458,548	(17,205,318)	24,253,230	21.2

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 $3,074,215 or 2.7% of net assets (December 31, 2016 – $2,425,323 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 December 31, 2017, approximately 94.4% (December 31, 2016 – 92.5%) 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 of the Fund would have decreased or increased, respectively, by approximately $10,607,673 (December 31, 2016 – $10,610,333). 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 December 31, 2017 or December 31, 2016.

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 (%)	
	December 31, 2017	December 31, 2016
Energy	51.9	51.0
Materials	42.5	41.4

Fair Value Classification (note 2)

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

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

December 31, 2016	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Equities	85,300,770	19,740,573	–	105,041,343
Warrants, rights and options	173,016	745,282	–	918,298
Unrealized gain on currency forward contracts	–	242,191	–	242,191
Unrealized gain on currency spot contracts	–	96	–	96
	85,473,786	20,728,142	–	106,201,928
Unrealized loss on currency forward contracts	–	(42,770)	–	(42,770)
	85,473,786	20,685,372	–	106,159,158

Transfers between levels

During the periods ended December 31, 2017 and December 31, 2016, there were no significant transfers between Level 1 and Level 2.

Scotia Resource Fund (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:

	December 31, 2017 ($)	December 31, 2016 ($)
Beginning of period	–	–
Purchases	601,554	–
Sales	–	–
Transfers into Level 3	–	–
Transfers out of Level 3	(1,426,900)	–
Net realized gains (losses)	–	–
Net changes in unrealized gain (loss)*	825,346	–
End of period	–	–

* Net change in unrealized gain (loss) for Level 3 financial instruments held as at December 31, 2017 and December 31, 2016 was $825,346 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.

	December 31, 2017			
Financial assets – by type	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	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

	December 31, 2016			
Financial assets – by type	Gross amount of assets ($)	Master netting offset ($)	Collateral pledged/ received ($)	Net Amount ($)
Currency forward contracts	242,191	(20,852)	–	221,339
Options contracts – OTC	–	–	–	–
Swap contracts – OTC	–	–	–	–
	242,191	(20,852)	–	221,339

Financial liabilities – by type	Gross amount of liabilities ($)	Master netting offset ($)	Collateral pledged/ received ($)	Net Amount ($)
Currency forward contracts	42,770	(20,852)	–	21,918
Options contracts – OTC	–	–	–	–
Swap contracts – OTC	–	–	–	–
	42,770	(20,852)	–	21,918

Interest in Underlying Funds (note 2)

The Fund did not hold any interest in Underlying Funds as at December 31, 2017 or December 31, 2016.

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

As at December 31, 2017 or December 31, 2016, 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 Real Estate Income Pool

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	December 31, 2017	December 31, 2016
ASSETS		
Current assets		
Investments		
Non-derivative financial assets	334,059,408	254,444,231
Unrealized gain on currency forward contracts	751,626	196,462
Cash*	27,647,174	35,812,590
Subscriptions receivable	632,453	615,461
Accrued investment income and other	1,370,991	990,490
	364,461,652	292,059,234
LIABILITIES		
Current liabilities		
Redemptions payable	171,929	570,605
Accrued expenses	8	1,818
Unrealized loss on currency forward contracts	7,152	111,851
	179,089	684,274
Net assets attributable to holders of redeemable units	364,282,563	291,374,960
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series I	2,988,798	9,425,663
Series K	22,888,185	4,286,328
Series M	338,405,580	277,662,969
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series I	11.54	11.40
Series K	9.28	9.11
Series M	13.05	12.77

* $288,858 held by brokers as collateral for derivatives (December 31, 2016 – nil)

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except average units)	2017	2016
INCOME		
Net gain (loss) on investments		
Dividends	5,827,003	4,670,914
Interest for distribution purposes	3,898,823	3,654,269
Net realized gain (loss) on non-derivative financial assets	7,328,096	10,430,623
Net realized gain (loss) on option contracts	9,564	251,024
Net realized gain (loss) on currency forward contracts	1,711,684	1,357,224
Change in unrealized gain (loss) on non-derivative financial assets	667,467	5,571,625
Change in unrealized gain (loss) on currency forward contracts	659,863	215,030
Net gain (loss) on investments	20,102,500	26,150,709
Securities lending (note 11)	58,995	145,888
Net realized and unrealized foreign currency translation gain (loss)	(580,309)	(107,025)
Total income (loss), net	19,581,186	26,189,572
EXPENSES		
Management fees (note 5)	925,950	386,644
Fixed administration fees (note 6)	230,321	163,296
Independent Review Committee fees	1,135	1,184
Interest expense and bank overdraft charges	652	712
Foreign withholding taxes/tax reclaims	818,768	488,570
Other fund costs	–	44
Harmonized Sales Tax/Goods and Services Tax	70,174	56,666
Transaction costs	295,632	323,350
Total expenses	2,342,632	1,420,466
Expenses absorbed by the Manager	(462,975)	–
Net expenses	1,879,657	1,420,466
Increase (decrease) in net assets attributable to holders of redeemable units from operations	17,701,529	24,769,106
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series I	163,149	652,445
Series K	731,165	55,176
Series M	16,807,215	24,061,485
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT†		
Series I	0.20	1.06
Series K	0.47	0.38
Series M	0.70	1.20
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series I	818,013	617,031
Series K	1,568,254	144,171
Series M	23,995,404	20,069,669

† 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 Real Estate Income Pool (Continued)

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

For the periods ended December 31 (note 1),

(in dollars)	2017	2016
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series I	9,425,663	5,676,368
Series K	4,286,328	–
Series M	277,662,969	225,248,334
	291,374,960	230,924,702
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series I	163,149	652,445
Series K	731,165	55,176
Series M	16,807,215	24,061,485
	17,701,529	24,769,106
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net investment income		
Series I	(259,139)	(236,833)
Series K	(332,380)	(101,966)
Series M	(7,788,876)	(6,896,219)
From net realized gains on investments		
Series I	(84,296)	(167,271)
Series K	(115,391)	(70,565)
Series M	(2,655,873)	(5,123,559)
From return of capital		
Series K	(95,600)	–
	(11,331,555)	(12,596,413)
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series I	5,185,604	3,166,850
Series K	19,967,218	4,244,124
Series M	88,644,979	68,448,584
Reinvested distributions		
Series I	343,434	404,104
Series K	543,339	172,531
Series M	9,494,161	11,514,894
Payments on redemption		
Series I	(11,785,617)	(70,000)
Series K	(2,096,494)	(12,972)
Series M	(43,758,995)	(39,590,550)
	66,537,629	48,277,565
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series I	(6,436,865)	3,749,295
Series K	18,601,857	4,286,328
Series M	60,742,611	52,414,635
	72,907,603	60,450,258
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END 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
	364,282,563	291,374,960

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	17,701,529	24,769,106
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(7,328,096)	(10,430,623)
Net realized (gain) loss on option contracts	(9,564)	(251,024)
Unrealized foreign currency translation (gain) loss	(70,377)	152,548
Change in unrealized (gain) loss on non-derivative financial assets	(667,467)	(5,571,625)
Change in unrealized (gain) loss on currency forward contracts	(659,863)	(215,030)
Non-cash transactions	–	(619,701)
Purchases of portfolio investments	(175,916,437)	(160,803,588)
Proceeds from sale of portfolio investments	104,306,387	113,193,082
Accrued investment income and other	(380,501)	(129,149)
Accrued expenses and other payables	(1,810)	1,818
Net cash provided by (used in) operating activities	(63,026,199)	(39,904,186)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	113,529,211	75,721,262
Amounts paid on redemption of redeemable units	(57,788,184)	(39,256,620)
Distributions to unitholders of redeemable units	(950,621)	(504,884)
Net cash provided by (used in) financing activities	54,790,406	35,959,758
Unrealized foreign currency translation gain (loss)	70,377	(152,548)
Net increase (decrease) in cash	(8,235,793)	(3,944,428)
Cash (bank overdraft), beginning of period	35,812,590	39,909,566
CASH (BANK OVERDRAFT), END OF PERIOD	27,647,174	35,812,590
Interest paid[1]	652	712
Interest received[1]	3,913,634	3,651,826
Dividends received, net of withholding taxes[1]	4,612,921	3,435,938

[1] Classified as operating items.

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

Scotia Private Real Estate Income Pool (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2017

Issuer	Number of Shares	Average Cost ($)	Carrying Value ($)
EQUITIES – 91.7%			
Canada – 50.7%			
Allied Properties Real Estate Investment Trust	142,450	5,281,375	5,994,296
Canadian Apartment Properties Real Estate Investment Trust	340,451	7,939,951	12,705,631
Canadian Real Estate Investment Trust	240,400	10,630,724	11,130,520
Chartwell Seniors Housing Real Estate Investment Trust	913,151	11,281,915	14,847,837
Choice Properties Real Estate Investment Trust	474,300	5,501,995	6,331,905
Crombie Real Estate Investment Trust	391,200	5,411,092	5,398,560
CT Real Estate Investment Trust	374,275	3,842,010	5,426,988
Dream Global Real Estate Investment Trust	548,117	4,793,883	6,697,990
Dundee Real Estate Investment Trust	104,295	2,068,955	2,311,177
First Capital Realty, Inc.	564,100	10,731,087	11,688,152
Granite Real Estate Investment Trust	160,800	6,891,726	7,919,400
H&R Real Estate Investment Trust	644,700	13,592,135	13,770,792
InterRent Real Estate Investment Trust	812,600	4,655,253	7,419,038
Killam Apartment Real Estate Investment Trust	694,783	8,234,292	9,879,814
Morguard North American Residential	398,749	4,478,831	5,993,197
Northview Apartment Real Estate Investment Trust	363,400	7,914,853	9,081,366
Pure Industrial Real Estate Trust	1,438,100	7,556,984	9,735,937
Pure Multi-Family REIT LP, Class A Units	858,300	7,499,092	6,359,854
RioCan Real Estate Investment Trust	497,023	13,089,821	12,107,480
Sienna Senior Living Inc.	526,500	7,744,619	9,592,830
Smart Real Estate Investment Trust	327,700	8,837,464	10,129,207
		157,978,057	184,521,971
United States – 41.0%			
Alexandria Real Estate Equities, Inc.	11,000	1,795,126	1,804,092
American Tower Corporation	40,900	5,925,723	7,328,447
AvalonBay Communities Inc.	30,000	5,889,953	6,721,968
Boston Properties Inc.	43,400	6,065,509	7,087,438
Crown Castle International Corporation	31,500	3,870,584	4,391,660
CubeSmart	97,400	3,428,309	3,537,637
Digital Realty Trust Inc.	57,800	8,450,237	8,268,135
Equinix Inc.	9,300	5,521,908	5,293,562
Equity Residential Real Estate Investment Trust	106,900	8,922,270	8,561,505
GGP Inc.	363,500	11,239,304	10,678,018
Invitation Homes Inc.	218,000	6,309,183	6,453,155
Kennedy-Wilson Holdings Inc.	235,800	5,761,348	5,138,061
Kilroy Realty Corporation	56,000	5,363,758	5,250,176
Kimco Realty Corporation	213,100	5,503,815	4,857,537
ProLogis	146,000	7,132,552	11,828,670
Public Storage Real Estate Investment Trust	16,200	4,833,143	4,252,236
Regency Centers Corporation	30,700	2,722,298	2,667,319
Retail Opportunity Investments Corporation	67,000	1,634,362	1,678,702
Simon Property Group Inc.	48,920	9,829,621	10,551,493
SL Green Realty Corporation	48,800	6,783,701	6,185,803
Ventas Inc.	61,000	5,115,204	4,597,370
Vornado Realty Trust Real Estate Investment Trust	54,500	5,373,846	5,351,163
Welltower Inc.	84,700	7,236,624	6,783,531
Weyerhaeuser Company	128,400	5,134,478	5,685,954
WPT Industrial Real Estate Investment Trust	287,579	4,516,192	4,583,805
		144,359,048	149,537,437
TOTAL EQUITIES		302,337,105	334,059,408
Transaction Costs		(350,355)	
TOTAL INVESTMENT PORTFOLIO		301,986,750	334,059,408
Unrealized Gain (Loss) on Derivatives – 0.2%			744,474
OTHER ASSETS, LESS LIABILITIES – 8.1%			29,478,681
NET ASSETS – 100.0%			364,282,563

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+	Jan. 24, 2018	Canadian Dollar	11,476,116	US Dollar	9,017,000	0.786	0.795	140,537
Royal Bank of Canada	A-1+	Jan. 24, 2018	Canadian Dollar	3,372,774	US Dollar	2,650,000	0.786	0.795	41,369
Bank of Montreal	A-1	Jan. 24, 2018	Canadian Dollar	2,164,355	US Dollar	1,700,000	0.785	0.795	27,227
Toronto-Dominion Bank, The	A-1+	Jan. 24, 2018	Canadian Dollar	752,191	US Dollar	590,000	0.784	0.795	10,482
Bank of Montreal	A-1	Jan. 24, 2018	Canadian Dollar	443,851	US Dollar	350,000	0.789	0.795	3,854
Canadian Imperial Bank of Commerce	A-1	Jan. 24, 2018	Canadian Dollar	355,271	US Dollar	280,000	0.788	0.795	3,273
Canadian Imperial Bank of Commerce	A-1	Jan. 24, 2018	Canadian Dollar	513,736	US Dollar	400,000	0.779	0.795	10,882
Bank of Montreal	A-1	Jan. 24, 2018	Canadian Dollar	89,862	US Dollar	70,000	0.779	0.795	1,863
Bank of Montreal	A-1	Jan. 24, 2018	Canadian Dollar	218,272	US Dollar	170,000	0.779	0.795	4,559
Royal Bank of Canada	A-1+	Feb. 21, 2018	Canadian Dollar	2,256,515	US Dollar	1,757,000	0.779	0.796	47,952
State Street Bank & Trust Company	A-1+	Feb. 21, 2018	Canadian Dollar	12,717,488	US Dollar	9,901,000	0.779	0.796	271,855
Toronto-Dominion Bank, The	A-1+	Feb. 21, 2018	Canadian Dollar	5,620,344	US Dollar	4,370,000	0.778	0.796	127,220
Bank of Montreal	A-1	Feb. 21, 2018	Canadian Dollar	2,675,130	US Dollar	2,080,000	0.778	0.796	60,553
									751,626

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	Jan. 24, 2018	US Dollar	240,000	Canadian Dollar	304,104	1.267	1.257	(2,393)
Bank of Montreal	A-1	Jan. 24, 2018	US Dollar	170,000	Canadian Dollar	215,407	1.267	1.257	(1,695)
Toronto-Dominion Bank, The	A-1+	Feb. 14, 2018	Canadian Dollar	100,561	Australian Dollar	104,000	1.034	1.02	(1,409)
Canadian Imperial Bank of Commerce	A-1	Feb. 21, 2018	US Dollar	90,000	Canadian Dollar	114,786	1.275	1.257	(1,655)
									(7,152)

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

Scotia Private Real Estate Income Pool (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 December 31, 2017 and December 31, 2016. 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.

	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

	December 31, 2016			
Currency	Gross currency exposure ($)	Currency contracts ($)	Net exposure ($)	Percentage of net assets (%)
US Dollar	102,682,369	(40,101,749)	62,580,620	21.5
Australian Dollar	5,513,921	(2,526,161)	2,987,760	1.0
	108,196,290	(42,627,910)	65,568,380	22.5

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 $11,967,177 or 3.3% of net assets (December 31, 2016 – $6,556,838 or 2.3%). 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 December 31, 2017, approximately 91.7% (December 31, 2016 – 87.4%) 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 of the Fund would have decreased or increased, respectively, by approximately $33,405,941 (December 31, 2016 – $25,444,423). 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 December 31, 2017 or December 31, 2016.

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 (%)	
	December 31, 2017	December 31, 2016
Australia	–	1.9
Canada	50.7	50.5
United States	41.0	35.0

Fair Value Classification (note 2)

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

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

December 31, 2016	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Equities	248,930,310	5,513,921	–	254,444,231
Unrealized gain on currency forward contracts	–	196,462	–	196,462
	248,930,310	5,710,383	–	254,640,693
Unrealized loss on currency forward contracts	–	(111,851)	–	(111,851)
	248,930,310	5,598,532	–	254,528,842

Transfers between levels

During the periods ended December 31, 2017 and December 31, 2016, there were no significant transfers between Level 1 and Level 2.

Offsetting of financial assets and liabilities (note 2)

The following tables present 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 Private Real Estate Income Pool (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	751,626	(7,152)	–	744,474
Options contracts – OTC	–	–	–	–
Swap contracts – OTC	–	–	–	–
	751,626	(7,152)	–	744,474

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)	–	–

	December 31, 2016			
Financial assets – by type	**Gross amount of assets ($)**	**Master netting offset ($)**	**Collateral pledged/ received ($)**	**Net Amount ($)**
Currency forward contracts	196,462	(98,964)	–	97,498
Options contracts – OTC	–	–	–	–
Swap contracts – OTC	–	–	–	–
	196,462	(98,964)	–	97,498

Financial liabilities – by type	**Gross amount of liabilities ($)**	**Master netting offset ($)**	**Collateral pledged/ received ($)**	**Net Amount ($)**
Currency forward contracts	111,851	(98,964)	–	12,887
Options contracts – OTC	–	–	–	–
Swap contracts – OTC	–	–	–	–
	111,851	(98,964)	–	12,887

Interest in Underlying Funds (note 2)

The Fund did not hold any interest in Underlying Funds as at December 31, 2017 or December 31, 2016.

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

As at December 31, 2017 or December 31, 2016, 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

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	December 31, 2017	December 31, 2016
ASSETS		
Current assets		
Investments		
Non-derivative financial assets	75,977,320	83,755,632
Cash	1,717,969	6,880,082
Subscriptions receivable	13,693	23,499
Accrued investment income and other	99,463	87,424
	77,808,445	90,746,637
LIABILITIES		
Current liabilities		
Redemptions payable	204,768	135,001
Accrued expenses	–	416
Distributions payable	1,701	–
	206,469	135,417
Net assets attributable to holders of redeemable units	77,601,976	90,611,220
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series K	1,239	1,086
Series M	77,600,737	90,610,134
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series K	12.05	10.68
Series M	15.43	13.78

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except average units)	2017	2016
INCOME		
Net gain (loss) on investments		
Dividends	1,844,632	1,613,126
Interest for distribution purposes	16,431	29,687
Net realized gain (loss) on non-derivative financial assets	3,394,523	10,770,599
Change in unrealized gain (loss) on non-derivative financial assets	5,962,945	(6,728,844)
Net gain (loss) on investments	11,218,531	5,684,568
Securities lending (note 11)	983	2,584
Net realized and unrealized foreign currency translation gain (loss)	(219,612)	(214,212)
Total income (loss), net	10,999,902	5,472,940
EXPENSES		
Management fees (note 5)	80,037	92,124
Fixed administration fees (note 6)	40,031	46,064
Independent Review Committee fees	1,135	1,184
Interest expense and bank overdraft charges	1,331	4
Foreign withholding taxes/tax reclaims	106,747	112,756
Other fund costs	–	16
Harmonized Sales Tax/Goods and Services Tax	14,888	16,508
Transaction costs	32,855	82,762
Total expenses	277,024	351,418
Increase (decrease) in net assets attributable to holders of redeemable units from operations	10,722,878	5,121,522
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series K	(1,014)	86
Series M	10,723,892	5,121,436
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT†		
Series K	(2.33)	0.86
Series M	1.94	0.72
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series K	436	100
Series M	5,514,702	7,108,972

† 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 December 31 (note 1),

(in dollars)	2017	2016
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series K	1,086	–
Series M	90,610,134	97,571,922
	90,611,220	97,571,922
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series K	(1,014)	86
Series M	10,723,892	5,121,436
	10,722,878	5,121,522
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net investment income		
Series K	(15)	(18)
Series M	(1,618,454)	(1,457,556)
	(1,618,469)	(1,457,574)
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series K	79,148	1,000
Series M	6,388,876	19,137,863
Reinvested distributions		
Series K	15	18
Series M	1,570,219	1,415,180
Payments on redemption		
Series K	(77,981)	–
Series M	(30,073,930)	(31,178,711)
	(22,113,653)	(10,624,650)
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series K	153	1,086
Series M	(13,009,397)	(6,961,788)
	(13,009,244)	(6,960,702)
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series K	1,239	1,086
Series M	77,600,737	90,610,134
	77,601,976	90,611,220

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	10,722,878	5,121,522
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(3,394,523)	(10,770,599)
Unrealized foreign currency translation (gain) loss	(22,402)	140,519
Change in unrealized (gain) loss on non-derivative financial assets	(5,962,945)	6,728,844
Non-cash transactions	(4,512)	–
Purchases of portfolio investments	(20,674,025)	(75,850,133)
Proceeds from sale of portfolio investments	37,814,316	84,623,678
Accrued investment income and other	(12,039)	75,978
Accrued expenses and other payables	(416)	416
Net cash provided by (used in) operating activities	18,466,332	10,070,225
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	6,398,682	19,207,852
Amounts paid on redemption of redeemable units	(30,002,995)	(31,073,622)
Distributions to unitholders of redeemable units	(46,534)	(42,376)
Net cash provided by (used in) financing activities	(23,650,847)	(11,908,146)
Unrealized foreign currency translation gain (loss)	22,402	(140,519)
Net increase (decrease) in cash	(5,184,515)	(1,837,921)
Cash (bank overdraft), beginning of period	6,880,082	8,858,522
CASH (BANK OVERDRAFT), END OF PERIOD	1,717,969	6,880,082
Interest paid[1]	1,331	4
Interest received[1]	18,809	28,280
Dividends received, net of withholding taxes[1]	1,718,954	1,577,756

(1) Classified as operating items.

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

Scotia Private North American Dividend Pool (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2017

Issuer	Number of Shares	Average Cost ($)	Carrying Value ($)
EQUITIES – 97.9%			
Consumer Discretionary – 9.7%			
Comcast Corporation, Class A	37,800	1,749,735	1,901,299
Gildan Activewear Inc.	45,800	1,788,305	1,859,938
NIKE, Inc., Class B	23,700	2,084,950	1,861,794
Walt Disney Company, The	14,200	1,903,886	1,917,314
		7,526,876	7,540,345
Consumer Staples – 13.8%			
Alimentation Couche-Tard Inc., Class B	28,800	1,739,582	1,888,992
Costco Wholesale Corporation	7,500	1,623,265	1,753,115
Estee Lauder Companies Inc., The	9,700	1,159,835	1,550,070
Loblaw Companies Limited	25,700	1,623,870	1,753,254
McCormick & Company, Inc.	12,500	1,576,388	1,599,863
Saputo Inc.	47,300	2,065,930	2,137,014
		9,788,870	10,682,308
Energy – 10.2%			
Canadian Natural Resources Ltd.	44,000	1,778,498	1,976,480
Enbridge Inc.	43,200	2,244,639	2,123,712
PrairieSky Royalty Ltd.	74,200	1,948,007	2,378,852
Suncor Energy, Inc.	31,100	1,130,860	1,435,265
		7,102,004	7,914,309
Financials – 26.1%			
Bank of America Corporation	36,600	1,121,078	1,356,918
Bank of Montreal	20,400	1,707,276	2,052,036
Brookfield Asset Management Inc., Class A	31,600	1,399,096	1,729,152
Intact Financial Corporation	18,890	1,322,747	1,983,261
JPMorgan Chase & Co.	9,000	883,647	1,208,756
Manulife Financial Corporation	58,700	1,236,362	1,539,114
Power Corporation of Canada	63,500	1,751,816	2,055,495
Royal Bank of Canada	40,420	2,144,427	4,149,113
Toronto-Dominion Bank, The	56,720	2,196,101	4,177,428
		13,762,550	20,251,273
Health Care – 4.2%			
Danaher Corporation	14,800	1,501,212	1,725,279
Johnson & Johnson	8,710	1,094,356	1,528,385
		2,595,568	3,253,664
Industrials – 11.2%			
Canadian National Railway Company	30,540	1,621,029	3,165,470
Fortive Corporation	18,800	1,151,261	1,708,254
Honeywell International Inc.	9,000	1,311,848	1,733,447
United Parcel Service, Inc., Class B	14,000	2,024,829	2,094,971
		6,108,967	8,702,142
Information Technology – 10.7%			
Alphabet Inc., Class C	1,686	1,480,367	2,215,702
Apple Inc.	7,705	940,314	1,637,593
Microsoft Corporation	19,700	1,133,000	2,116,369
Visa Inc.	16,400	1,511,884	2,348,448
		5,065,565	8,318,112
Materials – 9.4%			
Agrium Inc.	13,000	1,566,608	1,879,540
Air Products and Chemicals, Inc.	7,600	1,384,430	1,566,121
Franco-Nevada Corporation	22,200	2,086,766	2,230,212
Winpak Ltd.	34,800	1,769,110	1,628,640
		6,806,914	7,304,513
Telecommunication Services – 2.6%			
BCE Inc.	33,300	1,981,211	2,010,654
Transaction Costs		(37,700)	
TOTAL INVESTMENT PORTFOLIO		60,700,825	75,977,320
OTHER ASSETS, LESS LIABILITIES – 2.1%			1,624,656
NET ASSETS – 100.0%			77,601,976

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

Scotia Private North American Dividend Pool (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 December 31, 2017 and December 31, 2016. 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.

	December 31, 2017			
Currency	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

	December 31, 2016			
Currency	Gross currency exposure ($)	Currency contracts ($)	Net exposure ($)	Percentage of net assets (%)
US Dollar	46,435,841	–	46,435,841	51.2
	46,435,841	–	46,435,841	51.2

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 $3,320,998 or 4.3% of net assets (December 31, 2016 – $4,643,584 or 5.1%). 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 December 31, 2017, approximately 97.9% (December 31, 2016 – 92.4%) 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 of the Fund would have decreased or increased, respectively, by approximately $7,597,732 (December 31, 2016 – $8,375,563). 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 December 31, 2017 or December 31, 2016.

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 (%)	
	December 31, 2017	December 31, 2016
Consumer Discretionary	9.7	10.8
Consumer Staples	13.8	10.5
Energy	10.2	11.9
Financials	26.1	23.3
Health Care	4.2	6.4
Industrials	11.2	8.9
Information Technology	10.7	10.2
Materials	9.4	7.3
Real Estate	–	1.2
Telecommunication Services	2.6	1.9

Fair Value Classification (note 2)

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

December 31, 2017	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Equities	75,977,320	–	–	75,977,320
	75,977,320	–	–	75,977,320

December 31, 2016	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Equities	83,755,632	–	–	83,755,632
	83,755,632	–	–	83,755,632

Transfers between levels

During the periods ended December 31, 2017 and December 31, 2016, there were no significant transfers between Level 1 and Level 2.

Offsetting of financial assets and liabilities (note 2)

As at December 31, 2017 and December 31, 2016, 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 December 31, 2017 or December 31, 2016.

Scotia Private North American Dividend Pool (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)

The table below provides a comparison of the net asset value per unit and net assets per unit. A difference could arise when the last traded market price for a financial instrument is not within the bid-ask spread.

	December 31, 2017		December 31, 2016	
	Net asset value per unit ($)	Net assets per unit ($)	Net asset value per unit ($)	Net assets per unit ($)
Series K	12.05	12.05	10.68	10.68
Series M	15.43	15.43	13.77	13.78

Scotia U.S. Dividend Fund

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	December 31, 2017	December 31, 2016
ASSETS		
Current assets		
Investments		
Non-derivative financial assets	105,823,000	76,671,741
Cash	6,514,304	10,365,392
Subscriptions receivable	486,127	370,447
Accrued investment income and other	89,378	75,731
	112,912,809	87,483,311
LIABILITIES		
Current liabilities		
Redemptions payable	142,530	226,875
Accrued expenses	–	5,465
Distributions payable	–	25
	142,530	232,365
Net assets attributable to holders of redeemable units	112,770,279	87,250,946
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series A	112,770,279	87,250,946
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series A	16.42	14.77

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except average units)	2017	2016
INCOME		
Net gain (loss) on investments		
Dividends	1,747,390	3,040,889
Interest for distribution purposes	239,487	77,693
Net realized gain (loss) on non-derivative financial assets	2,934,598	32,960,690
Net realized gain (loss) on currency forward contracts	–	3,767,131
Change in unrealized gain (loss) on non-derivative financial assets	8,088,522	(21,671,646)
Change in unrealized gain (loss) on currency forward contracts	–	1,226,195
Net gain (loss) on investments	13,009,997	19,400,952
Securities lending (note 11)	1,292	1,696
Net realized and unrealized foreign currency translation gain (loss)	(54,157)	(2,455,170)
Other income	2,289	3,303
Total income (loss), net	12,959,421	16,950,781
EXPENSES		
Management fees (note 5)	1,508,938	1,429,908
Fixed administration fees (note 6)	240,221	210,125
Independent Review Committee fees	1,135	1,184
Interest expense and bank overdraft charges	82	316
Foreign withholding taxes/tax reclaims	242,103	462,326
Other fund costs	–	36
Harmonized Sales Tax/Goods and Services Tax	175,965	161,923
Transaction costs	50,187	218,494
Total expenses	2,218,631	2,484,312
Increase (decrease) in net assets attributable to holders of redeemable units from operations	10,740,790	14,466,469
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A	10,740,790	7,814,792
Series I	–	6,651,677
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT†		
Series A	1.63	1.48
Series I	–	0.83
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series A	6,589,957	5,274,024
Series I	–	7,987,123

† 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. Dividend Fund (Continued)

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

For the periods ended December 31 (note 1),

(in dollars)	2017	2016
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series A	87,250,946	68,625,280
Series I	–	129,131,358
	87,250,946	197,756,638
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A	10,740,790	7,814,792
Series I	–	6,651,677
	10,740,790	14,466,469
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net investment income		
Series A	–	(1,047,102)
From net realized gains on investments		
Series A	–	(4,817,847)
	–	(5,864,949)
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A	32,858,919	25,666,555
Series I	–	1,409,250
Reinvested distributions		
Series A	–	5,751,956
Payments on redemption		
Series A	(18,080,376)	(14,742,688)
Series I	–	(137,192,285)
	14,778,543	(119,107,212)
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A	25,519,333	18,625,666
Series I	–	(129,131,358)
	25,519,333	(110,505,692)
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series A	112,770,279	87,250,946
Series I	–	–
	112,770,279	87,250,946

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	10,740,790	14,466,469
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(2,934,598)	(32,960,690)
Unrealized foreign currency translation (gain) loss	(52,247)	1,407,693
Change in unrealized (gain) loss on non-derivative financial assets	(8,088,522)	21,671,646
Change in unrealized (gain) loss on currency forward contracts	–	(1,226,195)
Non-cash transactions	–	(10,386)
Purchases of portfolio investments	(53,480,551)	(177,602,031)
Proceeds from sale of portfolio investments	35,352,412	287,311,011
Accrued investment income and other	(13,647)	153,344
Accrued expenses and other payables	(5,465)	5,465
Net cash provided by (used in) operating activities	(18,481,828)	113,216,326
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	32,743,239	26,879,153
Amounts paid on redemption of redeemable units	(18,164,721)	(151,842,797)
Distributions to unitholders of redeemable units	(25)	(112,968)
Net cash provided by (used in) financing activities	14,578,493	(125,076,612)
Unrealized foreign currency translation gain (loss)	52,247	(1,407,693)
Net increase (decrease) in cash	(3,903,335)	(11,860,286)
Cash (bank overdraft), beginning of period	10,365,392	23,633,371
CASH (BANK OVERDRAFT), END OF PERIOD	6,514,304	10,365,392
Interest paid[1]	82	316
Interest received[1]	242,965	76,203
Dividends received, net of withholding taxes[1]	1,488,162	2,723,011

[1] Classified as operating items.

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

Scotia U.S. Dividend Fund (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2017

Issuer	Number of Shares	Average Cost ($)	Carrying Value ($)
EQUITIES – 93.9%			
Consumer Discretionary – 7.8%			
McDonald's Corporation	10,100	1,519,243	2,183,276
NIKE, Inc., Class B	32,500	2,291,702	2,553,093
O'Reilly Automotive, Inc.	4,900	1,254,941	1,480,265
Walt Disney Company, The	19,200	2,649,104	2,592,424
		7,714,990	8,809,058
Consumer Staples – 10.2%			
Coca-Cola Company, The	43,800	2,598,402	2,523,792
Costco Wholesale Corporation	10,400	2,108,008	2,430,986
Estee Lauder Companies Inc., The	13,900	1,559,263	2,221,235
McCormick & Company, Inc.	19,300	2,476,998	2,470,189
Molson Coors Brewing Company, Class B	18,000	1,830,289	1,855,295
		10,572,960	11,501,497
Energy – 4.0%			
Devon Energy Corporation	27,200	1,572,048	1,414,247
EOG Resources, Inc.	11,600	1,298,766	1,572,084
Schlumberger Limited	17,400	1,710,703	1,472,654
		4,581,517	4,458,985
Financials – 12.5%			
Bank of America Corporation	68,400	2,120,721	2,535,879
Chubb Ltd.	12,300	2,018,559	2,257,358
JPMorgan Chase & Co.	16,500	1,674,151	2,216,053
MetLife, Inc.	24,900	1,533,757	1,581,111
Morgan Stanley	38,900	1,681,281	2,563,402
Wells Fargo & Company	39,100	2,701,219	2,979,249
		11,729,688	14,133,052
Health Care – 6.2%			
Danaher Corporation	20,500	2,112,494	2,389,744
Johnson & Johnson	11,900	1,543,283	2,088,149
Medtronic PLC	24,300	2,574,690	2,464,364
		6,230,467	6,942,257
Industrials – 20.8%			
3M Company	7,200	1,401,309	2,128,333
Canadian Pacific Railway Ltd.	13,700	2,718,675	3,144,543
Carlisle Companies Inc.	18,100	2,502,919	2,583,473
Equifax Inc.	8,700	989,706	1,288,436
FedEx Corporation	5,400	1,410,939	1,692,349
Fortive Corporation	23,900	1,721,945	2,171,663
Honeywell International Inc.	11,500	1,412,939	2,214,960
MSC Industrial Direct Co., Inc., Class A	16,900	1,484,301	2,051,585
Sensata Technologies Holding NV	34,300	1,872,020	2,201,689
Stericycle, Inc.	14,300	1,556,332	1,221,060
United Parcel Service, Inc., Class B	18,200	2,418,390	2,723,463
		19,489,475	23,421,554
Information Technology – 15.7%			
Accenture PLC, Class A	12,600	1,652,225	2,422,554
Alphabet Inc., Class C	1,700	1,782,599	2,234,100
Apple Inc.	8,600	1,151,329	1,827,813
Cisco Systems, Inc.	66,300	2,660,903	3,189,101
FLIR Systems, Inc.	35,600	1,514,557	2,084,387
Microsoft Corporation	27,600	1,550,263	2,965,066
Visa Inc.	21,000	2,099,636	3,007,159
		12,411,512	17,730,180
Materials – 10.4%			
Air Products and Chemicals, Inc.	10,400	1,972,968	2,143,113
Ball Corporation	44,900	2,190,400	2,134,363
Franco-Nevada Corporation	29,900	2,409,242	3,002,242
Martin Marietta Materials Inc.	9,400	2,765,482	2,609,485
Sherwin-Williams Company, The	3,600	1,268,707	1,853,893
		10,606,799	11,743,096
EQUITIES (cont'd)			
Real Estate – 2.3%			
Public Storage Real Estate Investment Trust	9,900	2,794,121	2,598,588
Telecommunication Services – 2.3%			
Verizon Communications Inc.	38,300	2,505,693	2,545,990
Utilities – 1.7%			
Brookfield Infrastructure Partners LP	34,450	1,254,676	1,938,743
Transaction Costs		(42,300)	
TOTAL INVESTMENT PORTFOLIO		89,849,598	105,823,000
OTHER ASSETS, LESS LIABILITIES – 6.1%			6,947,279
NET ASSETS – 100.0%			112,770,279

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

Scotia U.S. Dividend Fund (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 December 31, 2017 and December 31, 2016. 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.

	December 31, 2017			
Currency	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

	December 31, 2016			
Currency	Gross currency exposure ($)	Currency contracts ($)	Net exposure ($)	Percentage of net assets (%)
US Dollar	84,337,745	–	84,337,745	96.7
	84,337,745	–	84,337,745	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 of the Fund would have decreased or increased, respectively, by $10,906,020 or 9.7% of net assets (December 31, 2016 – $8,433,775 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 December 31, 2017, approximately 93.9% (December 31, 2016 – 87.9%) 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 of the Fund would have decreased or increased, respectively, by approximately $10,582,300 (December 31, 2016 – $7,667,174). 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 December 31, 2017 or December 31, 2016.

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 (%)	
	December 31, 2017	December 31, 2016
Consumer Discretionary	7.8	6.5
Consumer Staples	10.2	9.1
Energy	4.0	8.5
Financials	12.5	15.5
Health Care	6.2	4.7
Industrials	20.8	12.1
Information Technology	15.7	16.7
Materials	10.4	7.3
Real Estate	2.3	3.0
Telecommunication Services	2.3	1.9
Utilities	1.7	2.6

Fair Value Classification (note 2)

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

December 31, 2017	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Equities	105,823,000	–	–	105,823,000
	105,823,000	–	–	105,823,000

December 31, 2016	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Equities	76,671,741	–	–	76,671,741
	76,671,741	–	–	76,671,741

Transfers between levels

During the periods ended December 31, 2017 and December 31, 2016, there were no significant transfers between Level 1 and Level 2.

Offsetting of financial assets and liabilities (note 2)

As at December 31, 2017 and December 31, 2016, 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 December 31, 2017 or December 31, 2016.

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

As at December 31, 2017 or December 31, 2016, 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

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	December 31, 2017	December 31, 2016
ASSETS		
Current assets		
Investments		
Non-derivative financial assets	1,255,963,321	1,189,881,234
Unrealized gain on currency spot contracts	–	1,294
Cash	132,729,930	33,543,710
Subscriptions receivable	1,994,724	3,039,126
Accrued investment income and other	804,283	1,653,518
	1,391,492,258	1,228,118,882
LIABILITIES		
Current liabilities		
Payable for securities purchased	–	7,719,673
Redemptions payable	1,711,990	2,180,066
Accrued expenses	–	4,414
	1,711,990	9,904,153
Net assets attributable to holders of redeemable units	1,389,780,268	1,218,214,729
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series K	26,351,033	2,877,035
Series M	1,363,429,235	1,215,337,694
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series K	11.81	10.59
Series M	22.84	20.37

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except average units)	2017	2016
INCOME		
Net gain (loss) on investments		
Dividends	23,641,543	24,488,982
Interest for distribution purposes	860,834	358,874
Net realized gain (loss) on non-derivative financial assets	45,592,961	59,984,261
Change in unrealized gain (loss) on non-derivative financial assets	108,997,957	(28,918,149)
Change in unrealized gain (loss) on currency spots contracts	(1,294)	9,350
Net gain (loss) on investments	179,092,001	55,923,318
Securities lending (note 11)	21,198	21,761
Net realized and unrealized foreign currency translation gain (loss)	(8,021,676)	(5,219,289)
Total income (loss), net	171,091,523	50,725,790
EXPENSES		
Management fees (note 5)	3,694,306	1,187,979
Fixed administration fees (note 6)	278,868	238,694
Independent Review Committee fees	1,135	1,184
Interest expense and bank overdraft charges	3,221	2,833
Foreign withholding taxes/tax reclaims	3,567,968	3,910,028
Other fund costs	–	208
Harmonized Sales Tax/Goods and Services Tax	157,196	147,428
Transaction costs	370,191	383,312
Total expenses	8,072,885	5,871,666
Expenses absorbed by the Manager	(2,463,104)	–
Net expenses	5,609,781	5,871,666
Increase (decrease) in net assets attributable to holders of redeemable units from operations	165,481,742	44,854,124
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series I	–	(457,128)
Series K	1,693,865	63,101
Series M	163,787,877	45,248,151
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT†		
Series I	–	(0.36)
Series K	1.46	1.06
Series M	2.85	0.73
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series I	–	1,279,501
Series K	1,163,937	59,446
Series M	57,469,853	61,763,202

† 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 (Continued)

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

For the periods ended December 31 (note 1),

(in dollars)	2017	2016
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series I	–	24,349,996
Series K	2,877,035	–
Series M	1,215,337,694	1,210,292,617
	1,218,214,729	1,234,642,613
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series I	–	(457,128)
Series K	1,693,865	63,101
Series M	163,787,877	45,248,151
	165,481,742	44,854,124
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net investment income		
Series K	(219,678)	(6,805)
Series M	(20,028,835)	(19,392,316)
	(20,248,513)	(19,399,121)
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series K	24,693,399	2,816,550
Series M	303,907,009	292,537,127
Reinvested distributions		
Series K	219,678	6,805
Series M	18,067,949	17,406,192
Payments on redemption		
Series I	–	(23,892,868)
Series K	(2,913,266)	(2,616)
Series M	(317,642,459)	(330,754,077)
	26,332,310	(41,882,887)
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series I	–	(24,349,996)
Series K	23,473,998	2,877,035
Series M	148,091,541	5,045,077
	171,565,539	(16,427,884)
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series I	–	–
Series K	26,351,033	2,877,035
Series M	1,363,429,235	1,215,337,694
	1,389,780,268	1,218,214,729

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	165,481,742	44,854,124
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(45,592,961)	(59,984,261)
Unrealized foreign currency translation (gain) loss	(838,554)	5,657,342
Change in unrealized (gain) loss on non-derivative financial assets	(108,997,957)	28,918,149
Change in unrealized (gain) loss on currency spot contracts	1,294	(9,350)
Purchases of portfolio investments	(284,914,618)	(293,457,329)
Proceeds from sale of portfolio investments	365,703,776	262,622,519
Accrued investment income and other	849,235	97,278
Accrued expenses and other payables	(4,414)	4,414
Net cash provided by (used in) operating activities	91,687,543	(11,297,114)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	328,651,121	295,463,510
Amounts paid on redemption of redeemable units	(320,030,112)	(353,279,366)
Distributions to unitholders of redeemable units	(1,960,886)	(1,986,124)
Net cash provided by (used in) financing activities	6,660,123	(59,801,980)
Unrealized foreign currency translation gain (loss)	838,554	(5,657,342)
Net increase (decrease) in cash	98,347,666	(71,099,094)
Cash (bank overdraft), beginning of period	33,543,710	110,300,146
CASH (BANK OVERDRAFT), END OF PERIOD	132,729,930	33,543,710
Interest paid[1]	3,221	2,833
Interest received[1]	875,533	350,487
Dividends received, net of withholding taxes[1]	20,908,112	20,684,619

[1] Classified as operating items.

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

Scotia Private U.S. Dividend Pool (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2017

Issuer	Number of Shares	Average Cost ($)	Carrying Value ($)
EQUITIES – 90.4%			
Consumer Discretionary – 15.4%			
Cinemark Holdings Inc.	763,000	35,437,880	33,366,399
Comcast Corporation, Class A	706,320	22,091,104	35,527,122
Home Depot Inc., The	169,790	17,231,788	40,415,325
Omnicom Group Inc.	310,100	27,877,847	28,364,040
Ross Stores, Inc.	494,500	38,276,658	49,838,773
Walt Disney Company, The	196,600	26,896,908	26,545,346
		167,812,185	214,057,005
Consumer Staples – 7.1%			
Nestle SA	421,600	38,059,461	45,511,583
Unilever NV	748,200	40,605,720	52,800,629
		78,665,181	98,312,212
Energy – 3.5%			
Valero Energy Corporation	416,400	38,328,484	48,065,061
Financials – 8.6%			
Fifth Third Bancorp	588,400	10,904,502	22,420,446
Progressive Corporation, The	568,600	19,748,416	40,218,467
U.S. Bancorp	264,100	10,606,161	17,771,624
Wells Fargo & Company	247,300	8,841,776	18,843,177
WR Berkley Corporation	228,900	18,011,201	20,597,665
		68,112,056	119,851,379
Health Care – 8.7%			
Baxter International Inc.	410,700	32,708,847	33,341,264
Danaher Corporation	376,600	40,388,909	43,901,351
Johnson & Johnson	251,970	27,660,084	44,214,368
		100,757,840	121,456,983
Industrials – 21.8%			
3M Company	159,100	33,281,973	47,030,251
Boeing Company, The	129,400	20,710,612	47,926,949
Deere & Company	184,000	20,557,559	36,167,286
Nielsen Holdings PLC	752,500	47,587,476	34,400,432
Stanley Black & Decker Inc.	255,200	26,082,701	54,386,728
Stericycle, Inc.	40,800	3,602,769	3,483,864
Union Pacific Corporation	265,100	26,683,569	44,647,229
Wabtec Corporation	340,100	36,668,977	34,781,401
		215,175,636	302,824,140
Information Technology – 25.3%			
Alphabet Inc., Class A	32,700	26,014,292	43,261,052
Apple Inc.	78,400	9,715,310	16,662,855
CDW Corporation	481,600	39,203,010	42,030,523
Cognizant Technology Solutions Corporation	495,400	38,298,759	44,186,813
MasterCard, Inc., Class A	219,500	26,413,295	41,725,510
Microsoft Corporation	644,790	30,751,157	69,269,739
Oracle Corporation	924,000	51,000,453	54,866,271
Visa Inc.	275,100	23,218,343	39,393,778
		244,614,619	351,396,541
Transaction Costs		(634,831)	
TOTAL INVESTMENT PORTFOLIO		912,831,170	1,255,963,321
OTHER ASSETS, LESS LIABILITIES – 9.6%			133,816,947
NET ASSETS – 100.0%			1,389,780,268

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

Scotia Private U.S. Dividend Pool (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 December 31, 2017 and December 31, 2016. 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.

	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

	December 31, 2016			
Currency	Gross currency exposure ($)	Currency contracts ($)	Net exposure ($)	Percentage of net assets (%)
US Dollar	1,127,375,408	(218,242)	1,127,157,166	92.5
Swiss Franc	53,163,931	–	53,163,931	4.4
European Euro	42,652,334	–	42,652,334	3.5
	1,223,191,673	(218,242)	1,222,973,431	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 of the Fund would have decreased or increased, respectively, by $130,849,386 or 9.4% of net assets (December 31, 2016 – $122,297,343 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 December 31, 2017, approximately 90.4% (December 31, 2016 – 97.7%) 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 of the Fund would have decreased or increased, respectively, by approximately $125,596,332 (December 31, 2016 – $118,988,123). 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 December 31, 2017 or December 31, 2016.

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 (%)	
	December 31, 2017	December 31, 2016
Consumer Discretionary	15.4	19.5
Consumer Staples	7.1	9.9
Energy	3.5	3.1
Financials	8.6	9.1
Health Care	8.7	10.5
Industrials	21.8	22.2
Information Technology	25.3	20.1
Telecommunication Services	–	3.3

Fair Value Classification (note 2)

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

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

December 31, 2016	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Equities	1,094,064,969	95,816,265	–	1,189,881,234
Unrealized gain on currency spot contracts	–	1,294	–	1,294
	1,094,064,969	95,817,559	–	1,189,882,528

Transfers between levels

During the periods ended December 31, 2017 and December 31, 2016, there were no significant transfers between Level 1 and Level 2.

Offsetting of financial assets and liabilities (note 2)

As at December 31, 2017 and December 31, 2016, 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 December 31, 2017 or December 31, 2016.

Scotia Private U.S. Dividend Pool (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)

The table below provides a comparison of the net asset value per unit and net assets per unit. A difference could arise when the last traded market price for a financial instrument is not within the bid-ask spread.

	December 31, 2017		December 31, 2016	
	Net asset value per unit ($)	Net assets per unit ($)	Net asset value per unit ($)	Net assets per unit ($)
Series K	11.81	11.81	10.58	10.59
Series M	22.84	22.84	20.36	20.37

Scotia U.S. Blue Chip Fund

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	December 31, 2017	December 31, 2016
ASSETS		
Current assets		
Investments		
Non-derivative financial assets	48,869,284	47,294,440
Cash	787,931	2,794,997
Subscriptions receivable	26,379	64,366
Accrued investment income and other	17,956	22,327
	49,701,550	50,176,130
LIABILITIES		
Current liabilities		
Redemptions payable	33,156	84,068
Accrued expenses	–	3,411
	33,156	87,479
Net assets attributable to holders of redeemable units	49,668,394	50,088,651
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series A	49,588,223	50,079,954
Series F	80,171	8,697
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series A	12.92	11.03
Series F	13.37	11.31

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except average units)	2017	2016
INCOME		
Net gain (loss) on investments		
Dividends	722,999	770,867
Interest for distribution purposes	6,057	17,084
Net realized gain (loss) on non-derivative financial assets	1,353,820	5,346,496
Net realized gain (loss) on currency forward contracts	–	(743,710)
Change in unrealized gain (loss) on non-derivative financial assets	6,722,229	(6,976,506)
Change in unrealized gain (loss) on currency forward contracts	–	743,722
Net gain (loss) on investments	8,805,105	(842,047)
Securities lending (note 11)	89	658
Net realized and unrealized foreign currency translation gain (loss)	(45,933)	(272,412)
Other income	182	899
Total income (loss), net	8,759,443	(1,112,902)
EXPENSES		
Management fees (note 5)	836,047	1,004,942
Fixed administration fees (note 6)	119,062	125,630
Independent Review Committee fees	1,135	1,184
Interest expense and bank overdraft charges	200	6
Foreign withholding taxes/tax reclaims	103,297	120,504
Other fund costs	–	9
Harmonized Sales Tax/Goods and Services Tax	105,251	122,214
Transaction costs	6,486	16,683
Total expenses	1,171,478	1,391,172
Increase (decrease) in net assets attributable to holders of redeemable units from operations	7,587,965	(2,504,074)
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A	7,578,847	(2,502,848)
Series F	9,118	(1,226)
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT†		
Series A	1.88	(0.53)
Series F	2.02	(1.31)
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series A	4,024,269	4,690,750
Series F	4,504	937

† 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 December 31 (note 1),

(in dollars)	2017	2016
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series A	50,079,954	52,698,134
Series F	8,697	17,890
	50,088,651	52,716,024
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A	7,578,847	(2,502,848)
Series F	9,118	(1,226)
	7,587,965	(2,504,074)
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A	5,992,637	8,908,871
Series F	62,909	3,241
Payments on redemption		
Series A	(14,063,215)	(9,024,203)
Series F	(553)	(11,208)
	(8,008,222)	(123,299)
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A	(491,731)	(2,618,180)
Series F	71,474	(9,193)
	(420,257)	(2,627,373)
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series A	49,588,223	50,079,954
Series F	80,171	8,697
	49,668,394	50,088,651

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	7,587,965	(2,504,074)
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(1,353,820)	(5,346,496)
Unrealized foreign currency translation (gain) loss	(7,352)	202,877
Change in unrealized (gain) loss on non-derivative financial assets	(6,722,229)	6,976,506
Change in unrealized (gain) loss on currency forward contracts	–	(743,722)
Purchases of portfolio investments	(6,714,789)	(24,690,010)
Proceeds from sale of portfolio investments	13,215,994	24,539,065
Accrued investment income and other	4,371	24,039
Accrued expenses and other payables	(3,411)	3,411
Net cash provided by (used in) operating activities	6,006,729	(1,538,404)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	6,052,529	8,917,442
Amounts paid on redemption of redeemable units	(14,073,676)	(9,013,871)
Net cash provided by (used in) financing activities	(8,021,147)	(96,429)
Unrealized foreign currency translation gain (loss)	7,352	(202,877)
Net increase (decrease) in cash	(2,014,418)	(1,634,833)
Cash (bank overdraft), beginning of period	2,794,997	4,632,707
CASH (BANK OVERDRAFT), END OF PERIOD	787,931	2,794,997
Interest paid[1]	200	6
Interest received[1]	7,100	17,581
Dividends received, net of withholding taxes[1]	623,030	673,905

(1) Classified as operating items.

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

Scotia U.S. Blue Chip Fund (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2017

Issuer	Number of Shares	Average Cost ($)	Carrying Value ($)
EQUITIES – 98.3%			
Consumer Discretionary – 10.2%			
Home Depot Inc., The	8,400	1,517,207	1,999,462
NIKE, Inc., Class B	12,900	1,176,907	1,013,382
Starbucks Corporation	13,100	547,895	944,857
Walt Disney Company, The	8,200	598,008	1,107,181
		3,840,017	5,064,882
Consumer Staples – 11.6%			
Church & Dwight Co., Inc.	16,100	939,457	1,014,439
Constellation Brands, Inc., Class A	6,300	1,272,503	1,808,491
Costco Wholesale Corporation	5,500	759,982	1,285,617
Estee Lauder Companies Inc., The	10,400	830,953	1,661,931
		3,802,895	5,770,478
Energy – 1.0%			
Phillips 66 Company	4,000	444,148	508,138
Financials – 19.2%			
Berkshire Hathaway Inc., Class B	12,500	2,347,691	3,111,813
First Republic Bank	8,500	1,073,095	924,897
Moody's Corporation	2,600	510,663	481,998
Progressive Corporation, The	29,900	1,339,534	2,114,900
S&P Global Inc.	2,300	506,322	489,325
Wells Fargo & Company	31,500	1,832,332	2,400,162
		7,609,637	9,523,095
Health Care – 8.2%			
Danaher Corporation	12,400	856,419	1,445,504
Johnson & Johnson	15,100	2,155,587	2,649,668
		3,012,006	4,095,172
Industrials – 13.5%			
Canadian National Railway Company	16,700	1,364,648	1,730,320
Fortive Corporation	12,100	699,816	1,099,461
Lockheed Martin Corporation	2,400	730,555	967,698
Republic Services, Inc.	10,100	657,633	857,607
Union Pacific Corporation	12,300	803,012	2,071,524
		4,255,664	6,726,610
Information Technology – 29.1%			
Alphabet Inc., Class A	800	478,524	1,058,374
Alphabet Inc., Class C	1,736	643,457	2,281,411
Apple Inc.	8,900	1,360,725	1,891,574
Facebook Inc.	6,400	1,192,124	1,418,346
MasterCard, Inc., Class A	8,500	1,121,176	1,615,794
Microsoft Corporation	30,200	1,012,094	3,244,384
Oracle Corporation	10,700	688,131	635,356
Visa Inc.	16,100	455,164	2,305,488
		6,951,395	14,450,727
Materials – 5.5%			
Ecolab Inc.	5,200	466,567	876,289
Sherwin-Williams Company, The	3,600	1,303,003	1,853,893
		1,769,570	2,730,182
Transaction Costs		(11,832)	
TOTAL INVESTMENT PORTFOLIO		31,673,500	48,869,284
OTHER ASSETS, LESS LIABILITIES – 1.7%			799,110
NET ASSETS – 100.0%			49,668,394

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

Scotia U.S. Blue Chip Fund (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 December 31, 2017 and December 31, 2016. 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.

	December 31, 2017			
Currency	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

	December 31, 2016			
Currency	Gross currency exposure ($)	Currency contracts ($)	Net exposure ($)	Percentage of net assets (%)
US Dollar	50,010,446	–	50,010,446	99.8
	50,010,446	–	50,010,446	99.8

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 $4,933,017 or 9.9% of net assets (December 31, 2016 – $5,001,045 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 December 31, 2017, approximately 98.3% (December 31, 2016 – 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 of the Fund would have decreased or increased, respectively, by approximately $4,886,928 (December 31, 2016 – $4,729,444). 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 December 31, 2017 or December 31, 2016.

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 (%)	
	December 31, 2017	December 31, 2016
Consumer Discretionary	10.2	13.9
Consumer Staples	11.6	11.5
Energy	1.0	–
Financials	19.2	13.2
Health Care	8.2	7.5
Industrials	13.5	18.3
Information Technology	29.1	22.4
Materials	5.5	6.0
Telecommunication Services	–	1.6

Fair Value Classification (note 2)

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

December 31, 2017	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Equities	48,869,284	–	–	48,869,284
	48,869,284	–	–	48,869,284

December 31, 2016	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Equities	47,294,440	–	–	47,294,440
	47,294,440	–	–	47,294,440

Transfers between levels

During the periods ended December 31, 2017 and December 31, 2016, there were no significant transfers between Level 1 and Level 2.

Offsetting of financial assets and liabilities (note 2)

As at December 31, 2017 and December 31, 2016, 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 December 31, 2017 or December 31, 2016.

Scotia U.S. Blue Chip Fund (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)

The table below provides a comparison of the net asset value per unit and net assets per unit. A difference could arise when the last traded market price for a financial instrument is not within the bid-ask spread.

	December 31, 2017		December 31, 2016	
	Net asset value per unit ($)	Net assets per unit ($)	Net asset value per unit ($)	Net assets per unit ($)
Series A	12.92	12.92	11.03	11.03
Series F	13.37	13.37	11.30	11.31

Scotia U.S. Opportunities Fund

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	December 31, 2017	December 31, 2016
ASSETS		
Current assets		
Investments		
Non-derivative financial assets	26,031,927	25,691,110
Purchased Options	363,188	–
Cash	980,402	2,347,176
Receivable for securities sold	124,083	1,700,194
Subscriptions receivable	5,777	17,730
Accrued investment income and other	22,929	17,678
	27,528,306	29,773,888
LIABILITIES		
Current liabilities		
Payable for securities purchased	–	642,455
Redemptions payable	59,382	57,151
Accrued expenses	–	2,021
Liability for written options	238,138	–
Unrealized loss on currency forward contracts	–	68,675
	297,520	770,302
Net assets attributable to holders of redeemable units	27,230,786	29,003,586
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series A	26,451,099	28,146,860
Series F	534	21,987
Series I	779,153	834,739
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series A	12.93	12.80
Series F	13.37	13.11
Series I	16.72	16.22

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except average units)	2017	2016
INCOME		
Net gain (loss) on investments		
Dividends	441,781	417,913
Interest for distribution purposes	17,378	9,310
Net realized gain (loss) on non-derivative financial assets	(108,351)	794,898
Net realized gain (loss) on option contracts	(19,147)	–
Net realized gain (loss) on currency forward contracts	502,822	200,477
Change in unrealized gain (loss) on non-derivative financial assets	41,483	1,163,966
Change in unrealized gain (loss) on option contracts	244,062	–
Change in unrealized gain (loss) on currency forward contracts	68,675	(68,675)
Net gain (loss) on investments	1,188,703	2,517,889
Securities lending (note 11)	737	598
Net realized and unrealized foreign currency translation gain (loss)	(246,202)	89,679
Other income	554	344
Total income (loss), net	943,792	2,608,510
EXPENSES		
Management fees (note 5)	469,933	549,047
Fixed administration fees (note 6)	94,540	102,330
Independent Review Committee fees	1,135	1,184
Interest expense and bank overdraft charges	766	113
Foreign withholding taxes/tax reclaims	54,981	55,362
Other fund costs	–	5
Harmonized Sales Tax/Goods and Services Tax	59,598	69,474
Transaction costs	45,316	52,417
Total expenses	726,269	829,932
Increase (decrease) in net assets attributable to holders of redeemable units from operations	217,523	1,778,578
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A	191,763	1,712,636
Series F	316	1,539
Series I	25,444	64,403
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT†		
Series A	0.09	0.75
Series F	0.60	0.92
Series I	0.54	1.35
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series A	2,139,816	2,295,789
Series F	524	1,670
Series I	46,920	47,873

† 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. Opportunities Fund (Continued)

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

For the periods ended December 31 (note 1),

(in dollars)	2017	2016
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series A	28,146,860	28,167,006
Series F	21,987	20,618
Series I	834,739	681,738
	29,003,586	28,869,362
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A	191,763	1,712,636
Series F	316	1,539
Series I	25,444	64,403
	217,523	1,778,578
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A	2,319,082	2,515,911
Series F	–	500
Series I	57,475	396,528
Payments on redemption		
Series A	(4,206,606)	(4,248,693)
Series F	(21,769)	(670)
Series I	(138,505)	(307,930)
	(1,990,323)	(1,644,354)
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A	(1,695,761)	(20,146)
Series F	(21,453)	1,369
Series I	(55,586)	153,001
	(1,772,800)	134,224
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series A	26,451,099	28,146,860
Series F	534	21,987
Series I	779,153	834,739
	27,230,786	29,003,586

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	217,523	1,778,578
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	108,351	(794,898)
Net realized (gain) loss on option contracts	19,147	–
Unrealized foreign currency translation (gain) loss	(13,944)	(42,505)
Change in unrealized (gain) loss on non-derivative financial assets	(41,483)	(1,163,966)
Change in unrealized (gain) loss on option contracts	(244,062)	–
Change in unrealized (gain) loss on currency forward contracts	(68,675)	68,675
Non-cash transactions	(22,036)	–
Purchases of portfolio investments	(74,070,900)	(49,384,881)
Proceeds from sale of portfolio investments	74,718,772	50,196,620
Accrued investment income and other	(5,251)	(5,370)
Accrued expenses and other payables	(2,021)	2,021
Net cash provided by (used in) operating activities	595,421	654,274
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	2,388,510	2,923,810
Amounts paid on redemption of redeemable units	(4,364,649)	(4,522,968)
Net cash provided by (used in) financing activities	(1,976,139)	(1,599,158)
Unrealized foreign currency translation gain (loss)	13,944	42,505
Net increase (decrease) in cash	(1,380,718)	(944,884)
Cash (bank overdraft), beginning of period	2,347,176	3,249,555
CASH (BANK OVERDRAFT), END OF PERIOD	980,402	2,347,176
Interest paid[1]	766	113
Interest received[1]	18,265	8,966
Dividends received, net of withholding taxes[1]	358,626	357,526

[1] Classified as operating items.

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

Scotia U.S. Opportunities Fund (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2017

Issuer	Number of Shares	Average Cost ($)	Carrying Value ($)
EQUITIES – 95.7%			
Consumer Discretionary – 10.3%			
Amazon.com, Inc.	450	538,008	660,929
Aptiv PLC	1,012	125,298	107,817
Delphi Technologies PLC	337	22,036	22,207
General Motors Company	3,488	191,748	179,560
Lowe's Companies, Inc.	6,298	647,369	735,125
McDonald's Corporation	3,016	604,785	651,957
Priceline Group Inc., The	56	138,162	122,216
PVH Corporation	1,871	294,887	322,415
		2,562,293	2,802,226
Consumer Staples – 7.7%			
Colgate-Palmolive Company	3,594	320,957	340,560
Constellation Brands, Inc., Class A	807	223,019	231,659
CVS Health Corporation	1,761	156,481	160,344
Mondelez International, Inc.	5,029	266,466	270,322
PepsiCo, Inc.	3,053	430,066	459,806
Philip Morris International Inc.	2,189	304,248	290,450
Walgreens Boots Alliance Inc.	3,707	396,424	338,092
		2,097,661	2,091,233
Energy – 5.7%			
Halliburton Company	2,435	129,947	149,450
Marathon Petroleum Corporation	8,452	558,750	700,370
Williams Companies Inc., The	18,220	680,139	697,689
		1,368,836	1,547,509
Financials – 13.6%			
Assurant, Inc.	2,813	367,876	356,253
BlackRock, Inc.	287	181,915	185,164
Capital One Financial Corporation	782	91,220	97,799
Citigroup Inc.	7,010	660,659	655,097
Citizens Financial Group Inc.	3,329	171,432	175,514
Comerica Incorporated	2,110	214,351	230,043
Leucadia National Corporation	10,541	331,702	350,687
Prudential Financial, Inc.	2,705	392,113	390,612
S&P Global Inc.	2,981	611,239	634,208
Synchrony Financial	1,003	39,241	48,636
Wells Fargo & Company	7,461	533,884	568,496
		3,595,632	3,692,509
Health Care – 14.3%			
Abbott Laboratories	4,657	330,048	333,788
AbbVie Inc.	546	65,036	66,316
Agilent Technologies, Inc.	1,010	82,203	84,949
Baxter International Inc.	516	42,814	41,890
Biogen Inc.	336	132,275	134,431
Bristol-Myers Squibb Company	1,675	134,224	128,911
CIGNA Corporation	1,929	508,350	492,013
Gilead Sciences, Inc.	7,078	699,700	636,828
Johnson & Johnson	3,798	615,934	666,453
Medtronic PLC	4,059	421,026	411,640
Merck & Co., Inc.	6,052	482,447	427,693
Mettler-Toledo International Inc.	144	113,912	112,040
UnitedHealth Group Incorporated	1,244	320,039	344,434
		3,948,008	3,881,386
Industrials – 10.2%			
Boeing Company, The	628	195,631	232,598
FedEx Corporation	305	80,856	95,586
General Dynamics Corporation	389	100,963	99,395
Honeywell International Inc.	2,200	372,568	423,732
Ingersoll-Rand PLC	5,291	579,216	592,666
JB Hunt Transport Services Inc	533	73,820	76,967
Kansas City Southern	642	86,485	84,838
Raytheon Company	2,044	476,430	482,223
Republic Services, Inc.	1,825	150,665	154,964

Issuer	Number of Shares/ Number of contracts	Average Cost ($)	Carrying Value ($)
EQUITIES (cont'd)			
Industrials (cont'd)			
Rockwell Automation, Inc.	548	133,051	135,135
Southwest Airlines Company	3,595	239,793	295,505
United Parcel Service, Inc., Class B	301	45,549	45,042
Waste Management, Inc.	430	45,093	46,605
		2,580,120	2,765,256
Information Technology – 24.6%			
Adobe Systems Incorporated	957	177,919	210,621
Alphabet Inc., Class A	519	603,006	686,620
Apple Inc.	3,079	568,501	654,400
Applied Materials, Inc.	10,030	607,831	643,944
Broadcom Ltd.	930	281,009	300,057
Cisco Systems, Inc.	8,173	381,820	393,130
Cognizant Technology Solutions Corporation	7,264	647,563	647,907
Facebook Inc.	2,927	616,233	648,672
Fidelity National Information Service, Inc.	1,907	226,668	225,346
HP Inc.	21,912	594,305	578,181
MasterCard, Inc., Class A	980	160,354	186,292
Microsoft Corporation	6,256	624,327	672,082
Oracle Corporation	7,337	450,271	435,664
Synopsys Inc.	796	90,734	85,214
Texas Instruments Incorporated	1,356	168,324	177,862
Total System Services, Inc.	1,623	151,009	161,212
		6,349,874	6,707,204
Materials – 3.3%			
Air Products and Chemicals, Inc.	2,558	526,289	527,123
Avery Dennison Corporation	1,627	223,955	234,700
Newmont Mining Corporation	2,936	136,112	138,349
		886,356	900,172
Real Estate – 2.3%			
American Tower Corporation	1,177	206,875	210,894
Duke Realty Corporation	12,193	437,164	416,673
		644,039	627,567
Telecommunication Services – 1.4%			
Verizon Communications Inc.	5,825	366,290	387,216
Utilities – 2.3%			
CMS Energy Corporation	721	45,550	42,830
DTE Energy Company	640	91,063	87,982
PG&E Corporation	8,860	650,236	498,837
		786,849	629,649
TOTAL EQUITIES		25,185,958	26,031,927
Currency Options – 0.5%			
USD Call / CAD Put, Written Call Options $1.305 Jan 05, 2018	(5,000,000)	(8,371)	(6)
USD Call / CAD Put, Written Call Options $1.305 Jan 12, 2018	(5,000,000)	(13,522)	(151)
USD Call / CAD Put, Written Call Options $1.31 Jan 19, 2018	(5,000,000)	(13,908)	(578)
USD Call / CAD Put, Written Call Options $1.315 Jan 26, 2018	(5,000,000)	(12,857)	(898)
USD Put / CAD Call, Call Options $1.27 Jan 19, 2018	5,000,000	14,149	87,549
USD Put / CAD Call, Call Options $1.27 Jan 26, 2018	5,000,000	23,142	99,756
USD Put / CAD Call, Put Options $1.27 Jan 05, 2018	5,000,000	9,000	81,891
USD Put / CAD Call, Put Options $1.27 Jan 19, 2018	5,000,000	19,285	93,992
USD Put / CAD Call, Put Options $1.27 Jan 05, 2018	(5,000,000)	(58,152)	(81,891)
USD Put / CAD Call, Put Options $1.27 Jan 12, 2018	(5,000,000)	(66,208)	(87,555)
USD Put / CAD Call, Written Put Options $1.25 Jan 19, 2018	(5,000,000)	(5,143)	(29,878)
USD Put / CAD Call, Written Put Options $1.25 Jan 26, 2018	(5,000,000)	(6,428)	(37,181)
		(119,013)	125,050
Transaction Costs		(4,565)	
TOTAL INVESTMENT PORTFOLIO		25,062,380	26,156,977
OTHER ASSETS, LESS LIABILITIES – 3.8%			1,073,809
NET ASSETS – 100.0%			27,230,786

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

Scotia U.S. Opportunities Fund (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 December 31, 2017 and December 31, 2016. 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.

	December 31, 2017			
Currency	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

	December 31, 2016			
Currency	Gross currency exposure ($)	Currency contracts ($)	Net exposure ($)	Percentage of net assets (%)
US Dollar	27,426,497	(14,365,094)	13,061,403	45.0
	27,426,497	(14,365,094)	13,061,403	45.0

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 $2,714,412 or 10.0% of net assets (December 31, 2016 – $1,306,140 or 4.5%). 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 December 31, 2017, approximately 96.2% (December 31, 2016 – 88.5%) 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 of the Fund would have decreased or increased, respectively, by approximately $2,615,698 (December 31, 2016 – $2,569,111). 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 December 31, 2017 or December 31, 2016.

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 (%)	
	December 31, 2017	December 31, 2016
Consumer Discretionary	10.3	13.0
Consumer Staples	7.7	22.0
Energy	5.7	7.7
Financials	13.6	4.9
Health Care	14.3	19.5
Industrials	10.2	7.1
Information Technology	24.6	11.7
Materials	3.3	1.4
Real Estate	2.3	–
Telecommunication Services	1.4	0.2
Utilities	2.3	1.0
Currency Options	0.5	–

Fair Value Classification (note 2)

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

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	–	26,395,015
Liability for written options	–	(238,138)	–	(238,138)
	26,031,927	125,050	–	26,156,977

December 31, 2016	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Equities	25,691,110	–	–	25,691,110
	25,691,110	–	–	25,691,110
Unrealized loss on currency forward contracts	–	(68,675)	–	(68,675)
	25,691,110	(68,675)	–	25,622,435

Transfers between levels

During the periods ended December 31, 2017 and December 31, 2016, there were no significant transfers between Level 1 and Level 2.

Scotia U.S. Opportunities Fund (Continued)

FUND SPECIFIC NOTES
For the periods indicated in Note 1

Offsetting of financial assets and liabilities (note 2)

The following tables present 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.

	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

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)	–	–

	December 31, 2016			
Financial assets – by type	Gross amount of assets ($)	Master netting offset ($)	Collateral pledged/ received ($)	Net Amount ($)
Currency forward contracts	–	–	–	–
Options contracts – OTC	–	–	–	–
Swap contracts – OTC	–	–	–	–
	–	–	–	–

Financial liabilities – by type	Gross amount of liabilities ($)	Master netting offset ($)	Collateral pledged/ received ($)	Net Amount ($)
Currency forward contracts	68,675	–	–	68,675
Options contracts – OTC	–	–	–	–
Swap contracts – OTC	–	–	–	–
	68,675	–	–	68,675

Interest in Underlying Funds (note 2)

The Fund did not hold any interest in Underlying Funds as at December 31, 2017 or December 31, 2016.

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

As at December 31, 2017 or December 31, 2016, 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

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	December 31, 2017	December 31, 2016
ASSETS		
Current assets		
Investments		
Non-derivative financial assets	874,992,204	643,599,599
Cash	90,145,183	50,749,026
Subscriptions receivable	1,563,247	1,640,659
Accrued investment income and other	284,597	322,417
	966,985,231	696,311,701
LIABILITIES		
Current liabilities		
Payable for securities purchased	1,360,684	8,328,915
Redemptions payable	1,248,056	924,451
Accrued expenses	–	5,713
Distributions payable	1,681	98
Unrealized loss on currency spot contracts	100	30,548
	2,610,521	9,289,725
Net assets attributable to holders of redeemable units	964,374,710	687,021,976
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series K	53,281,665	6,555,871
Series M	911,093,045	680,466,105
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series K	11.73	10.06
Series M	12.56	10.74

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except average units)	2017	2016
INCOME		
Net gain (loss) on investments		
Dividends	19,677,779	15,512,812
Interest for distribution purposes	451,245	209,435
Net realized gain (loss) on non-derivative financial assets	(26,066,936)	(278,762)
Change in unrealized gain (loss) on non-derivative financial assets	149,872,386	(16,660,792)
Change in unrealized gain (loss) on currency spots contracts	30,448	(30,548)
Net gain (loss) on investments	143,964,922	(1,247,855)
Securities lending (note 11)	82,534	84,493
Net realized and unrealized foreign currency translation gain (loss)	(97,610)	118,704
Total income (loss), net	143,949,846	(1,044,658)
EXPENSES		
Management fees (note 5)	2,375,546	519,844
Fixed administration fees (note 6)	1,501,998	976,842
Independent Review Committee fees	1,135	1,184
Interest expense and bank overdraft charges	1,002	166
Foreign withholding taxes/tax reclaims	1,783,512	1,489,563
Other fund costs	–	79
Harmonized Sales Tax/Goods and Services Tax	232,422	156,188
Transaction costs	803,733	627,711
Total expenses	6,699,348	3,771,577
Expenses absorbed by the Manager	(1,615,806)	–
Net expenses	5,083,542	3,771,577
Increase (decrease) in net assets attributable to holders of redeemable units from operations	138,866,304	(4,816,235)
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series K	4,590,552	79,735
Series M	134,275,752	(4,895,970)
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT†		
Series K	1.66	0.43
Series M	2.01	(0.10)
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series K	2,764,622	183,380
Series M	66,881,572	50,623,850

† 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 International Core Equity Pool (Continued)

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

For the periods ended December 31 (note 1),

(in dollars)	2017	2016
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series K	6,555,871	–
Series M	680,466,105	464,426,746
	687,021,976	464,426,746
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series K	4,590,552	79,735
Series M	134,275,752	(4,895,970)
	138,866,304	(4,816,235)
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net investment income		
Series K	(918,871)	(112,842)
Series M	(15,018,017)	(12,486,280)
	(15,936,888)	(12,599,122)
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series K	45,974,135	6,536,142
Series M	264,109,021	320,001,876
Reinvested distributions		
Series K	917,769	112,842
Series M	13,111,844	11,056,796
Payments on redemption		
Series K	(3,837,791)	(60,006)
Series M	(165,851,660)	(97,637,063)
	154,423,318	240,010,587
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series K	46,725,794	6,555,871
Series M	230,626,940	216,039,359
	277,352,734	222,595,230
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series K	53,281,665	6,555,871
Series M	911,093,045	680,466,105
	964,374,710	687,021,976

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	138,866,304	(4,816,235)
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	26,066,936	278,762
Unrealized foreign currency translation (gain) loss	(35,090)	134,617
Change in unrealized (gain) loss on non-derivative financial assets	(149,872,386)	16,660,792
Change in unrealized (gain) loss on currency spot contracts	(30,448)	30,548
Non-cash transactions	(52,307)	–
Purchases of portfolio investments	(334,935,504)	(330,504,868)
Proceeds from sale of portfolio investments	220,432,426	116,760,760
Accrued investment income and other	37,820	(1,279)
Accrued expenses and other payables	(5,713)	5,713
Net cash provided by (used in) operating activities	(99,527,962)	(201,451,190)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	309,670,402	325,884,499
Amounts paid on redemption of redeemable units	(168,875,680)	(97,027,884)
Distributions to unitholders of redeemable units	(1,905,693)	(1,429,386)
Net cash provided by (used in) financing activities	138,889,029	227,427,229
Unrealized foreign currency translation gain (loss)	35,090	(134,617)
Net increase (decrease) in cash	39,361,067	25,976,039
Cash (bank overdraft), beginning of period	50,749,026	24,907,604
CASH (BANK OVERDRAFT), END OF PERIOD	90,145,183	50,749,026
Interest paid[1]	1,002	166
Interest received[1]	467,291	202,791
Dividends received, net of withholding taxes[1]	17,863,395	14,028,954

[1] Classified as operating items.

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

Scotia Private International Core Equity Pool (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2017

Issuer	Number of Shares	Average Cost ($)	Carrying Value ($)
EQUITIES – 90.7%			
Australia – 3.0%			
Ansell Ltd.	1,224,500	26,110,165	29,077,591
Denmark – 1.6%			
Topdanmark A/S	293,500	9,893,877	15,901,870
Finland – 5.4%			
Kone Oyj	234,700	14,000,444	15,819,032
Nokian Renkaat Oyj	382,500	16,188,108	21,761,269
Sampo Oyj	209,400	14,717,475	14,448,913
		44,906,027	52,029,214
France – 6.6%			
Dassault Systemes SA	69,100	5,867,614	9,217,964
LVMH Moet Hennessy Louis Vuitton SA	74,530	16,530,943	27,498,882
Schneider Electric SA	256,100	24,221,434	27,281,529
		46,619,991	63,998,375
Germany – 3.1%			
Fresenius SE & Co. KGaA	310,100	29,897,992	30,326,579
Hong Kong – 4.7%			
Hengan International Group Co., Ltd.	1,012,700	10,840,452	14,117,212
Techtronic Industries Co., Ltd.	3,789,000	22,097,501	31,016,772
		32,937,953	45,133,984
Japan – 12.3%			
Aeon Delight Co., Ltd.	424,600	14,771,283	19,937,307
FANUC Corporation	65,100	13,802,122	19,651,180
Kuraray Co., Ltd.	1,139,900	20,942,014	27,032,027
Sony Corporation	528,800	26,155,311	29,843,525
Tsuruha Holdings Inc.	70,700	10,666,430	12,044,067
USS Co., Ltd.	364,800	7,086,421	9,696,135
		93,423,581	118,204,241
Netherlands – 7.8%			
Koninklijke Philips NV	535,400	21,595,691	25,441,165
Unilever NV	339,200	19,652,953	23,937,414
Wolters Kluwer NV	389,071	21,685,156	25,447,998
		62,933,800	74,826,577
Norway – 8.2%			
Atea ASA	1,123,110	13,040,289	19,850,684
Gjensidige Forsikring ASA	586,400	12,501,691	13,896,790
Kongsberg Gruppen ASA	577,754	13,028,088	13,363,414
Protector Forsikring ASA	970,696	10,717,262	13,370,089
Statoil ASA	374,100	8,337,925	10,056,078
TGS Nopec Geophysical Co. ASA	281,500	7,675,616	8,367,332
		65,300,871	78,904,387
Singapore – 6.3%			
DBS Group Holdings Limited	612,700	11,087,972	14,253,503
Mapletree Logistics Trust	9,025,390	9,593,795	11,190,780
Parkway Life Real Estate Investment Trust	3,773,700	8,985,006	10,587,524
Sembcorp Industries Ltd.	3,634,800	10,693,313	10,326,130
United Overseas Bank Ltd.	581,300	11,637,967	14,407,899
		51,998,053	60,765,836
South Korea – 0.5%			
Samsung Electronics Co., Ltd.	1,600	4,666,260	4,792,971
Spain – 3.4%			
Amadeus IT Holding S.A., Class A	357,687	20,358,127	32,337,105
Sweden – 0.5%			
Hexagon AB	70,900	4,322,747	4,462,135
Switzerland – 3.9%			
Nestle SA	229,700	22,765,424	24,796,040
SGS SA	3,800	9,459,057	12,443,098
		32,224,481	37,239,138
EQUITIES (cont'd)			
United Kingdom – 18.1%			
Admiral Group PLC	368,200	11,042,644	12,475,286
B&M European Value Retail SA	726,500	4,117,503	5,205,146
Beazley PLC	1,674,056	11,934,719	15,079,862
Diageo PLC	651,300	23,743,751	29,948,593
Experian PLC	709,163	16,657,983	19,581,814
Inchcape PLC	1,847,100	23,799,711	24,467,457
Intertek Group PLC	165,100	8,406,611	14,530,507
Just Eat PLC	390,600	4,225,676	5,148,215
RELX PLC	733,300	17,840,091	21,584,686
Rio Tinto PLC	264,324	13,454,931	17,527,357
WPP Group PLC	446,100	13,279,948	10,157,493
		148,503,568	175,706,416
United States – 5.3%			
Check Point Software Technologies Ltd.	178,900	19,143,704	23,281,445
Grupo Aeroportuario del Sureste S.A. de CV – ADR	20,500	4,858,238	4,698,904
Nielsen Holdings PLC	509,800	25,655,682	23,305,436
		49,657,624	51,285,785
Transaction Costs		(1,015,626)	
TOTAL INVESTMENT PORTFOLIO		722,739,491	874,992,204
OTHER ASSETS, LESS LIABILITIES – 9.3%			89,382,506
NET ASSETS – 100.0%			964,374,710

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

Scotia Private International Core Equity Pool (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 December 31, 2017 and December 31, 2016. 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.

	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

	December 31, 2016			
Currency	Gross currency exposure ($)	Currency contracts ($)	Net exposure ($)	Percentage of net assets (%)
British Pound	156,972,741	–	156,972,741	22.8
European Euro	133,676,650	–	133,676,650	19.5
Japanese Yen	117,793,024	6,971,092	124,764,116	18.2
Norwegian Krone	54,697,430	–	54,697,430	8.0
Swiss Franc	51,675,511	–	51,675,511	7.5
Hong Kong Dollar	46,383,687	598,372	46,982,059	6.8
Singapore Dollar	39,292,949	–	39,292,949	5.7
US Dollar	29,499,275	–	29,499,275	4.3
Australian Dollar	19,482,103	–	19,482,103	2.8
Danish Krone	2,889,674	268,131	3,157,805	0.5
Mexican Peso	1	–	1	0.0
	652,363,045	7,837,595	660,200,640	96.1

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 $87,859,170 or 9.1% of net assets (December 31, 2016 – $66,020,065 or 9.6%). 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 December 31, 2017, approximately 90.7% (December 31, 2016 – 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 of the Fund would have decreased or increased, respectively, by approximately $87,499,220 (December 31, 2016 – $64,359,960). 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 December 31, 2017 or December 31, 2016.

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 (%)	
	December 31, 2017	December 31, 2016
Australia	3.0	2.8
Denmark	1.6	0.4
Finland	5.4	4.3
France	6.6	7.9
Germany	3.1	3.0
Hong Kong	4.7	6.8
Japan	12.3	15.9
Netherlands	7.8	1.8
Norway	8.2	8.0
Singapore	6.3	5.7
South Korea	0.5	–
Spain	3.4	2.4
Sweden	0.5	–
Switzerland	3.9	7.5
United Kingdom	18.1	22.9
United States	5.3	4.3

Fair Value Classification (note 2)

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

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

Scotia Private International Core Equity Pool (Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

December 31, 2016	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Equities	29,499,275	614,100,324	–	643,599,599
	29,499,275	614,100,324	–	643,599,599
Unrealized loss on currency spot contracts	–	(30,548)	–	(30,548)
	29,499,275	614,069,776	–	643,569,051

Transfers between levels

During the periods ended December 31, 2017 and December 31, 2016, there were no significant transfers between Level 1 and Level 2.

Offsetting of financial assets and liabilities (note 2)

As at December 31, 2017 and December 31, 2016, 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 December 31, 2017 or December 31, 2016.

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

As at December 31, 2017 or December 31, 2016, 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

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	December 31, 2017	December 31, 2016
ASSETS		
Current assets		
Investments		
Non-derivative financial assets	9,071,625	8,983,116
Unrealized gain on currency forward contracts	–	6,093
Cash	882,876	60,789
Subscriptions receivable	4,041	11,910
Accrued investment income and other	3,639	4,535
	9,962,181	9,066,443
LIABILITIES		
Current liabilities		
Payable for securities purchased	–	42,946
Redemptions payable	–	7,444
Accrued expenses	–	648
Distributions payable	–	37
Unrealized loss on currency forward contracts	–	13,563
Unrealized loss on currency spot contracts	–	152
	–	64,790
Net assets attributable to holders of redeemable units	9,962,181	9,001,653
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series A	9,802,184	8,846,400
Advisor Series	–	3,555
Series F	8,500	29,816
Series I	151,497	121,882
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series A	9.48	7.99
Advisor Series	–	7.76
Series F	9.49	7.92
Series I	9.79	8.07

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except average units)	2017	2016
INCOME		
Net gain (loss) on investments		
Dividends	199,437	251,715
Interest for distribution purposes	2,364	3,652
Net realized gain (loss) on non-derivative financial assets	2,448,171	11,778,313
Net realized gain (loss) on currency forward contracts	(133,840)	114,873
Change in unrealized gain (loss) on non-derivative financial assets	(545,843)	(14,969,644)
Change in unrealized gain (loss) on currency forward contracts	7,470	(7,470)
Change in unrealized gain (loss) on currency spots contracts	152	(152)
Net gain (loss) on investments	1,977,911	(2,828,713)
Securities lending (note 11)	278	–
Net realized and unrealized foreign currency translation gain (loss)	(94,624)	217,979
Other income	411	17
Total income (loss), net	1,883,976	(2,610,717)
EXPENSES		
Management fees (note 5)	167,246	203,053
Fixed administration fees and operating expense (note 6)	33,443	48,121
Independent Review Committee fees	1,135	1,184
Interest expense and bank overdraft charges	1,394	626
Foreign withholding taxes/tax reclaims	(9,335)	28,331
Other fund costs	–	1
Harmonized Sales Tax/Goods and Services Tax	20,879	24,749
Transaction costs	33,069	104,884
Total expenses	247,831	410,949
Expenses absorbed by the Manager	(20)	(13,508)
Net expenses	247,811	397,441
Increase (decrease) in net assets attributable to holders of redeemable units from operations	1,636,165	(3,008,158)
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A	1,603,189	(697,933)
Advisor Series	145	(253)
Series F	5,596	(1,706)
Series I	27,235	(2,308,266)
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT†		
Series A	1.50	(0.60)
Advisor Series	0.32	(0.56)
Series F	1.66	(0.61)
Series I	1.74	(3.92)
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series A	1,067,127	1,156,506
Advisor Series	458	450
Series F	3,365	2,790
Series I	15,678	588,216

† 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 International Value Fund (Continued)

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

For the periods ended December 31 (note 1),

(in dollars)	2017	2016
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series A	8,846,400	10,632,104
Advisor Series	3,555	3,808
Series F	29,816	21,860
Series I	121,882	56,380,816
	9,001,653	67,038,588
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A	1,603,189	(697,933)
Advisor Series	145	(253)
Series F	5,596	(1,706)
Series I	27,235	(2,308,266)
	1,636,165	(3,008,158)
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net investment income		
Series A	–	(160,068)
Advisor Series	–	(67)
Series F	–	(1,029)
Series I	–	(2,166)
	–	(163,330)
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A	975,522	527,477
Series F	2,567	9,995
Series I	26,640	130,300
Reinvested distributions		
Series A	–	159,445
Advisor Series	–	67
Series F	–	1,029
Series I	–	2,166
Payments on redemption		
Series A	(1,622,927)	(1,614,625)
Advisor Series	(3,700)	–
Series F	(29,479)	(333)
Series I	(24,260)	(54,080,968)
	(675,637)	(54,865,447)
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A	955,784	(1,785,704)
Advisor Series	(3,555)	(253)
Series F	(21,316)	7,956
Series I	29,615	(56,258,934)
	960,528	(58,036,935)
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END 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
	9,962,181	9,001,653

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	1,636,165	(3,008,158)
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(2,448,171)	(11,778,313)
Unrealized foreign currency translation (gain) loss	(4,349)	(39,285)
Change in unrealized (gain) loss on non-derivative financial assets	545,843	14,969,644
Change in unrealized (gain) loss on currency forward contracts	(7,470)	7,470
Change in unrealized (gain) loss on currency spot contracts	(152)	152
Purchases of portfolio investments	(10,481,795)	(4,319,979)
Proceeds from sale of portfolio investments	12,252,667	58,334,969
Accrued investment income and other	896	70,815
Accrued expenses and other payables	(648)	648
Net cash provided by (used in) operating activities	1,492,986	54,237,963
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	1,010,031	658,202
Amounts paid on redemption of redeemable units	(1,685,242)	(55,687,494)
Distributions to unitholders of redeemable units	(37)	(636)
Net cash provided by (used in) financing activities	(675,248)	(55,029,928)
Unrealized foreign currency translation gain (loss)	4,349	39,285
Net increase (decrease) in cash	817,738	(791,965)
Cash (bank overdraft), beginning of period	60,789	813,469
CASH (BANK OVERDRAFT), END OF PERIOD	882,876	60,789
Interest paid[1]	1,394	626
Interest received[1]	2,465	3,553
Dividends received, net of withholding taxes[1]	209,566	294,299

[1] Classified as operating items.

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

Scotia International Value Fund (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2017

Issuer	Number of Shares	Average Cost ($)	Carrying Value ($)
EQUITIES – 91.1%			
Australia – 3.0%			
Ansell Ltd.	12,700	309,905	301,581
Brazil – 3.3%			
Cielo S.A.	15,800	150,413	140,328
Odontoprev S.A.	31,900	152,378	191,920
		302,791	332,248
Denmark – 2.0%			
Topdanmark A/S	3,600	150,894	195,048
Finland – 4.1%			
Nokian Renkaat Oyj	4,600	253,486	261,704
Sampo Oyj	2,100	147,581	144,903
		401,067	406,607
France – 7.0%			
LVMH Moet Hennessy Louis Vuitton SA	920	184,962	339,447
Schneider Electric SA	3,400	350,308	362,191
		535,270	701,638
Germany – 3.7%			
Fresenius SE & Co. KGaA	3,300	374,888	322,721
Gerresheimer AG	440	23,654	45,684
		398,542	368,405
Hong Kong – 5.1%			
Hengan International Group Co., Ltd.	11,300	120,891	157,524
Techtronic Industries Co., Ltd.	42,500	250,070	347,905
		370,961	505,429
Japan – 9.2%			
FANUC Corporation	500	129,514	150,931
Kuraray Co., Ltd.	10,300	256,676	244,258
Sony Corporation	6,300	311,626	355,549
Tsuruha Holdings Inc.	1,000	148,750	170,355
		846,566	921,093
Netherlands – 9.4%			
Koninklijke Philips NV	6,900	331,719	327,875
Unilever NV	4,400	330,054	310,509
Wolters Kluwer NV	4,600	265,945	300,873
		927,718	939,257
Norway – 6.1%			
Atea ASA	8,600	147,005	152,003
Gjensidige Forsikring ASA	6,900	150,660	163,520
Kongsberg Gruppen ASA	7,600	154,510	175,788
Protector Forsikring ASA	8,600	96,796	118,454
		548,971	609,765
Portugal – 0.0%			
Banco Espirito Santo	1,538,200	2,631,820	2,225
Singapore – 7.6%			
DBS Group Holdings Limited	7,700	150,316	179,128
Parkway Life Real Estate Investment Trust	60,100	150,098	168,617
Sembcorp Industries Ltd.	84,400	248,403	239,773
United Overseas Bank Ltd.	6,800	149,124	168,542
		697,941	756,060
South Korea – 3.0%			
Samsung Electronics Co., Ltd.	100	271,937	299,561
Spain – 3.7%			
Amadeus IT Holding S.A., Class A	4,100	325,276	370,665
Sweden – 0.5%			
Hexagon AB	800	48,592	50,349
EQUITIES (cont'd)			
Switzerland – 3.1%			
Nestle SA	2,900	325,441	313,054
United Kingdom – 14.2%			
Admiral Group PLC	4,300	152,964	145,692
B&M European Value Retail SA	8,500	48,182	60,900
Beazley PLC	18,500	151,742	166,648
Diageo PLC	7,100	294,596	326,478
Inchcape PLC	17,005	190,210	225,255
Just Eat PLC	12,100	124,401	159,481
RELX PLC	10,300	298,309	303,181
		1,260,404	1,387,635
United States – 6.1%			
Check Point Software Technologies Ltd.	2,200	322,648	286,301
Grupo Aeroportuario del Sureste S.A. de CV–ADR	200	47,490	45,843
Nielsen Holdings PLC	6,100	306,616	278,861
		676,754	611,005
Transaction Costs		(15,980)	
TOTAL INVESTMENT PORTFOLIO		11,014,870	9,071,625
OTHER ASSETS, LESS LIABILITIES – 8.9%			890,556
NET ASSETS – 100.0%			9,962,181

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

Scotia International Value Fund (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 December 31, 2017 and December 31, 2016. 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.

	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

	December 31, 2016			
Currency	Gross currency exposure ($)	Currency contracts ($)	Net exposure ($)	Percentage of net assets (%)
European Euro	2,815,146	(990,800)	1,824,346	20.3
Japanese Yen	1,459,957	–	1,459,957	16.2
British Pound	1,608,958	(791,272)	817,686	9.1
Hong Kong Dollar	694,995	31,257	726,252	8.1
Australian Dollar	509,580	–	509,580	5.7
Taiwan Dollar	433,170	–	433,170	4.8
South Korean Won	296,095	–	296,095	3.3
US Dollar	477,240	(201,340)	275,900	3.1
Brazilian Real	239,525	–	239,525	2.7
Swiss Franc	222,543	–	222,543	2.5
Thai Baht	180,330	–	180,330	2.0
Philippines Peso	68,113	–	68,113	0.8
	9,005,652	(1,952,155)	7,053,497	78.6

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 $938,025 or 9.4% of net assets (December 31, 2016 – $705,351 or 7.9%). 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 December 31, 2017, approximately 91.1% (December 31, 2016 – 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 of the Fund would have decreased or increased, respectively, by approximately $907,163 (December 31, 2016 – $898,312). 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 December 31, 2017 or December 31, 2016.

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 (%)	
	December 31, 2017	December 31, 2016
Australia	3.0	5.6
Brazil	3.3	2.7
Denmark	2.0	–
Finland	4.1	–
France	7.0	12.2
Germany	3.7	11.1
Greece	–	2.3
Hong Kong	5.1	7.7
Ireland	–	4.0
Italy	–	1.6
Japan	9.2	16.1
Netherlands	9.4	–
Norway	6.1	–
Philippines	–	0.8
Portugal	0.0	0.1
Singapore	7.6	–
South Korea	3.0	3.3
Spain	3.7	–
Sweden	0.5	–
Switzerland	3.1	2.5
Taiwan	–	4.7
Thailand	–	2.0
United Kingdom	14.2	19.8
United States	6.1	3.3

Fair Value Classification (note 2)

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

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

Scotia International Value Fund (Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

December 31, 2016	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Equities	295,677	8,687,439	–	8,983,116
Unrealized gain on currency forward contracts	–	6,093	–	6,093
	295,677	8,693,532	–	8,989,209
Unrealized loss on currency forward contracts	–	(13,563)	–	(13,563)
Unrealized loss on currency spot contracts	–	(152)	–	(152)
	295,677	8,679,817	–	8,975,494

Transfers between levels

During the periods ended December 31, 2017 and December 31, 2016, 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. As at December 31, 2017, the Fund did not enter into any agreement whereby the financial instruments were eligible for offset.

	December 31, 2016			
Financial assets – by type	Gross amount of assets ($)	Master netting offset ($)	Collateral pledged/ received ($)	Net Amount ($)
Currency forward contracts	6,093	(1,857)	–	4,236
Options contracts – OTC	–	–	–	–
Swap contracts – OTC	–	–	–	–
	6,093	(1,857)	–	4,236

Financial liabilities – by type	Gross amount of liabilities ($)	Master netting offset ($)	Collateral pledged/ received ($)	Net Amount ($)
Currency forward contracts	13,563	(1,857)	–	11,706
Options contracts – OTC	–	–	–	–
Swap contracts – OTC	–	–	–	–
	13,563	(1,857)	–	11,706

Interest in Underlying Funds (note 2)

The Fund did not hold any interest in Underlying Funds as at December 31, 2017 or December 31, 2016.

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

As at December 31, 2017 or December 31, 2016, 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

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	December 31, 2017	December 31, 2016
ASSETS		
Current assets		
Investments		
Non-derivative financial assets	19,046,049	18,676,327
Cash	77,881	143,101
Subscriptions receivable	1,189	5,328
Accrued investment income and other	–	25,752
	19,125,119	18,850,508
LIABILITIES		
Current liabilities		
Redemptions payable	7,684	5,786
Accrued expenses	–	1,368
Distributions payable	134	–
Unrealized loss on currency spot contracts	–	10
	7,818	7,164
Net assets attributable to holders of redeemable units	19,117,301	18,843,344
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series A	19,104,233	18,821,783
Series F	13,068	21,561
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series A	15.37	13.66
Series F	15.65	13.72

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except average units)	2017	2016
INCOME		
Net gain (loss) on investments		
Dividends	588,544	544,003
Interest for distribution purposes	1,247	1,274
Net realized gain (loss) on non-derivative financial assets	(90,536)	1,990,489
Change in unrealized gain (loss) on non-derivative financial assets	2,351,196	(3,631,127)
Change in unrealized gain (loss) on currency spots contracts	10	3,152
Net gain (loss) on investments	2,850,461	(1,092,209)
Securities lending (note 11)	603	443
Net realized and unrealized foreign currency translation gain (loss)	(1,619)	(40,294)
Other income	35	682
Total income (loss), net	2,849,480	(1,131,378)
EXPENSES		
Management fees (note 5)	342,858	403,257
Fixed administration fees (note 6)	68,618	81,084
Independent Review Committee fees	1,135	1,184
Interest expense and bank overdraft charges	63	1,132
Foreign withholding taxes/tax reclaims	77,157	74,736
Other fund costs	–	3
Harmonized Sales Tax/Goods and Services Tax	44,601	52,148
Transaction costs	10,817	10,915
Total expenses	545,249	624,459
Increase (decrease) in net assets attributable to holders of redeemable units from operations	2,304,231	(1,755,837)
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A	2,300,351	(1,620,274)
Series F	3,880	(135,563)
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT†		
Series A	1.76	(1.09)
Series F	2.14	(9.34)
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series A	1,305,165	1,481,354
Series F	1,815	14,518

† 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 December 31 (note 1),

(in dollars)	2017	2016
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series A	18,821,783	22,501,005
Series F	21,561	3,741,427
	18,843,344	26,242,432
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A	2,300,351	(1,620,274)
Series F	3,880	(135,563)
	2,304,231	(1,755,837)
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net investment income		
Series A	(81,657)	–
	(81,657)	–
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A	2,571,066	1,530,721
Series F	10,898	41,040
Reinvested distributions		
Series A	81,657	–
Payments on redemption		
Series A	(4,588,967)	(3,589,669)
Series F	(23,271)	(3,625,343)
	(1,948,617)	(5,643,251)
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A	282,450	(3,679,222)
Series F	(8,493)	(3,719,866)
	273,957	(7,399,088)
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series A	19,104,233	18,821,783
Series F	13,068	21,561
	19,117,301	18,843,344

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	2,304,231	(1,755,837)
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	90,536	(1,990,489)
Unrealized foreign currency translation (gain) loss	(1)	49,526
Change in unrealized (gain) loss on non-derivative financial assets	(2,351,196)	3,631,127
Change in unrealized (gain) loss on currency spot contracts	(10)	(3,152)
Purchases of portfolio investments	(4,975,822)	(6,059,362)
Proceeds from sale of portfolio investments	6,866,761	10,800,593
Accrued investment income and other	25,752	(3,606)
Accrued expenses and other payables	(1,368)	1,368
Net cash provided by (used in) operating activities	1,958,883	4,670,168
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	2,575,339	1,640,130
Amounts paid on redemption of redeemable units	(4,599,443)	(7,222,417)
Net cash provided by (used in) financing activities	(2,024,104)	(5,582,287)
Unrealized foreign currency translation gain (loss)	1	(49,526)
Net increase (decrease) in cash	(65,221)	(912,119)
Cash (bank overdraft), beginning of period	143,101	1,104,746
CASH (BANK OVERDRAFT), END OF PERIOD	77,881	143,101
Interest paid[1]	63	1,132
Interest received[1]	1,321	1,544
Dividends received, net of withholding taxes[1]	537,065	465,392

(1) Classified as operating items.

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

Scotia European Fund (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2017

Issuer	Number of Shares	Average Cost ($)	Carrying Value ($)
EQUITIES – 99.6%			
Denmark – 5.9%			
Pandora A/S	3,084	497,537	421,640
Novo Nordisk A/S, Class B	10,356	400,610	699,218
		898,147	1,120,858
Finland – 2.4%			
Nokia Oyj	77,406	670,596	454,125
France – 9.6%			
Legrand SA	6,630	422,230	640,242
Sodexo	3,338	332,947	562,935
Valeo SA	6,685	218,828	625,737
		974,005	1,828,914
Germany – 25.9%			
Adidas-Salomon AG	2,715	217,667	680,753
Bayer AG	5,141	570,295	803,132
Deutsche Boerse AG	5,254	443,312	764,950
Duerr AG	1,248	192,012	199,668
Fresenius SE & Co. KGaA	5,478	232,461	535,727
KION Group AG	3,424	274,416	371,051
Merck KGaA	2,982	422,159	403,355
QIAGEN NV	9,020	377,005	353,778
Wirecard AG	6,025	348,306	844,893
		3,077,633	4,957,307
Ireland – 1.1%			
AIB Group PLC	26,294	183,321	217,948
Netherlands – 7.5%			
ASML Holding NV	3,234	211,301	704,718
ING Groep NV	31,706	386,767	732,798
		598,068	1,437,516
Norway – 4.5%			
DnB NOR ASA	23,136	338,072	537,537
Statoil ASA	11,964	243,381	321,601
		581,453	859,138
Spain – 12.7%			
Aena S.A.	2,000	205,816	508,556
Amadeus IT Holding S.A., Class A	9,281	456,016	839,059
Gamesa Corporation Tecnologica S.A.	24,573	399,919	422,644
Gas Natural SDG S.A.	6,605	169,912	191,420
Industria de Diseno Textil S.A.	10,866	353,770	474,706
		1,585,433	2,436,385
Sweden – 3.3%			
Lundin Petroleum AB	10,611	286,040	305,507
Swedbank AB	10,904	203,922	330,342
		489,962	635,849
Switzerland – 7.7%			
Dufry AG	1,509	249,749	281,839
Lonza Group AG	1,593	538,258	540,582
Roche Holdings AG	2,029	494,057	644,720
		1,282,064	1,467,141
United Kingdom – 19.0%			
ASOS PLC	2,998	313,640	341,366
ConvaTec Group PLC	105,273	417,180	365,536
DS Smith PLC	30,615	271,632	267,523
Prudential PLC	20,468	606,211	661,172
Reckitt Benkiser Group PLC	4,685	593,858	549,835
Sberbank of Russia	21,765	183,276	462,665
EQUITIES (cont'd)			
United Kingdom (cont'd)			
Schroders PLC	6,915	315,978	410,963
Worldpay Group PLC	79,410	411,431	571,808
		3,113,206	3,630,868
Transaction Costs		(11,977)	
TOTAL INVESTMENT PORTFOLIO		13,441,911	19,046,049
OTHER ASSETS, LESS LIABILITIES – 0.4%			71,252
NET ASSETS – 100.0%			19,117,301

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

Scotia European Fund (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 December 31, 2017 and December 31, 2016. 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.

	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

	December 31, 2016			
Currency	Gross currency exposure ($)	Currency contracts ($)	Net exposure ($)	Percentage of net assets (%)
European Euro	10,643,828	–	10,643,828	56.5
British Pound	3,685,381	–	3,685,381	19.6
Swiss Franc	1,154,276	–	1,154,276	6.1
Danish Krone	981,100	–	981,100	5.2
Norwegian Krone	940,814	4,511	945,325	5.0
Swedish Krona	798,706	–	798,706	4.2
US Dollar	461,135	–	461,135	2.4
	18,665,240	4,511	18,669,751	99.0

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 $1,904,639 or 10.0% of net assets (December 31, 2016 – $1,866,977 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 December 31, 2017, approximately 99.6% (December 31, 2016 – 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 of the Fund would have decreased or increased, respectively, by approximately $1,904,605 (December 31, 2016 – $1,867,633). 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 December 31, 2017 or December 31, 2016.

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 (%)	
	December 31, 2017	December 31, 2016
Belgium	–	1.7
Denmark	5.9	5.2
Finland	2.4	2.6
France	9.6	11.2
Germany	25.9	18.6
Ireland	1.1	1.1
Netherlands	7.5	9.1
Norway	4.5	5.0
Spain	12.7	12.2
Sweden	3.3	4.2
Switzerland	7.7	6.1
United Kingdom	19.0	22.1

Fair Value Classification (note 2)

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

December 31, 2017	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Equities	–	19,046,049	–	19,046,049
	–	19,046,049	–	19,046,049

December 31, 2016	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Equities	–	18,676,327	–	18,676,327
	–	18,676,327	–	18,676,327
Unrealized loss on currency spot contracts	–	(10)	–	(10)
	–	18,676,317	–	18,676,317

Transfers between levels

During the periods ended December 31, 2017 and December 31, 2016, there were no significant transfers between Level 1 and Level 2.

Offsetting of financial assets and liabilities (note 2)

As at December 31, 2017 and December 31, 2016, the Fund did not enter into any agreement whereby the financial instruments were eligible for offset.

Scotia European Fund (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 December 31, 2017 or December 31, 2016.

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

As at December 31, 2017 or December 31, 2016, 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

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	December 31, 2017	December 31, 2016
ASSETS		
Current assets		
Investments		
Non-derivative financial assets	17,690,081	13,928,430
Cash	55,840	323,712
Receivable for securities sold	–	331,476
Subscriptions receivable	2,759	9,056
Accrued investment income and other	9,219	11,465
	17,757,899	14,604,139
LIABILITIES		
Current liabilities		
Payable for securities purchased	–	50,589
Redemptions payable	1,049	2,713
Accrued expenses	–	1,050
Unrealized loss on currency forward contracts	–	3,500
	1,049	57,852
Net assets attributable to holders of redeemable units	17,756,850	14,546,287
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series A	17,731,840	14,528,179
Series F	25,010	18,108
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series A	15.60	12.21
Series F	15.82	12.29

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except average units)	2017	2016
INCOME		
Net gain (loss) on investments		
Dividends	262,563	363,790
Interest for distribution purposes	962	827
Net realized gain (loss) on non-derivative financial assets	2,383,789	348,038
Net realized gain (loss) on currency forward contracts	(12,181)	(24,236)
Change in unrealized gain (loss) on non-derivative financial assets	1,694,514	(1,226,155)
Change in unrealized gain (loss) on currency forward contracts	3,500	(3,500)
Change in unrealized gain (loss) on currency spots contracts	–	264
Net gain (loss) on investments	4,333,147	(540,972)
Securities lending (note 11)	76	–
Net realized and unrealized foreign currency translation gain (loss)	(4,509)	(11,750)
Other income	132	229
Total income (loss), net	4,328,846	(552,493)
EXPENSES		
Management fees (note 5)	275,927	309,298
Fixed administration fees (note 6)	55,276	61,864
Independent Review Committee fees	1,135	1,184
Interest expense and bank overdraft charges	1,783	207
Foreign withholding taxes/tax reclaims	38,108	58,814
Other fund costs	–	2
Harmonized Sales Tax/Goods and Services Tax	33,930	37,899
Transaction costs	53,344	29,722
Total expenses	459,503	498,990
Increase (decrease) in net assets attributable to holders of redeemable units from operations	3,869,343	(1,051,483)
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A	3,864,846	(1,051,419)
Series F	4,497	(64)
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT†		
Series A	3.37	(0.84)
Series F	1.53	(0.22)
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series A	1,147,436	1,258,857
Series F	2,946	293

† 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 December 31 (note 1),

(in dollars)	2017	2016
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series A	14,528,179	17,409,272
Series F	18,108	–
	14,546,287	17,409,272
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A	3,864,846	(1,051,419)
Series F	4,497	(64)
	3,869,343	(1,051,483)
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A	1,914,380	641,440
Series F	260,427	18,172
Reinvested distributions		
Series A	–	6
Payments on redemption		
Series A	(2,575,565)	(2,471,120)
Series F	(258,022)	–
	(658,780)	(1,811,502)
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A	3,203,661	(2,881,093)
Series F	6,902	18,108
	3,210,563	(2,862,985)
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series A	17,731,840	14,528,179
Series F	25,010	18,108
	17,756,850	14,546,287

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	3,869,343	(1,051,483)
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(2,383,789)	(348,038)
Unrealized foreign currency translation (gain) loss	(1,654)	6,473
Change in unrealized (gain) loss on non-derivative financial assets	(1,694,514)	1,226,155
Change in unrealized (gain) loss on currency forward contracts	(3,500)	3,500
Change in unrealized (gain) loss on currency spot contracts	–	(264)
Non-cash transactions	(414)	–
Purchases of portfolio investments	(14,443,624)	(6,090,806)
Proceeds from sale of portfolio investments	15,041,575	8,145,905
Accrued investment income and other	2,246	(1,744)
Accrued expenses and other payables	(1,050)	1,050
Net cash provided by (used in) operating activities	384,619	1,890,748
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	2,181,105	636,772
Amounts paid on redemption of redeemable units	(2,835,250)	(2,457,634)
Distributions to unitholders of redeemable units	–	(728)
Net cash provided by (used in) financing activities	(654,145)	(1,821,590)
Unrealized foreign currency translation gain (loss)	1,654	(6,473)
Net increase (decrease) in cash	(269,526)	69,158
Cash (bank overdraft), beginning of period	323,712	261,027
CASH (BANK OVERDRAFT), END OF PERIOD	55,840	323,712
Interest paid[1]	1,783	207
Interest received[1]	989	810
Dividends received, net of withholding taxes[1]	226,260	303,246

[1] Classified as operating items.

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

Scotia Pacific Rim Fund (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2017

Issuer	Number of Shares	Average Cost ($)	Carrying Value ($)
EQUITIES – 99.6%			
Hong Kong – 34.9%			
AAC Acoustic Technologies Holdings Inc.	10,500	74,626	234,531
AIA Group Ltd.	31,400	232,392	336,327
ANTA Sports Products Ltd.	40,000	196,640	227,885
BYD Co., Ltd., Class H	46,000	383,827	501,429
Fosun International Ltd.	233,000	499,579	646,206
Fuyao Glass Industry Group Co., Ltd.	73,400	325,038	388,300
Hengan International Group Co., Ltd.	40,500	417,122	564,577
Industrial and Commercial Bank of China Ltd., Class H	535,000	477,300	538,831
Li Ning Co., Ltd.	555,000	561,082	564,154
Ping An Insurance Group Company of China Ltd.	40,000	379,186	522,882
PRADA SpA	35,000	191,813	159,248
Sands China Ltd.	77,000	467,563	497,741
Tencent Holdings Limited	7,100	363,765	460,973
Tsingtao Brewery Company Ltd.	84,500	429,883	546,939
		4,999,816	6,190,023
Indonesia – 2.9%			
PT Bank Central Asia Tbk	133,500	160,091	270,308
PT Bank Rakyat Indonesia (Persero) Tbk	737,500	173,694	248,020
		333,785	518,328
Japan – 14.8%			
Horiba Ltd.	4,100	166,937	309,668
NIDEC Corporation	3,000	176,261	529,097
SMC Corporation	1,000	325,642	517,368
Square Enix Holdings Co., Ltd.	9,800	421,305	584,619
TechnoPro Holdings Inc.	6,000	234,207	409,514
Unicharm Corporation	8,400	220,729	274,345
		1,545,081	2,624,611
Philippines – 2.8%			
BDO Unibank, Inc.	120,452	331,226	496,201
Singapore – 0.5%			
Mapletree Logistics Trust	65,000	72,316	80,595
South Korea – 7.2%			
Amorepacific Corporation	1,450	466,419	519,261
Samsung Electronics Co., Ltd.	160	439,966	479,297
SK Hynix Inc.	3,200	255,057	284,891
		1,161,442	1,283,449
Switzerland – 3.5%			
Swatch Group AG, Class B	1,200	593,374	614,519
Taiwan – 5.8%			
Airtac International Group	22,072	242,684	498,696
Taiwan Semiconductor Manufacturing Company Ltd.	54,000	322,783	522,818
		565,467	1,021,514
Thailand – 4.3%			
Airports of Thailand Public Company Ltd.	118,000	202,013	308,863
Minor International PCL	272,000	391,743	458,342
		593,756	767,205
United Kingdom – 2.1%			
Mahindra & Mahindra Ltd.	12,600	292,597	368,579
United States – 20.8%			
Alibaba Group Holding Ltd.	2,900	478,715	628,010
Baidu, Inc.	2,300	587,665	676,533
BEST Inc. – ADR	13,000	151,749	146,614
BHP Billiton Ltd. – ADR	5,000	240,540	288,795
Ctrip.com International Ltd. – ADR	2,400	150,618	132,925
JinkoSolar Holding Co., Ltd. – ADR	10,800	354,611	326,208
NetEase, Inc.	1,050	407,312	455,043
Sony Corporation	9,800	473,556	553,238
Yum China Holdings Inc.	10,300	493,904	517,691
		3,338,670	3,725,057
Transaction Costs		(23,921)	
TOTAL INVESTMENT PORTFOLIO		13,803,609	17,690,081
OTHER ASSETS, LESS LIABILITIES – 0.4%			66,769
NET ASSETS – 100.0%			17,756,850

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

Scotia Pacific Rim Fund (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 December 31, 2017 and December 31, 2016. 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.

	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

	December 31, 2016			
Currency	Gross currency exposure ($)	Currency contracts ($)	Net exposure ($)	Percentage of net assets (%)
Japanese Yen	5,685,797	–	5,685,797	39.1
Hong Kong Dollar	2,244,147	–	2,244,147	15.4
Taiwan Dollar	1,705,114	–	1,705,114	11.7
Australian Dollar	1,234,590	–	1,234,590	8.5
South Korean Won	790,840	–	790,840	5.4
Thai Baht	735,935	–	735,935	5.1
Indonesian Rupiah	648,397	–	648,397	4.5
Philippines Peso	461,872	–	461,872	3.2
US Dollar	744,874	(604,018)	140,856	1.0
	14,251,566	(604,018)	13,647,548	93.9

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 $1,783,946 or 10.0% of net assets (December 31, 2016 – $1,364,755 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 December 31, 2017, approximately 99.6% (December 31, 2016 – 95.7%) 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 of the Fund would have decreased or increased, respectively, by approximately $1,769,008 (December 31, 2016 – $1,392,843). 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.

	December 31, 2017		December 31, 2016	
	Percentage of total credit rated instruments (%)	Percentage of net assets (%)	Percentage of total credit rated instruments (%)	Percentage of net assets (%)
Credit ratings				
BBB	–	–	100.0	0.7
	–	–	100.0	0.7

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 (%)	
	December 31, 2017	December 31, 2016
Australia	–	8.5
Hong Kong	34.9	15.6
Indonesia	2.9	4.5
Japan	14.8	38.9
Philippines	2.8	3.2
Singapore	0.5	–
South Korea	7.2	5.4
Switzerland	3.5	–
Taiwan	5.8	9.1
Thailand	4.3	5.1
United Kingdom	2.1	2.0
United States	20.8	3.4

Fair Value Classification (note 2)

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

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

Scotia Pacific Rim Fund (Continued)

FUND SPECIFIC NOTES
For the periods indicated in Note 1

December 31, 2016	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Equities	489,715	13,438,715	–	13,928,430
	489,715	13,438,715	–	13,928,430
Unrealized loss on currency forward contracts	–	(3,500)	–	(3,500)
	489,715	13,435,215	–	13,924,930

Transfers between levels

During the periods ended December 31, 2017 and December 31, 2016, 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. As at December 31, 2017, the Fund did not enter into any agreement whereby the financial instruments were eligible for offset.

	December 31, 2016			
Financial assets – by type	Gross amount of assets ($)	Master netting offset ($)	Collateral pledged/ received ($)	Net Amount ($)
Currency forward contracts	–	–	–	–
Options contracts – OTC	–	–	–	–
Swap contracts – OTC	–	–	–	–
	–	–	–	–

Financial liabilities – by type	Gross amount of liabilities ($)	Master netting offset ($)	Collateral pledged/ received ($)	Net Amount ($)
Currency forward contracts	3,500	–	–	3,500
Options contracts – OTC	–	–	–	–
Swap contracts – OTC	–	–	–	–
	3,500	–	–	3,500

Interest in Underlying Funds (note 2)

The Fund did not hold any interest in Underlying Funds as at December 31, 2017 or December 31, 2016.

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

As at December 31, 2017 or December 31, 2016, 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

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	December 31, 2017	December 31, 2016
ASSETS		
Current assets		
Investments		
Non-derivative financial assets	19,756,143	20,938,683
Cash	66,578	98,574
Subscriptions receivable	6,303	12,013
Accrued investment income and other	60,886	88,938
	19,889,910	21,138,208
LIABILITIES		
Current liabilities		
Redemptions payable	8,877	14,497
Accrued expenses	–	1,488
Distributions payable	292	157
	9,169	16,142
Net assets attributable to holders of redeemable units	19,880,741	21,122,066
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series A	19,848,287	21,114,025
Series F	32,454	8,041
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series A	17.79	16.52
Series F	17.37	16.34

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except average units)	2017	2016
INCOME		
Net gain (loss) on investments		
Dividends	492,903	584,436
Interest for distribution purposes	205,037	95,421
Net realized gain (loss) on non-derivative financial assets	1,787,066	(3,024,279)
Change in unrealized gain (loss) on non-derivative financial assets	39,142	6,228,983
Net gain (loss) on investments	2,524,148	3,884,561
Securities lending (note 11)	1,531	962
Net realized and unrealized foreign currency translation gain (loss)	(66,201)	(58,840)
Other income	1,429	6,004
Total income (loss), net	2,460,907	3,832,687
EXPENSES		
Management fees (note 5)	385,738	422,881
Fixed administration fees (note 6)	72,510	69,781
Independent Review Committee fees	1,135	1,184
Interest expense and bank overdraft charges	282	444
Foreign withholding taxes/tax reclaims	55,280	44,444
Other fund costs	–	3
Harmonized Sales Tax/Goods and Services Tax	48,715	52,168
Transaction costs	15,890	24,204
Total expenses	579,550	615,109
Increase (decrease) in net assets attributable to holders of redeemable units from operations	1,881,357	3,217,578
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A	1,881,077	3,217,052
Series F	280	526
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT†		
Series A	1.57	2.40
Series F	0.45	1.10
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series A	1,198,608	1,338,058
Series F	616	477

† 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 Latin American Fund (Continued)

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

For the periods ended December 31 (note 1),

(in dollars)	2017	2016
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series A	21,114,025	20,011,024
Series F	8,041	–
	21,122,066	20,011,024
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A	1,881,077	3,217,052
Series F	280	526
	1,881,357	3,217,578
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net investment income		
Series A	(156,780)	(94,545)
Series F	(948)	(158)
	(157,728)	(94,703)
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A	2,256,053	1,781,604
Series F	24,634	7,515
Reinvested distributions		
Series A	156,780	93,853
Series F	948	158
Payments on redemption		
Series A	(5,402,868)	(3,894,963)
Series F	(501)	–
	(2,964,954)	(2,011,833)
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A	(1,265,738)	1,103,001
Series F	24,413	8,041
	(1,241,325)	1,111,042
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series A	19,848,287	21,114,025
Series F	32,454	8,041
	19,880,741	21,122,066

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	1,881,357	3,217,578
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(1,787,066)	3,024,279
Unrealized foreign currency translation (gain) loss	(848)	67,560
Change in unrealized (gain) loss on non-derivative financial assets	(39,142)	(6,228,983)
Non-cash transactions	–	(106,356)
Purchases of portfolio investments	(8,079,340)	(13,293,777)
Proceeds from sale of portfolio investments	11,088,087	15,584,230
Accrued investment income and other	28,052	(46,770)
Accrued expenses and other payables	(1,488)	1,488
Net cash provided by (used in) operating activities	3,089,612	2,219,249
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	2,262,389	1,780,529
Amounts paid on redemption of redeemable units	(5,384,845)	(3,899,700)
Distributions to unitholders of redeemable units	–	(535)
Net cash provided by (used in) financing activities	(3,122,456)	(2,119,706)
Unrealized foreign currency translation gain (loss)	848	(67,560)
Net increase (decrease) in cash	(32,844)	99,543
Cash (bank overdraft), beginning of period	98,574	66,591
CASH (BANK OVERDRAFT), END OF PERIOD	66,578	98,574
Interest paid[1]	282	444
Interest received[1]	205,058	95,415
Dividends received, net of withholding taxes[1]	465,653	386,871

[1] Classified as operating items.

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

Scotia Latin American Fund (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2017

Issuer	Number of Shares	Average Cost ($)	Carrying Value ($)
EQUITIES – 99.4%			
Brazil – 54.3%			
AES Tiete Energia S.A.	146,617	967,479	707,478
Alupar Investimento S.A.	130,708	645,639	913,397
Ambev S.A.	8,060	60,892	65,707
Banco Bradesco S.A.	37,128	309,868	445,363
Banco Bradesco S.A., Preference	71,346	973,077	920,508
BB Seguridade Participacoes S.A.	141,790	1,531,087	1,528,866
BM&F BOVESPA S.A.	79,536	424,823	685,766
Cielo S.A.	131,661	1,181,203	1,169,349
Itau Unibanco Holding S.A., Preference	66,950	820,967	1,090,592
Itausa – Investimentos Itau S.A., Preference	171,151	623,111	700,293
Petroleo Brasileriro S.A., Preference	310,206	1,539,004	1,908,362
Sao Martinho S.A.	88,253	613,319	645,527
		9,690,469	10,781,208
Chile – 1.5%			
SACI Falabella	24,426	234,746	306,157
Colombia – 1.2%			
Cemex Latam Holdings S.A.	51,107	431,520	236,465
Mexico – 31.5%			
Alsea S.A.B. de C.V.	51,692	220,200	212,596
Banregio Grupo Financiero S.A.B. de C.V.	9,284	62,771	63,677
Controladora Vuela Cia de Aviacion S.A.B. de C.V.	244,705	389,959	245,935
Fibra Uno Administracion S.A. de C.V.	277,340	625,964	516,358
Gentera S.A.B. de C.V.	222,224	415,755	232,712
Grupo Aeroportuario del Centro Norte S.A.B. de C.V.	13,744	109,905	89,280
Grupo Financiero Banorte S.A.B. de C.V., Series O	131,753	843,292	907,714
Grupo Financiero Interacciones S.A. de C.V.	99,907	751,508	557,900
Hoteles City Express S.A.B. de C.V.	207,630	325,191	321,700
Industrias Bachoco, S.A., Series B	123,902	651,105	741,132
Infraestructura Energetica Nova S.A.B. de C.V.	163,571	1,006,620	1,007,992
Prologis Property Mexico S.A. de C.V.	381,822	702,109	829,691
Promotora y Operadora de Infraestructura S.A.B. de C.V.	35,651	507,385	443,356
Telesites S.A.B. de C.V.	98,851	83,821	94,611
		6,695,585	6,264,654
United States – 10.9%			
BRF S.A. – ADR	46,947	810,271	663,899
Embraer S.A. – ADR	18,952	579,835	569,579
Grupo Aeroportuario del Centro Norte S.A.B. de C.V. – ADR	10,990	573,860	572,522
Vale S.A. – ADR	23,546	249,850	361,659
		2,213,816	2,167,659
TOTAL EQUITIES		19,266,136	19,756,143
Transaction Costs		(17,477)	
TOTAL INVESTMENT PORTFOLIO		19,248,659	19,756,143
OTHER ASSETS, LESS LIABILITIES – 0.6%			124,598
NET ASSETS – 100.0%			19,880,741

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

Scotia Latin American Fund (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 December 31, 2017 and December 31, 2016. 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.

	December 31, 2017			
Currency	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

	December 31, 2016			
Currency	Gross currency exposure ($)	Currency contracts ($)	Net exposure ($)	Percentage of net assets (%)
Brazilian Real	11,109,350	–	11,109,350	52.6
Mexican Peso	6,415,702	–	6,415,702	30.4
US Dollar	2,860,327	–	2,860,327	13.5
Chile Peso	327,114	–	327,114	1.5
Colombia Peso	295,145	–	295,145	1.4
	21,007,638	–	21,007,638	99.4

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 $1,986,787 or 10.0% of net assets (December 31, 2016 – $2,100,764 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 December 31, 2017, approximately 99.4% (December 31, 2016 – 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 of the Fund would have decreased or increased, respectively, by approximately $1,975,614 (December 31, 2016 – $2,093,868). 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 December 31, 2017 or December 31, 2016.

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 (%)	
	December 31, 2017	December 31, 2016
Brazil	54.3	52.6
Chile	1.5	1.5
Colombia	1.2	1.4
Mexico	31.5	30.4
United States	10.9	13.2

Fair Value Classification (note 2)

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

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

December 31, 2016	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Equities	9,534,188	11,404,495	–	20,938,683
	9,534,188	11,404,495	–	20,938,683

Transfers between levels

During the periods ended December 31, 2017 and December 31, 2016, there were no significant transfers between Level 1 and Level 2.

Offsetting of financial assets and liabilities (note 2)

As at December 31, 2017 and December 31, 2016, 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 December 31, 2017 or December 31, 2016.

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

As at December 31, 2017 or December 31, 2016, 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

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	December 31, 2017	December 31, 2016
ASSETS		
Current assets		
Investments		
Non-derivative financial assets	311,921,814	–
Cash	–	149,999
Receivable for securities sold	1,691,320	–
Subscriptions receivable	933,565	–
Accrued investment income and other	543,889	55
	315,090,588	150,054
LIABILITIES		
Current liabilities		
Bank overdraft	688,914	–
Payable for securities purchased	291,033	–
Redemptions payable	508,433	–
Accrued expenses	9	1
Distributions payable	699	–
Unrealized loss on currency spot contracts	1,492	–
	1,490,580	1
Net assets attributable to holders of redeemable units	313,600,008	150,053
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series M	313,600,008	150,053
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series M	10.39	10.00

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except average units)	2017	2016
INCOME		
Net gain (loss) on investments		
Dividends	7,461,791	–
Interest for distribution purposes	7,747	98
Net realized gain (loss) on non-derivative financial assets	(770,046)	–
Change in unrealized gain (loss) on non-derivative financial assets	9,944,923	–
Change in unrealized gain (loss) on currency spots contracts	(1,492)	–
Net gain (loss) on investments	16,642,923	98
Net realized and unrealized foreign currency translation gain (loss)	(205,788)	–
Total income (loss), net	16,437,135	98
EXPENSES		
Management fees (note 5)	1,307,292	24
Fixed administration fees (note 6)	236,902	16
Independent Review Committee fees	1,135	–
Interest expense and bank overdraft charges	3,542	–
Foreign withholding taxes/tax reclaims	1,060,069	–
Harmonized Sales Tax/Goods and Services Tax	62,015	5
Transaction costs	89,186	–
Total expenses	2,760,140	45
Expenses absorbed by the manager	(951,938)	–
Net expenses	1,808,202	45
Increase (decrease) in net assets attributable to holders of redeemable units from operations	14,628,933	53
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series M	14,628,933	53
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT†		
Series M	0.63	0.00
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series M	23,356,904	15,000

† 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 December 31 (note 1),

(in dollars)	2017	2016
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series M	150,053	–
	150,053	–
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series M	14,628,933	53
	14,628,933	53
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net investment income		
Series M	(5,140,739)	(54)
	(5,140,739)	(54)
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series M	338,422,959	150,000
Reinvested distributions		
Series M	5,140,040	54
Payments on redemption		
Series M	(39,601,238)	–
	303,961,761	150,054
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series M	313,449,955	150,053
	313,449,955	150,053
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series M	313,600,008	150,053
	313,600,008	150,053

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	14,628,933	53
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	770,046	–
Unrealized foreign currency translation (gain) loss	(3,225)	–
Change in unrealized (gain) loss on non-derivative financial assets	(9,944,923)	–
Change in unrealized (gain) loss on currency spot contracts	1,492	–
Non-cash transactions	(71,614)	–
Purchases of portfolio investments	(335,651,602)	–
Proceeds from sale of portfolio investments	31,575,992	–
Accrued investment income and other	(543,834)	(55)
Accrued expenses and other payables	8	1
Net cash provided by (used in) operating activities	(299,238,727)	(1)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	337,489,394	150,000
Amounts paid on redemption of redeemable units	(39,092,805)	–
Net cash provided by (used in) financing activities	298,396,589	150,000
Unrealized foreign currency translation gain (loss)	3,225	–
Net increase (decrease) in cash	(842,138)	149,999
Cash (bank overdraft), beginning of period	149,999	–
CASH (BANK OVERDRAFT), END OF PERIOD	(688,914)	149,999
Interest paid[1]	3,542	–
Interest received[1]	7,803	43
Dividends received, net of withholding taxes[1]	5,786,221	–

[1] Classified as operating items.

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

Scotia Private Global Low Volatility Equity Pool (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2017

Issuer	Number of Shares	Average Cost ($)	Carrying Value ($)
EQUITIES – 99.4%			
Australia – 5.2%			
Alumina Ltd.	1,045,433	2,041,445	2,486,849
AusNet Services	385,979	644,320	683,771
Australian Stock Exchange Ltd.	15,523	806,790	833,993
BHP Billiton Limited	7,966	209,135	230,360
Caltex Australia Limited	10,808	326,094	360,126
Coca-Cola Amatil Ltd.	211,792	2,093,131	1,764,768
Cochlear Limited	12,152	1,671,476	2,038,118
Computershare Ltd.	117,876	1,790,315	1,882,144
Goodman Group	48,078	410,370	395,933
GPT Group	29,390	147,751	146,987
Newcrest Mining Limited	60,305	1,401,763	1,346,108
Origin Energy Ltd.	15,132	128,301	139,811
SEEK Ltd.	19,264	311,520	358,228
Sonic Healthcare Limited	69,257	1,501,973	1,549,230
Stockland	122,692	564,565	539,139
Telstra Corporation Limited	228,835	1,073,814	813,811
Vicinity Centres	247,888	719,242	661,669
		15,842,005	16,231,045
Austria – 0.9%			
Voestalpine AG	38,899	2,240,748	2,920,335
Belgium – 0.3%			
Colruyt SA	16,325	1,049,619	1,066,621
Denmark – 0.3%			
William Demant Holding AS	31,253	834,933	1,092,966
France – 1.1%			
Atos SE	2,466	381,518	450,862
Bollore SA	248	1,273	1,701
ICADE	5,022	545,999	619,983
Iliad SA	1,202	343,822	361,793
TOTAL SA	24,403	1,655,434	1,691,197
TOTAL SA, Rights Jan 03, 2018	24,403	–	22,802
Veolia Environnement SA	13,890	446,000	445,128
		3,374,046	3,593,466
Germany – 0.9%			
Deutsche Telekom AG	9,048	245,047	201,549
Fraport AG Frankfurt Airport Services Worldwide	5,745	520,694	793,827
Fresenius Medical Care AG & Co. KGaA	4,925	535,977	651,533
ThyssenKrupp AG	15,171	493,508	553,334
Wirecard AG	3,566	481,497	500,065
		2,276,723	2,700,308
Hong Kong – 3.2%			
Cheung Kong Infrastructure Holdings Limited	160,627	1,741,759	1,731,840
CLP Holdings Limited	228,500	3,022,372	2,936,782
HKT Trust and HKT Ltd.	543,000	944,754	869,678
Hong Kong and China Gas Company Limited	498,400	1,159,746	1,227,000
Hongkong Electric Holdings Limited	44,895	518,545	475,851
Hysan Development Company Ltd.	23,000	138,814	153,324
Link Real Estate Investment Trust, The	70,000	649,868	814,678
PCCW Limited	1,219,000	962,324	889,041
Shangri-La Asia Limited	290,000	493,153	823,346
		9,631,335	9,921,540
Israel – 2.0%			
Bank Hapoalim BM	42,582	351,937	393,316
Bank Leumi le-Israel Ltd.	280,094	1,636,846	2,119,966
Bezeq Israeli Telecommunication Corporation Ltd.	393,545	913,448	747,567
Israel Chemicals Limited	34,391	197,846	175,046
Mizrahi Tefahot Bank Ltd.	102,828	2,249,585	2,380,910
NICE Systems Limited	3,906	358,273	448,022
		5,707,935	6,264,827

Issuer	Number of Shares	Average Cost ($)	Carrying Value ($)
EQUITIES (cont'd)			
Japan – 8.7%			
Alfresa Holdings Corporation	7,000	164,399	206,419
Brother Industries, Ltd.	32,200	820,009	998,583
Daiwa House Real Estate Investment Trust Investment Corporation	152	523,677	453,655
Idemitsu Kosan Co., Ltd.	39,600	1,673,147	1,990,993
Inpex Corporation	75,600	915,974	1,188,603
Japan Prime Realty Investment Corporation	95	483,147	379,243
JX Holdings Inc	302,600	1,876,470	2,456,485
Kobe Steel Ltd.	47,100	604,261	548,993
Lawson Inc.	1,900	170,315	158,551
Maruichi Steel Tube Ltd.	81,559	3,322,938	2,998,232
McDonald's Holdings Company Japan Ltd.	53,952	2,160,595	2,981,346
Mediceo Paltac Holding Company	30,488	733,754	750,155
Mitsubishi Materials Corporation	16,000	692,703	715,682
Mitsubishi Tanabe Pharma Corporation	39,900	1,091,333	1,033,343
Nippon Prologis REIT Inc.	257	746,132	682,633
Nippon Steel Corporation	62,200	1,991,225	2,005,864
Ryohin Keikaku Co., Ltd.	1,300	453,635	508,544
Sega Sammy Holdings Inc.	28,072	529,417	437,006
Sumitomo Metal Mining Co., Ltd.	15,700	605,533	904,965
Suntory Beverage & Food Ltd.	24,533	1,358,328	1,370,719
Suzuken Co., Ltd.	15,500	684,078	801,309
Taisho Pharmaceutical Holdings Co., Ltd.	6,200	663,467	620,386
Takashimaya Co., Ltd.	109,000	1,357,210	1,440,176
Toho Co Ltd.	3,700	140,178	161,018
Unicharm Corporation	17,344	576,158	566,456
United Urban Investment Corporation	83	168,350	149,952
USS Co., Ltd.	26,600	720,428	707,010
		25,226,861	27,216,321
New Zealand – 2.4%			
Auckland International Airport Limited	339,077	2,163,813	1,955,018
Mercury NZ Ltd.	102,567	298,332	307,040
Meridian Energy Ltd.	53,325	136,499	138,668
Ryman Healthcare Limited	289,686	2,387,301	2,729,057
Spark New Zealand Ltd.	714,267	2,374,955	2,307,462
		7,360,900	7,437,245
Norway – 3.2%			
Norsk Hydro ASA	333,314	2,594,844	3,166,576
Orkla ASA	237,903	2,869,676	3,169,069
Statoil ASA	60,636	1,405,675	1,629,939
Telenor ASA	77,072	1,654,231	2,074,520
		8,524,426	10,040,104
Singapore – 3.5%			
Ascendas Real Estate Investment Trust	291,707	683,146	745,148
CapitaLand Commercial Trust	318,447	472,181	577,143
CapitaLand Mall Trust	821,100	1,517,465	1,642,073
Singapore Exchange Limited	30,436	214,426	212,285
Singapore Press Holdings Ltd.	828,548	2,590,582	2,059,928
Singapore Telecommunications Limited	269,900	992,541	905,120
Starhub Ltd.	837,500	2,183,223	2,242,084
Suntec Real Estate Investment Trust	838,884	1,398,027	1,691,899
Wilmar International Ltd.	272,200	969,593	788,466
		11,021,184	10,864,146
Sweden – 0.8%			
Boliden AB	28,146	1,142,307	1,206,503
Millicom International Cellular S.A.	15,111	1,215,547	1,283,771
		2,357,854	2,490,274
Switzerland – 5.6%			
Baloise Holding AG	3,966	691,291	775,392
Dufry AG	1,367	258,687	255,317
Givaudan SA	295	708,920	854,793
Kuehne + Nagel International AG	10,760	2,037,177	2,388,763
Lindt & Spruengli AG	239	1,750,625	1,833,128

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

Scotia Private Global Low Volatility Equity Pool (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2017

Issuer	Number of Shares	Average Cost ($)	Carrying Value ($)
EQUITIES (cont'd)			
Switzerland (cont'd)			
Lindt & Spruengli AG	4	345,880	363,332
Nestle SA	14,431	1,436,778	1,557,822
Pargesa Holding SA	1,813	160,903	197,313
Sika AG	47	361,234	468,017
Sonova Holdings AG	11,885	2,118,174	2,331,066
Swiss Life Holding AG	3,317	1,343,727	1,474,797
Swiss Prime Site AG	16,572	1,809,339	1,920,977
Swisscom AG	4,880	2,900,408	3,258,617
		15,923,143	17,679,334
United Kingdom – 3.6%			
Antofagasta PLC	44,651	615,388	760,595
British American Tobacco PLC	18,869	1,581,434	1,600,019
Coca-Cola HBC AG	41,905	1,411,345	1,712,559
Compass Group PLC	17,774	460,018	482,874
Fresnillo PLC	23,474	594,602	569,423
Imperial Brands PLC	31,106	1,909,788	1,670,174
John Wood Group PLC	39,121	480,089	429,613
National Grid PLC	79,705	1,376,720	1,176,376
Randgold Resources Limited	1,825	231,941	227,476
RELX PLC	62,694	1,582,161	1,845,398
Royal Mail PLC	117,731	798,957	903,888
		11,042,443	11,378,395
United States – 57.7%			
Alliant Energy Corporation	54,258	2,762,307	2,903,563
Altria Group, Inc.	34,475	3,272,799	3,091,856
American Capital Agency Corporation	57,023	1,457,597	1,445,914
American Electric Power Company, Inc.	19,648	1,696,934	1,815,412
American Water Works Co., Inc.	1,662	163,018	190,968
AmerisourceBergen Corporation	20,729	2,426,852	2,390,406
Annaly Capital Management Inc.	216,767	3,089,365	3,236,913
ANSYS Inc.	2,659	360,322	492,869
Arthur J. Gallagher & Co.	32,862	2,460,619	2,611,659
AvalonBay Communities Inc.	9,576	2,270,940	2,145,652
Axis Capital Holdings Ltd.	9,801	838,203	618,656
Baker Hughes, a GE company	14,377	748,699	571,295
Baxter International Inc.	2,400	159,593	194,836
Becton, Dickinson and Company	1,071	290,177	287,926
Broadridge Financial Solutions Inc.	5,058	469,814	575,396
Brown-Forman Corporation, Class B	24,132	1,538,492	2,081,212
C.H. Robinson Worldwide, Inc.	4,656	471,497	520,952
Camden Property Trust	12,597	1,368,175	1,456,445
Campbell Soup Company	39,417	2,959,279	2,381,634
CentrePoint Energy, Inc.	15,533	548,292	553,245
Chevron Corporation	19,639	2,822,909	3,087,771
Church & Dwight Co., Inc.	48,111	3,140,628	3,031,409
Clorox Company, The	17,742	3,123,704	3,314,258
CMS Energy Corporation	38,659	2,238,395	2,296,507
Coca-Cola Company, The	9,897	562,432	570,273
Colgate-Palmolive Company	30,908	2,923,410	2,928,776
Consolidated Edison, Inc.	17,846	1,769,205	1,903,971
Cooper Companies Inc., The	2,771	727,882	758,246
Costco Wholesale Corporation	5,921	1,348,026	1,384,026
Crown Castle International Corporation	2,403	332,788	335,021
DaVita, Inc.	26,939	2,347,313	2,444,417
DENTSPLY International Inc.	35,444	2,906,156	2,930,371
Dollar General Corporation	3,810	379,994	445,052
Dollar Tree Inc.	24,040	2,506,180	3,239,893
Dr. Pepper Snapple Group, Inc.	21,438	2,625,924	2,613,248
DTE Energy Company	14,341	1,890,996	1,971,473
Entergy Corporation	7,265	715,385	742,613
Equity Residential Real Estate Investment Trust	6,029	492,904	482,856
Eversource Energy	21,484	1,620,663	1,704,711
Expeditors International of Washington, Inc.	30,032	2,221,230	2,439,930
Express Scripts, Inc.	12,983	1,168,589	1,217,034
Exxon Mobil Corporation	14,901	1,596,962	1,565,256
F5 Networks, Inc.	3,177	582,730	523,568
Federal Realty Investment Trust	12,612	2,277,680	2,103,637
FMC Technologies, Inc.	93,148	3,592,808	3,662,795
Gartner Inc., Class A	16,597	2,313,667	2,566,965
Genuine Parts Company	12,549	1,603,715	1,497,388
Halliburton Company	58,106	3,561,336	3,566,312
Harris Corporation	3,099	455,435	551,308
Helemerich & Payne, Inc.	17,396	1,252,767	1,412,234
Henry Schein Inc.	27,147	3,000,091	2,382,488
Hormel Foods Corporation	59,302	2,798,973	2,710,238
IQVIA Holdings Inc.	9,303	967,103	1,143,831
J.M. Smucker Company, The	15,619	2,680,838	2,437,085
Jack Henry & Associates Inc.	20,837	2,967,029	3,060,755
Kellogg Company	15,718	1,486,710	1,341,944
Kimberly-Clark Corporation	18,748	3,199,293	2,841,020
Kimco Realty Corporation	19,607	599,195	446,934
Laboratory Corporation of America Holdings	7,826	1,451,120	1,567,775
Liberty Property Trust	25,291	1,316,952	1,366,128
M&T Bank Corporation	16,186	3,488,239	3,475,892
McCormick & Company, Inc.	23,199	2,976,561	2,969,218
Motorola Solutions, Inc.	18,493	1,967,635	2,098,183
National-Oilwell Varco Inc.	18,494	921,009	836,624
New York Community Bancorp, Inc.	128,430	2,465,379	2,100,069
Newmont Mining Corporation	17,408	824,061	820,291
News Corporation, Class A	23,654	407,140	481,552
Nucor Corporation	34,533	2,790,612	2,757,470
Occidental Petroleum Corporation	29,556	2,519,681	2,734,220
OGE Energy Corporation	44,138	2,014,992	1,824,301
ONEOK, Inc.	7,408	521,546	497,284
O'Reilly Automotive, Inc.	6,485	2,180,611	1,959,085
Paychex, Inc.	38,991	3,025,860	3,333,803
People's United Financial Inc.	8,300	207,164	194,929
Philip Morris International Inc.	23,439	3,265,543	3,110,030
Phillips 66 Company	14,878	1,549,177	1,890,020
Pinnacle West Capital Corporation	19,593	2,077,507	2,096,016
Procter & Gamble Company, The	25,723	3,028,155	2,968,237
Public Storage Real Estate Investment Trust	2,900	850,735	761,203
Quest Diagnostics Incorporated	20,828	2,728,937	2,576,296
Regency Centers Corporation	26,290	2,319,655	2,284,163
RenaissanceRe Holdings Ltd.	6,760	1,283,826	1,066,247
Ross Stores, Inc.	4,203	355,003	423,604
SCANA Corporation	25,943	2,170,630	1,296,107
Schlumberger Limited	37,183	3,648,789	3,146,994
Sempra Energy	14,928	2,111,393	2,004,549
Southern Company	14,495	921,057	875,445
Stryker Corporation	11,231	1,907,669	2,184,025
Synopsys Inc.	19,372	1,826,349	2,073,834
Sysco Corporation	21,863	1,510,203	1,667,512
Torchmark Corporation	16,670	1,692,703	1,899,095
UDR Inc.	47,036	2,231,022	2,275,478
Vantiv, Inc.	22,790	1,945,602	2,105,150
Varian Medical Systems Inc.	7,195	823,885	1,004,376
VeriSign, Inc.	24,493	2,738,465	3,520,269
Vornado Realty Trust Real Estate Investment Trust	3,501	478,290	343,751
WEC Energy Group Inc.	34,937	2,695,556	2,914,781
Weyerhaeuser Company	44,407	1,958,225	1,966,481
WR Berkley Corporation	2,600	239,708	233,962
Xcel Energy, Inc.	34,723	1,972,071	2,098,015
		179,562,736	181,024,887
Transaction Costs		(69,708)	
TOTAL INVESTMENT PORTFOLIO		301,907,183	311,921,814
OTHER ASSETS, LESS LIABILITIES – 0.6%			1,678,194
NET ASSETS – 100.0%			313,600,008

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

Scotia Private Global Low Volatility Equity Pool (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 December 31, 2017 and December 31, 2016. 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. The Fund did not have significant currency risk exposure as at December 31, 2016.

	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 of the Fund would have decreased or increased, respectively, by $31,244,617 or 10.0% of net assets (December 31, 2016 – nil 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 December 31, 2017, approximately 99.5% (December 31, 2016 – 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 of the Fund would have decreased or increased, respectively, by approximately $31,192,181 (December 31, 2016 – nil). 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 December 31, 2017 or December 31, 2016.

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 (%)	
	December 31, 2017	December 31, 2016
Australia	5.2	–
Austria	0.9	–
Belgium	0.3	–
Denmark	0.3	–
France	1.1	–
Germany	0.9	–
Hong Kong	3.2	–
Israel	2.0	–
Japan	8.7	–
New Zealand	2.4	–
Norway	3.2	–
Singapore	3.5	–
Sweden	0.8	–
Switzerland	5.6	–
United Kingdom	3.6	–
United States	57.7	–

Fair Value Classification (note 2)

The table below illustrates the classification of the Fund's financial instruments within the fair value hierarchy.

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 December 31, 2017 and December 31, 2016, there were no significant transfers between Level 1 and Level 2.

Offsetting of financial assets and liabilities (note 2)

As at December 31, 2017 and December 31, 2016, the Fund did not enter into any agreement whereby the financial instruments were eligible for offset. The Fund did not hold any portfolio securities as at December 31, 2016.

Scotia Private Global Low Volatility Equity Pool (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 December 31, 2017 or December 31, 2016.

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

As at December 31, 2017 or December 31, 2016, 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

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	December 31, 2017	December 31, 2016
ASSETS		
Current assets		
Investments		
Non-derivative financial assets	722,396,674	627,793,972
Unrealized gain on currency forward contracts	3,136,484	351,370
Unrealized gain on currency spot contracts	7,141	–
Cash	60,767,264	44,319,812
Subscriptions receivable	1,143,611	359,836
Accrued investment income and other	1,195,303	1,123,299
	788,646,477	673,948,289
LIABILITIES		
Current liabilities		
Payable for securities purchased	3,355,281	1,922,156
Redemptions payable	234,121	411,062
Accrued expenses	–	14,033
Distributions payable	–	385
Unrealized loss on currency forward contracts	447,908	1,336,816
Unrealized loss on currency spot contracts	–	3,982
	4,037,310	3,688,434
Net assets attributable to holders of redeemable units	784,609,167	670,259,855
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series A	245,585,186	209,069,335
Series I	539,023,981	461,190,520
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series A	16.25	16.29
Series I	16.21	16.28

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except average units)	2017	2016
INCOME		
Net gain (loss) on investments		
Dividends	19,146,799	15,734,849
Interest for distribution purposes	371,343	309,237
Net realized gain (loss) on non-derivative financial assets	76,724,300	47,963,543
Net realized gain (loss) on currency forward contracts	1,084,248	3,048,519
Change in unrealized gain (loss) on non-derivative financial assets	(9,780,558)	(33,321,729)
Change in unrealized gain (loss) on currency forward contracts	3,674,022	(1,034,764)
Change in unrealized gain (loss) on currency spots contracts	11,123	(3,961)
Net gain (loss) on investments	91,231,277	32,695,694
Securities lending (note 11)	13,091	63,419
Net realized and unrealized foreign currency translation gain (loss)	(415,981)	(2,616,916)
Other income	1,503	2,305
Total income (loss), net	90,829,890	30,144,502
EXPENSES		
Management fees (note 5)	3,484,682	4,010,524
Fixed administration fees (note 6)	526,019	425,678
Independent Review Committee fees	1,135	1,184
Interest expense and bank overdraft charges	2,510	218
Foreign withholding taxes/tax reclaims	2,419,619	1,829,415
Other fund costs	–	92
Harmonized Sales Tax/Goods and Services Tax	408,503	450,524
Transaction costs	773,110	1,356,827
Total expenses	7,615,578	8,074,462
Expenses absorbed by the Manager	–	64
Net expenses	7,615,578	8,074,526
Increase (decrease) in net assets attributable to holders of redeemable units from operations	83,214,312	22,069,976
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A	23,408,072	3,324,856
Series I	59,806,240	18,745,120
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT†		
Series A	1.77	0.27
Series I	2.11	0.84
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series A	13,222,302	12,245,579
Series I	28,367,864	22,360,157

† 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 Global Dividend Fund (Continued)

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

For the periods ended December 31 (note 1),

(in dollars)	2017	2016
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series A	209,069,335	199,764,285
Series I	461,190,520	334,109,087
	670,259,855	533,873,372
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A	23,408,072	3,324,856
Series I	59,806,240	18,745,120
	83,214,312	22,069,976
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net investment income		
Series A	(1,098,803)	–
Series I	(11,290,309)	(9,127,231)
From net realized gains on investments		
Series A	(24,033,683)	(12,199,078)
Series I	(52,590,914)	(27,114,195)
	(89,013,709)	(48,440,504)
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A	47,107,440	40,961,260
Series I	35,168,946	119,920,451
Reinvested distributions		
Series A	24,927,501	12,102,102
Series I	63,881,223	36,241,426
Payments on redemption		
Series A	(33,794,676)	(34,884,090)
Series I	(17,141,725)	(11,584,138)
	120,148,709	162,757,011
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A	36,515,851	9,305,050
Series I	77,833,461	127,081,433
	114,349,312	136,386,483
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series A	245,585,186	209,069,335
Series I	539,023,981	461,190,520
	784,609,167	670,259,855

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	83,214,312	22,069,976
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(76,724,300)	(47,963,543)
Unrealized foreign currency translation (gain) loss	(76,461)	1,449,014
Change in unrealized (gain) loss on non-derivative financial assets	9,780,558	33,321,729
Change in unrealized (gain) loss on currency forward contracts	(3,674,022)	1,034,764
Change in unrealized (gain) loss on currency spot contracts	(11,123)	3,961
Non-cash transactions	(411,655)	(91,486)
Purchases of portfolio investments	(630,058,314)	(783,947,684)
Proceeds from sale of portfolio investments	604,244,133	676,355,706
Accrued investment income and other	(72,004)	(381,483)
Accrued expenses and other payables	(14,033)	14,033
Net cash provided by (used in) operating activities	(13,802,909)	(98,135,013)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	81,492,612	160,823,189
Amounts paid on redemption of redeemable units	(51,113,342)	(46,134,108)
Distributions to unitholders of redeemable units	(205,370)	(96,626)
Net cash provided by (used in) financing activities	30,173,900	114,592,455
Unrealized foreign currency translation gain (loss)	76,461	(1,449,014)
Net increase (decrease) in cash	16,370,991	16,457,442
Cash (bank overdraft), beginning of period	44,319,812	29,311,384
CASH (BANK OVERDRAFT), END OF PERIOD	60,767,264	44,319,812
Interest paid[1]	2,510	218
Interest received[1]	390,560	300,914
Dividends received, net of withholding taxes[1]	16,224,304	13,440,788

[1] Classified as operating items.

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

Scotia Global Dividend Fund (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2017

Issuer	Number of Shares	Average Cost ($)	Carrying Value ($)
EQUITIES – 92.1%			
Belgium – 2.0%			
Anheuser-Busch InBev NV	111,100	16,375,041	15,565,460
Canada – 7.0%			
Canadian Imperial Bank of Commerce	169,300	17,157,521	20,746,018
Canadian Pacific Railway Limited	34,400	6,953,010	7,900,304
Enbridge Inc.	332,799	17,466,170	16,360,399
TransCanada Corporation	180,306	9,584,579	11,031,121
		51,161,280	56,037,842
Denmark – 1.1%			
Danske Bank A/S	169,000	7,708,157	8,253,767
France – 2.7%			
Danone	124,545	10,499,076	13,115,085
Thales SA	60,300	7,762,298	8,150,417
		18,261,374	21,265,502
Germany – 5.4%			
Bayer AG	117,700	16,630,210	18,387,211
GEA Group AG	127,200	7,347,463	7,660,791
Siemens AG	93,800	15,776,997	16,347,034
		39,754,670	42,395,036
Hong Kong – 1.9%			
CK Hutchison Holdings Ltd.	924,700	14,983,957	14,580,949
Japan – 3.6%			
KDDI Corporation	219,700	8,520,023	6,872,449
Mitsubishi Electric Corporation	344,300	6,368,255	7,187,633
SoftBank Group Corporation	142,500	15,566,477	14,144,504
		30,454,755	28,204,586
Netherlands – 2.0%			
ING Groep NV	665,900	13,616,757	15,390,472
Spain – 2.6%			
Ferrovial S.A.	705,374	18,331,148	20,080,880
Sweden – 2.1%			
Assa Abloy AB, Class B	632,100	16,574,436	16,505,605
Switzerland – 1.4%			
Novartis AG	104,300	9,493,582	11,076,978
United Kingdom – 13.1%			
British American Tobacco PLC	191,200	14,382,437	16,213,033
Imperial Brands PLC	201,200	12,395,353	10,803,031
Kingfisher PLC	1,482,500	8,393,137	8,491,282
Lloyds Banking Group PLC	10,177,000	11,410,680	11,708,608
National Grid PLC	1,172,491	19,069,537	17,304,947
Prudential PLC	367,300	10,485,977	11,864,783
Reckitt Benkiser Group PLC	66,000	7,482,698	7,745,812
Shire PLC	289,600	21,481,809	18,872,741
		105,101,628	103,004,237
United States – 47.2%			
Affiliated Managers Group, Inc.	32,200	7,724,997	8,300,324
Allergan PLC	85,900	23,021,315	17,647,345
American Tower Corporation	39,000	5,322,680	6,988,006
Anthem, Inc.	46,400	7,680,016	13,112,207
Apple Inc.	69,400	10,013,300	14,750,028
Broadcom Ltd.	33,500	10,531,397	10,808,487
Cisco Systems, Inc.	244,800	9,055,531	11,775,143
Citigroup Inc.	97,700	8,316,467	9,130,233
Coca-Cola Company, The	255,600	12,806,760	14,727,881
Equity Residential Real Estate Investment Trust	88,100	7,384,408	7,055,834
First Republic Bank	70,100	7,967,652	7,627,680
Intel Corporation	210,200	11,940,272	12,185,813
Johnson Controls International PLC	150,600	7,346,810	7,208,086
McDonald's Corporation	45,400	6,751,859	9,813,936
Medtronic PLC	153,000	15,043,908	15,516,364
Merck & Co., Inc.	216,000	16,047,571	15,264,644
Microsoft Corporation	180,950	11,570,627	19,439,444
Mondelez International, Inc.	289,700	15,039,557	15,572,139
Nielsen Holdings PLC	350,900	19,959,072	16,041,344
Oracle Corporation	373,600	20,094,882	22,184,025
Pfizer Inc.	332,000	13,097,573	15,102,281
PPG Industries, Inc.	81,800	10,868,827	12,001,251
Starbucks Corporation	177,600	12,807,565	12,809,665
TD Ameritrade Holding Corporation	118,600	7,907,901	7,615,817
Texas Instruments Incorporated	111,000	11,673,832	14,559,480
United Technologies Corporation	102,500	14,067,149	16,422,090
Verizon Communications Inc.	179,300	11,937,446	11,918,955
Visa Inc.	113,700	12,013,257	16,281,616
Wells Fargo & Company	64,700	4,078,940	4,929,857
Wells Fargo & Company, Warrants Oct 28, 2018	93,627	1,713,432	3,245,385
		333,785,003	370,035,360
Transaction Costs		(436,319)	
TOTAL INVESTMENT PORTFOLIO		675,165,469	722,396,674
Unrealized Gain (Loss) on Derivatives – 0.3%			2,688,576
OTHER ASSETS, LESS LIABILITIES – 7.6%			59,523,917
NET ASSETS – 100.0%			784,609,167

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

Scotia Global Dividend Fund (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+	Jan. 24, 2018	Canadian Dollar	9,970,746	US Dollar	7,810,000	0.783	0.795	152,527
Toronto-Dominion Bank, The	A-1+	Jan. 24, 2018	Canadian Dollar	497,738	US Dollar	390,000	0.784	0.795	7,455
Toronto-Dominion Bank, The	A-1+	Jan. 24, 2018	Canadian Dollar	2,728,286	US Dollar	2,140,000	0.784	0.795	38,019
Toronto-Dominion Bank, The	A-1+	Jan. 24, 2018	Canadian Dollar	1,996,129	US Dollar	1,550,000	0.777	0.795	47,571
Bank of Montreal	A-1	Jan. 24, 2018	Canadian Dollar	1,959,049	US Dollar	1,540,000	0.786	0.795	23,063
Toronto-Dominion Bank, The	A-1+	Feb. 14, 2018	Canadian Dollar	7,413,530	European Euro	4,865,000	0.656	0.661	54,583
Toronto-Dominion Bank, The	A-1+	Feb. 14, 2018	Canadian Dollar	7,060,395	British Pound	4,150,000	0.588	0.588	6,411
Bank of Montreal	A-1	Feb. 14, 2018	Canadian Dollar	11,584,529	British Pound	6,810,000	0.588	0.588	9,196
Bank of Montreal	A-1	Feb. 14, 2018	Canadian Dollar	1,889,467	European Euro	1,240,000	0.656	0.661	13,805
Canadian Imperial Bank of Commerce	A-1	Feb. 14, 2018	Canadian Dollar	24,769,920	British Pound	14,550,000	0.587	0.588	38,481
Royal Bank of Canada	A-1+	Feb. 14, 2018	Canadian Dollar	4,263,351	Swiss Franc	3,270,000	0.767	0.772	29,793
Royal Bank of Canada	A-1+	Feb. 14, 2018	Canadian Dollar	21,661,788	European Euro	14,210,000	0.656	0.661	167,309
Royal Bank of Canada	A-1+	Feb. 14, 2018	Canadian Dollar	8,248,747	Japanese Yen	718,080,000	87.053	89.422	218,532
Royal Bank of Canada	A-1+	Feb. 14, 2018	Canadian Dollar	7,935,799	British Pound	4,660,000	0.587	0.588	14,940
State Street Bank & Trust Company	A-1+	Feb. 14, 2018	Canadian Dollar	1,431,141	European Euro	940,000	0.657	0.661	9,268
Canadian Imperial Bank of Commerce	A-1	Feb. 14, 2018	Canadian Dollar	202,594	Japanese Yen	17,980,000	88.749	89.422	1,525
Canadian Imperial Bank of Commerce	A-1	Feb. 21, 2018	Canadian Dollar	2,376,325	US Dollar	1,850,000	0.779	0.796	50,861
Royal Bank of Canada	A-1+	Feb. 21, 2018	Canadian Dollar	22,138,763	US Dollar	17,238,000	0.779	0.796	470,463
State Street Bank & Trust Company	A-1+	Feb. 21, 2018	Canadian Dollar	1,027,572	US Dollar	800,000	0.779	0.796	21,966
Bank of Nova Scotia, The	A-1	Feb. 21, 2018	Canadian Dollar	1,672,782	US Dollar	1,300,000	0.777	0.796	38,671
Toronto-Dominion Bank, The	A-1+	Feb. 21, 2018	Canadian Dollar	47,158,162	US Dollar	36,667,000	0.778	0.796	1,067,458
Bank of Montreal	A-1	Feb. 21, 2018	Canadian Dollar	28,918,408	US Dollar	22,485,000	0.778	0.796	654,587
									3,136,484

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	Jan. 24, 2018	US Dollar	540,000	Canadian Dollar	689,378	1.277	1.257	(10,523)
Royal Bank of Canada	A-1+	Jan. 24, 2018	US Dollar	14,750,000	Canadian Dollar	18,811,781	1.275	1.257	(269,000)
Toronto-Dominion Bank, The	A-1+	Jan. 24, 2018	US Dollar	3,300,000	Canadian Dollar	4,202,550	1.274	1.257	(54,002)
Bank of Montreal	A-1	Jan. 24, 2018	US Dollar	2,670,000	Canadian Dollar	3,429,190	1.284	1.257	(72,610)
Toronto-Dominion Bank, The	A-1+	Feb. 14, 2018	Canadian Dollar	825,275	European Euro	550,000	0.666	0.661	(6,672)
Bank of Montreal	A-1	Feb. 14, 2018	Canadian Dollar	1,504,820	European Euro	1,000,000	0.665	0.661	(7,810)
Bank of Montreal	A-1	Feb. 14, 2018	Japanese Yen	74,640,000	Canadian Dollar	856,445	0.011	0.011	(21,912)
State Street Bank & Trust Company	A-1+	Feb. 14, 2018	Swiss Franc	220,000	Canadian Dollar	287,439	1.307	1.295	(2,607)
Royal Bank of Canada	A-1+	Feb. 14, 2018	Canadian Dollar	783,796	European Euro	520,000	0.663	0.661	(2,772)
									(447,908)

Scotia Global Dividend Fund (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 December 31, 2017 and December 31, 2016. 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.

	December 31, 2017			
Currency	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

	December 31, 2016			
Currency	Gross currency exposure ($)	Currency contracts ($)	Net exposure ($)	Percentage of net assets (%)
US Dollar	402,877,263	(101,609,374)	301,267,889	44.9
European Euro	66,653,072	(33,262,562)	33,390,510	5.0
Swiss Franc	41,623,209	(19,955,068)	21,668,141	3.2
British Pound	37,239,480	(16,943,945)	20,295,535	3.0
Japanese Yen	18,600,702	(9,305,312)	9,295,390	1.4
Danish Krone	6,130,885	–	6,130,885	0.9
Australian Dollar	13,826,939	(10,518,997)	3,307,942	0.5
	586,951,550	(191,595,258)	395,356,292	58.9

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 $48,402,030 or 6.2% of net assets (December 31, 2016 – $39,535,629 or 5.9%). 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 December 31, 2017, approximately 92.1% (December 31, 2016 – 93.6%) 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 of the Fund would have decreased or increased, respectively, by approximately $72,239,667 (December 31, 2016 – $62,779,397). 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 December 31, 2017 or December 31, 2016.

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 (%)	
	December 31, 2017	December 31, 2016
Australia	–	2.1
Belgium	2.0	–
Canada	7.0	6.6
Denmark	1.1	0.9
France	2.7	1.0
Germany	5.4	4.5
Hong Kong	1.9	–
Italy	–	2.0
Japan	3.6	2.7
Netherlands	2.0	0.8
South Africa	–	0.0
Spain	2.6	1.7
Sweden	2.1	–
Switzerland	1.4	6.2
United Kingdom	13.1	5.6
United States	47.2	59.5

Fair Value Classification (note 2)

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

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

Scotia Global Dividend Fund (Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

December 31, 2016	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Equities	414,525,416	183,809,876	–	598,335,292
Warrants, rights and options	29,458,680	–	–	29,458,680
Unrealized gain on currency forward contracts	–	351,370	–	351,370
	443,984,096	184,161,246	–	628,145,342
Unrealized loss on currency forward contracts	–	(1,336,816)	–	(1,336,816)
Unrealized loss on currency spot contracts	–	(3,982)	–	(3,982)
	443,984,096	182,820,448	–	626,804,544

Transfers between levels

During the periods ended December 31, 2017 and December 31, 2016, 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:

	December 31, 2017 ($)	December 31, 2016 ($)
Beginning of period	–	–
Purchases	–	–
Sales	–	–
Transfers into Level 3	–	1,387
Transfers out of Level 3	(246,214)	–
Net realized gains (losses)	–	–
Net changes in unrealized gain (loss)*	246,214	(1,387)
End of period	–	–

* Net change in unrealized gain (loss) for Level 3 financial instruments held as at December 31, 2017 and December 31, 2016 was $246,214 and $(1,387), 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 table 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 December 31, 2016 ($)	Reasonable possible shift (+/-) ($)
Equities	Financing model analysis based on financial data	Company NAV	–	n/a
			–	

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.

	December 31, 2017			
Financial assets – by type	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)	–	–

	December 31, 2016			
Financial assets – by type	Gross amount of assets ($)	Master netting offset ($)	Collateral pledged/ received ($)	Net Amount ($)
Currency forward contracts	351,370	(163,605)	–	187,765
Options contracts – OTC	–	–	–	–
Swap contracts – OTC	–	–	–	–
	351,370	(163,605)	–	187,765

Financial liabilities – by type	Gross amount of liabilities ($)	Master netting offset ($)	Collateral pledged/ received ($)	Net Amount ($)
Currency forward contracts	1,336,816	(163,605))	–	1,173,211
Options contracts – OTC	–	–	–	–
Swap contracts – OTC	–	–	–	–
	1,336,816	(163,605))	–	1,173,211

Interest in Underlying Funds (note 2)

The Fund did not hold any interest in Underlying Funds as at December 31, 2017 or December 31, 2016.

Scotia Global Dividend Fund (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)

The table below provides a comparison of the net asset value per unit and net assets per unit. A difference could arise when the last traded market price for a financial instrument is not within the bid-ask spread.

	December 31, 2017		December 31, 2016	
	Net asset value per unit ($)	Net assets per unit ($)	Net asset value per unit ($)	Net assets per unit ($)
Series A	16.25	16.25	16.28	16.29
Series I	16.21	16.21	16.27	16.28

Scotia Global Growth Fund

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	December 31, 2017	December 31, 2016
ASSETS		
Current assets		
Investments		
Non-derivative financial assets	1,039,000,490	887,373,557
Unrealized gain on currency spot contracts	–	30
Cash	27,098,680	22,400,358
Subscriptions receivable	389,242	274,721
Accrued investment income and other	454,953	273,711
	1,066,943,365	910,322,377
LIABILITIES		
Current liabilities		
Redemptions payable	115,140	200,578
Accrued expenses	–	10,224
Unrealized loss on currency spot contracts	42	–
	115,182	210,802
Net assets attributable to holders of redeemable units	1,066,828,183	910,111,575
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
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
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series A	70.50	56.99
Advisor Series	69.59	56.23
Series F	77.26	61.84
Series I	79.67	63.53

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except average units)	2017	2016
INCOME		
Net gain (loss) on investments		
Dividends	12,372,214	14,127,518
Interest for distribution purposes	101,246	91,352
Net realized gain (loss) on non-derivative financial assets	91,303,820	29,775,099
Change in unrealized gain (loss) on non-derivative financial assets	131,343,144	(10,510,169)
Change in unrealized gain (loss) on currency spots contracts	(72)	30
Net gain (loss) on investments	235,120,352	33,483,830
Securities lending (note 11)	176,836	242,128
Net realized and unrealized foreign currency translation gain (loss)	(161,134)	(172,263)
Other income	1,750	1,098
Total income (loss), net	235,137,804	33,554,793
EXPENSES		
Management fees (note 5)	2,748,269	2,645,050
Fixed administration fees and operating expense (note 6)	727,908	636,984
Independent Review Committee fees	1,135	1,184
Interest expense and bank overdraft charges	549	3,434
Foreign withholding taxes/tax reclaims	1,470,038	1,355,053
Other fund costs	–	143
Harmonized Sales Tax/Goods and Services Tax	364,667	341,157
Transaction costs	156,308	147,885
Total expenses	5,468,874	5,130,890
Expenses absorbed by the Manager	(294)	(15,267)
Net expenses	5,468,580	5,115,623
Increase (decrease) in net assets attributable to holders of redeemable units from operations	229,669,224	28,439,170
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A	32,344,623	430,701
Advisor Series	117,313	(22,372)
Series F	21,427	1,595
Series I	197,185,861	28,029,246
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT†		
Series A	13.41	0.18
Advisor Series	13.36	(2.12)
Series F	14.10	4.05
Series I	17.06	2.31
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series A	2,411,838	2,451,483
Advisor Series	8,778	10,553
Series F	1,520	394
Series I	11,557,422	12,128,898

† 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 Global Growth Fund (Continued)

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

For the periods ended December 31 (note 1),

(in dollars)	2017	2016
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series A	136,267,823	137,988,750
Advisor Series	496,369	745,761
Series F	38,259	18,896
Series I	773,309,124	709,312,078
	910,111,575	848,065,485
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A	32,344,623	430,701
Advisor Series	117,313	(22,372)
Series F	21,427	1,595
Series I	197,185,861	28,029,246
	229,669,224	28,439,170
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net investment income		
Series I	(7,171,142)	(9,610,892)
	(7,171,142)	(9,610,892)
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A	28,263,754	18,203,451
Advisor Series	–	22,076
Series F	107,445	28,510
Series I	16,107,922	110,779,155
Reinvested distributions		
Series I	7,171,142	9,610,892
Payments on redemption		
Series A	(21,833,482)	(20,355,079)
Advisor Series	(4,339)	(249,096)
Series F	(324)	(10,742)
Series I	(95,593,592)	(74,811,355)
	(65,781,474)	43,217,812
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A	38,774,895	(1,720,927)
Advisor Series	112,974	(249,392)
Series F	128,548	19,363
Series I	117,700,191	63,997,046
	156,716,608	62,046,090
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END 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
	1,066,828,183	910,111,575

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	229,669,224	28,439,170
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(91,303,820)	(29,775,099)
Unrealized foreign currency translation (gain) loss	(15,045)	134,366
Change in unrealized (gain) loss on non-derivative financial assets	(131,343,144)	10,510,169
Change in unrealized (gain) loss on currency spot contracts	72	(30)
Non-cash transactions	(45,503)	(2,006,061)
Purchases of portfolio investments	(146,578,929)	(215,800,391)
Proceeds from sale of portfolio investments	217,644,463	182,273,590
Accrued investment income and other	(181,242)	(44,593)
Accrued expenses and other payables	(10,224)	10,195
Net cash provided by (used in) operating activities	77,835,852	(26,258,684)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	44,257,156	128,917,105
Amounts paid on redemption of redeemable units	(117,409,731)	(95,237,557)
Net cash provided by (used in) financing activities	(73,152,575)	33,679,548
Unrealized foreign currency translation gain (loss)	15,045	(134,366)
Net increase (decrease) in cash	4,683,277	7,420,864
Cash (bank overdraft), beginning of period	22,400,358	15,113,860
CASH (BANK OVERDRAFT), END OF PERIOD	27,098,680	22,400,358
Interest paid[1]	549	3,434
Interest received[1]	108,631	90,368
Dividends received, net of withholding taxes[1]	10,668,045	10,668,353

(1) Classified as operating items.

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

Scotia Global Growth Fund (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2017

Issuer	Number of Shares	Average Cost ($)	Carrying Value ($)
EQUITIES – 97.5%			
Brazil – 1.6%			
Banco Bradesco S.A., Preference	849,200	10,201,881	10,956,402
BM&F BOVESPA S.A.	703,300	4,258,169	6,063,914
		14,460,050	17,020,316
Canada – 0.5%			
Fairfax Financial Holdings Limited	7,432	4,866,884	4,974,535
Denmark – 1.8%			
AP Moller – Maersk A/S	3,954	9,656,088	8,656,163
Novo Nordisk A/S, Class B	161,114	11,277,168	10,878,117
		20,933,256	19,534,280
France – 2.0%			
Bureau Veritas SA	304,974	9,467,592	10,473,070
Pernod Ricard SA	54,994	10,811,517	10,933,943
		20,279,109	21,407,013
Germany – 3.7%			
Deutsche Boerse AG	51,905	4,427,988	7,557,051
Infineon Technologies AG	177,633	4,218,488	6,093,795
SAP SE	184,450	17,803,611	25,978,021
		26,450,087	39,628,867
Hong Kong – 2.8%			
AIA Group Ltd.	2,076,600	13,956,655	22,242,576
Sands China Ltd.	759,200	4,164,701	4,907,594
Tsingtao Brewery Company Ltd.	418,000	2,637,723	2,705,570
		20,759,079	29,855,740
Ireland – 1.0%			
Bank of Ireland Group PLC	1,001,651	11,663,472	10,702,547
Italy – 1.2%			
Fiat Chrysler Automobiles NV	579,265	8,304,752	12,973,277
Japan – 7.4%			
Advantest Corporation	316,500	7,580,288	7,365,701
Cyberagent Inc.	150,600	3,469,462	7,390,387
Kansai Paint Co., Ltd.	138,500	3,461,098	4,518,445
LINE Corporation	77,600	4,478,596	3,986,736
MS & AD Insurance Group Holdings, Inc.	371,500	13,142,664	15,804,277
Olympus Corporation	211,900	8,139,167	10,193,490
Osaka Securities Exchange Co., Ltd.	161,200	2,143,794	3,508,660
Persol Holdings Co., Ltd.	189,400	5,616,822	5,966,012
ROHM Company Limited	63,400	4,123,422	8,775,565
SMC Corporation	21,200	5,608,490	10,968,195
		57,763,803	78,477,468
Netherlands – 0.5%			
Philips Lighting NV	104,902	5,104,281	4,836,317
Norway – 0.8%			
Schibsted ASA, Class A	164,659	7,407,661	5,907,185
Schibsted ASA, Class B	85,688	1,077,654	2,856,167
		8,485,315	8,763,352
Singapore – 0.5%			
Jardine Matheson Holdings Limited	71,500	4,196,496	5,452,012
South Africa – 4.6%			
MTN Group Limited	158,295	3,285,145	2,195,800
Naspers Limited N Shares	133,116	13,973,606	46,545,604
		17,258,751	48,741,404
Spain – 0.4%			
Distribuidora Internacional de Alimentacion S.A.	589,572	4,942,195	3,817,902
Sweden – 2.0%			
Atlas Copco AB, Class B	259,002	5,601,231	12,465,844
Svenska Handelsbanken AB	489,819	6,635,952	8,414,028
		12,237,183	20,879,872
EQUITIES (cont'd)			
Switzerland – 2.7%			
Compagnie Financiere Richemont SA, Class A	92,041	6,824,491	10,468,912
OC Oerlikon Corporation AG	252,771	3,152,157	5,347,272
Schindler Holdings AG	45,160	6,207,541	13,055,759
		16,184,189	28,871,943
Taiwan – 0.3%			
HTC Corporation	1,084,000	4,227,003	3,344,738
United Kingdom – 8.1%			
Hays PLC	1,570,613	2,827,430	4,831,483
CRH PLC	391,836	13,538,030	17,644,657
Prudential PLC	1,080,432	21,450,592	34,900,868
Rolls-Royce Holdings PLC	20,267,462	33,813	34,381
Samsung Electronics Co., Ltd. – GDR	13,607	7,286,752	20,450,676
Sberbank of Russia	389,087	3,807,723	8,270,943
		48,944,340	86,133,008
United States – 55.6%			
58.com Inc.	89,325	5,646,526	8,028,974
ABIOMED Inc.	23,914	3,750,315	5,628,608
Advanced Micro Devices Inc.	270,149	5,056,575	3,487,807
Alibaba Group Holding Ltd.	109,653	11,171,360	23,745,939
Alnylam Pharmaceuticals Inc.	34,152	4,295,094	5,449,377
Alphabet Inc., Class C	19,123	10,391,803	25,131,000
Amazon.com, Inc.	26,935	10,442,586	39,560,523
Anthem, Inc.	88,792	10,887,189	25,091,791
Apache Corporation	214,203	12,924,616	11,357,946
Arthur J. Gallagher & Co.	127,527	10,782,161	10,135,020
Autohome Inc.	66,239	3,742,657	5,379,881
Baidu, Inc.	41,702	6,381,253	12,266,434
C.H. Robinson Worldwide, Inc.	85,200	7,887,651	9,532,890
CarMax, Inc.	30,513	1,388,001	2,457,549
China Biologic Products Inc.	26,193	3,892,095	2,591,207
Ctrip.com International Ltd. – ADR	141,208	8,195,198	7,820,849
EOG Resources, Inc.	83,895	6,227,595	11,369,825
Facebook Inc.	68,713	6,211,155	15,227,941
Fairfax Financial Holdings Limited	10,404	4,325,436	6,929,641
Financial Engines Inc.	94,120	4,224,780	3,581,629
First Republic Bank	69,479	3,847,418	7,560,108
GrubHub Inc.	103,314	3,673,888	9,316,218
HDFC Bank Ltd. – ADR	81,031	7,751,764	10,346,657
Howard Hughes Corporation	30,224	4,598,880	4,982,800
ICICI Bank Limited – ADR	1,412,926	13,171,190	17,265,862
Interactive Brokers Group Inc., Class A	73,219	3,782,980	5,444,711
Kirby Corporation	59,967	4,312,395	5,030,890
LendingTree Inc.	6,051	2,289,958	2,587,239
Leucadia National Corporation	248,673	7,561,696	8,273,068
Lincoln Electric Holdings, Inc.	40,531	2,773,288	4,661,696
Markel Corporation	8,594	5,700,024	12,294,890
MarketAxess Holdings Inc.	30,284	6,042,085	7,673,311
Martin Marietta Materials Inc.	33,262	4,807,717	9,233,689
MasterCard, Inc., Class A	84,341	5,149,046	16,032,671
Moody's Corporation	121,517	11,737,799	22,527,284
Myriad Genetics, Inc.	175,673	7,279,334	7,577,476
NetEase, Inc.	4,798	2,104,532	2,079,330
NOW Inc.	195,176	6,399,277	2,703,696
NVIDIA Corporation	47,365	2,215,414	11,510,509
ResMed Inc.	91,208	8,164,783	9,701,102
Ritchie Bros. Auctioneers Incorporated	139,908	3,633,688	5,259,025
Royal Caribbean Cruises Ltd.	175,762	10,863,787	26,329,865
Ryanair Holding PLC – ADR	104,624	6,257,132	13,690,313
Seattle Genetics, Inc.	119,026	4,507,788	7,997,452
SiteOne Landscape Supply Inc.	70,373	4,638,543	6,778,872
Stericycle, Inc.	49,240	7,946,318	4,204,546
Taiwan Semiconductor Manufacturing Company Ltd. – ADR	579,973	12,408,994	28,880,648
TD Ameritrade Holding Corporation	131,209	4,101,518	8,425,495

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

Scotia Global Growth Fund (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2017

Issuer	Number of Shares	Average Cost ($)	Carrying Value ($)
EQUITIES (cont'd)			
United States (cont'd)			
Teradyne, Inc.	141,666	2,855,221	7,449,457
Tesla Motors Inc.	22,218	3,108,208	8,687,801
Thermo Fisher Scientific, Inc.	43,770	10,759,321	10,437,867
Verisk Analytics, Inc.	76,818	8,453,110	9,261,690
Visa Inc.	110,285	6,116,568	15,792,595
Wabtec Corporation	72,090	7,396,906	7,372,512
Waters Corporation	43,060	4,211,372	10,447,555
Yandex NV	151,016	2,617,483	6,211,411
Zillow Group Inc., Class C	68,840	652,698	3,537,794
Zillow Group Inc., Class A	24,293	3,443,176	1,242,963
		355,159,345	593,585,899
Transaction Costs		(277,370)	
TOTAL INVESTMENT PORTFOLIO		661,942,220	1,039,000,490
OTHER ASSETS, LESS LIABILITIES – 2.5%			27,827,693
NET ASSETS – 100.0%			1,066,828,183

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

Scotia Global Growth Fund (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 December 31, 2017 and December 31, 2016. 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.

	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

	December 31, 2016			
Currency	Gross currency exposure ($)	Currency contracts ($)	Net exposure ($)	Percentage of net assets (%)
US Dollar	577,681,046	(9,037)	577,672,009	63.5
British Pound	69,877,427	–	69,877,427	7.7
Japanese Yen	53,815,419	–	53,815,419	5.9
European Euro	51,279,968	–	51,279,968	5.6
South African Rand	30,362,263	–	30,362,263	3.3
Swiss Franc	24,282,755	–	24,282,755	2.7
Swedish Krona	19,687,134	–	19,687,134	2.2
Hong Kong Dollar	19,505,156	–	19,505,156	2.1
Danish Krone	15,197,863	–	15,197,863	1.7
Australian Dollar	7,997,298	–	7,997,298	0.9
Norwegian Krone	7,582,229	–	7,582,229	0.8
Brazilian Real	5,245,261	–	5,245,261	0.6
Taiwan Dollar	3,523,398	–	3,523,398	0.4
	886,037,217	(9,037)	886,028,180	97.4

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 $103,519,924 or 9.7% of net assets (December 31, 2016 – $88,602,818 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 December 31, 2017, approximately 97.5% (December 31, 2016 – 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 of the Fund would have decreased or increased, respectively, by approximately $103,900,049 (December 31, 2016 – $88,737,356). 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 December 31, 2017 or December 31, 2016.

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 (%)	
	December 31, 2017	December 31, 2016
Australia	–	0.9
Brazil	1.6	0.6
Canada	0.5	0.2
Denmark	1.8	1.7
France	2.0	0.6
Germany	3.7	3.2
Hong Kong	2.8	2.1
Ireland	1.0	0.6
Italy	1.2	0.7
Japan	7.4	5.9
Netherlands	0.5	–
Norway	0.8	0.8
Singapore	0.5	0.6
South Africa	4.6	3.3
Spain	0.4	0.5
Sweden	2.0	2.2
Switzerland	2.7	2.7
Taiwan	0.3	0.4
United Kingdom	8.1	10.0
United States	55.6	60.5

Fair Value Classification (note 2)

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

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

Scotia Global Growth Fund (Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

December 31, 2016	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Equities	552,108,909	335,264,648	–	887,373,557
Unrealized gain on currency spot contracts	–	30	–	30
	552,108,909	335,264,678	–	887,373,587

Transfers between levels

During the periods ended December 31, 2017 and December 31, 2016, there were no significant transfers between Level 1 and Level 2.

Offsetting of financial assets and liabilities (note 2)

As at December 31, 2017 and December 31, 2016, 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 December 31, 2017 or December 31, 2016.

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

The table below provides a comparison of the net asset value per unit and net assets per unit. A difference could arise when the last traded market price for a financial instrument is not within the bid-ask spread.

	December 31, 2017		December 31, 2016	
	Net asset value per unit ($)	Net assets per unit ($)	Net asset value per unit ($)	Net assets per unit ($)
Series A	70.50	70.50	56.99	56.99
Advisor Series	69.59	69.59	56.23	56.23
Series F	77.26	77.26	61.84	61.84
Series I	79.67	79.67	63.52	63.53

Scotia Global Small Cap Fund

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	December 31, 2017	December 31, 2016
ASSETS		
Current assets		
Investments		
Non-derivative financial assets	117,832,821	103,325,331
Unrealized gain on currency forward contracts	221,993	50,477
Cash	3,424,547	3,800,510
Subscriptions receivable	985	6,050
Accrued investment income and other	8,884	18,194
	121,489,230	107,200,562
LIABILITIES		
Current liabilities		
Redemptions payable	–	3,112
Accrued expenses	–	619
Unrealized loss on currency forward contracts	–	242,460
	–	246,191
Net assets attributable to holders of redeemable units	121,489,230	106,954,371
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series A	4,640,383	4,484,078
Series F	1,558	529
Series I	116,847,289	102,469,764
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series A	11.40	10.06
Series F	11.58	10.13
Series I	12.99	11.33

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except average units)	2017	2016
INCOME		
Net gain (loss) on investments		
Dividends	1,496,930	1,147,373
Interest for distribution purposes	19,712	18,633
Net realized gain (loss) on non-derivative financial assets	9,330,226	2,777,516
Net realized gain (loss) on currency forward contracts	1,888,777	(326,638)
Change in unrealized gain (loss) on non-derivative financial assets	4,293,916	(4,449,505)
Change in unrealized gain (loss) on currency forward contracts	413,976	41,997
Net gain (loss) on investments	17,443,537	(790,624)
Securities lending (note 11)	20,235	12,700
Net realized and unrealized foreign currency translation gain (loss)	(269,894)	(165,734)
Other income	160	24
Total income (loss), net	17,194,038	(943,634)
EXPENSES		
Management fees (note 5)	81,552	105,683
Fixed administration fees (note 6)	105,555	87,274
Independent Review Committee fees	1,135	1,184
Interest expense and bank overdraft charges	7,518	4,303
Foreign withholding taxes/tax reclaims	205,281	137,348
Other fund costs	–	15
Harmonized Sales Tax/Goods and Services Tax	19,627	20,298
Transaction costs	349,933	228,319
Total expenses	770,601	584,424
Increase (decrease) in net assets attributable to holders of redeemable units from operations	16,423,437	(1,528,058)
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A	583,732	(292,010)
Series F	180	(772)
Series I	15,839,525	(1,235,276)
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT[†]		
Series A	1.36	(0.63)
Series F	1.34	(4.92)
Series I	1.78	(0.15)
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series A	430,708	463,000
Series F	134	157
Series I	8,885,364	8,122,703

[†] 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 Global Small Cap Fund (Continued)

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

For the periods ended December 31 (note 1),

(in dollars)	2017	2016
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series A	4,484,078	5,095,483
Series F	529	10,075
Series I	102,469,764	86,912,723
	106,954,371	92,018,281
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A	583,732	(292,010)
Series F	180	(772)
Series I	15,839,525	(1,235,276)
	16,423,437	(1,528,058)
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net investment income		
Series I	(1,090,649)	(863,808)
	(1,090,649)	(863,808)
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A	716,233	884,388
Series F	849	500
Series I	3,005,600	19,356,554
Reinvested distributions		
Series I	1,090,649	863,808
Payments on redemption		
Series A	(1,143,660)	(1,203,783)
Series F	–	(9,274)
Series I	(4,467,600)	(2,564,237)
	(797,929)	17,327,956
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A	156,305	(611,405)
Series F	1,029	(9,546)
Series I	14,377,525	15,557,041
	14,534,859	14,936,090
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series A	4,640,383	4,484,078
Series F	1,558	529
Series I	116,847,289	102,469,764
	121,489,230	106,954,371

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	16,423,437	(1,528,058)
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(9,330,226)	(2,777,516)
Unrealized foreign currency translation (gain) loss	(15,708)	47,151
Change in unrealized (gain) loss on non-derivative financial assets	(4,293,916)	4,449,505
Change in unrealized (gain) loss on currency forward contracts	(413,976)	(41,997)
Purchases of portfolio investments	(186,857,637)	(114,625,214)
Proceeds from sale of portfolio investments	185,974,289	100,829,842
Accrued investment income and other	9,310	20,571
Accrued expenses and other payables	(619)	619
Net cash provided by (used in) operating activities	1,494,954	(13,625,097)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	3,726,898	20,240,371
Amounts paid on redemption of redeemable units	(5,613,523)	(3,774,182)
Net cash provided by (used in) financing activities	(1,886,625)	16,466,189
Unrealized foreign currency translation gain (loss)	15,708	(47,151)
Net increase (decrease) in cash	(391,671)	2,841,092
Cash (bank overdraft), beginning of period	3,800,510	1,006,569
CASH (BANK OVERDRAFT), END OF PERIOD	3,424,547	3,800,510
Interest paid[1]	7,518	4,303
Interest received[1]	20,449	18,248
Dividends received, net of withholding taxes[1]	1,300,225	1,030,979

(1) Classified as operating items.

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

Scotia Global Small Cap Fund (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2017

Issuer	Number of Shares / Number of Units	Average Cost ($)	Carrying Value ($)
EQUITIES – 97.0%			
France – 8.3%			
Dassault Systemes SA	14,200	1,736,493	1,894,285
Legrand SA	28,000	2,406,859	2,703,889
Sodexo	18,800	2,813,861	3,170,515
Worldline SA	38,600	2,007,817	2,352,444
		8,965,030	10,121,133
Germany – 3.6%			
Draegerwerk AG & Co KGaA	13,800	1,369,210	1,503,029
Gerresheimer AG	27,200	2,758,827	2,824,094
		4,128,037	4,327,123
Hong Kong – 1.3%			
Semiconductor Manufacturing International Corporation	713,300	1,252,284	1,544,799
Japan – 7.4%			
Daiwa Securities Group Inc.	468,000	3,804,177	3,690,089
FANUC Corporation	5,700	1,204,776	1,720,610
Harmonic Drive Systems Inc.	48,400	1,897,977	3,548,525
		6,906,930	8,959,224
Norway – 2.1%			
Orkla ASA	195,300	2,010,300	2,601,561
Spain – 2.1%			
Viscofan S.A.	31,100	2,115,166	2,576,207
Switzerland – 2.8%			
Julius Baer Group Ltd.	44,000	3,071,615	3,379,269
United Kingdom – 3.3%			
InterContinental Hotels Group PLC	31,500	2,011,835	2,517,359
Standard Life PLC	208,600	1,531,649	1,544,046
		3,543,484	4,061,405
United States – 66.1%			
Advanced Micro Devices Inc.	207,700	3,121,077	2,681,548
Allegion Public Limited Company	20,200	2,090,388	2,018,376
AmerisourceBergen Corporation	17,800	2,055,969	2,052,642
Blackline Inc.	52,200	2,430,785	2,150,306
Blue Buffalo Pet Products Inc.	61,500	2,399,696	2,532,635
Cerner Corporation	27,400	2,439,175	2,319,007
Fortune Brands Home & Security Inc.	35,700	2,784,226	3,068,557
Hill-Rom Holdings Inc.	26,300	2,458,860	2,784,119
InterXion Holding NV	85,200	3,879,915	6,305,681
Invesco Limited	53,700	2,363,728	2,464,330
iShares MSCI Europe Financials ETF	85,400	2,234,181	2,500,093
iShares Nasdaq Biotechnology ETF	25,800	3,165,983	3,459,593
Juno Therapeutics Inc.	43,600	2,472,739	2,502,959
K2M Group Holdings Inc.	105,000	3,128,208	2,373,656
KeyCorp.	154,200	3,658,538	3,906,126
Parker-Hannifin Corporation	7,800	1,670,820	1,955,094
Pinnacle Foods Inc.	25,600	1,929,889	1,912,027
PriceSmart Inc.	17,100	2,033,861	1,849,078
PTC Inc.	38,600	2,813,545	2,945,999
SLM Corporation	230,600	3,054,057	3,272,606
SYNNEX Corporation	11,800	1,800,941	2,014,732
TD Ameritrade Holding Corporation	62,000	3,480,700	3,981,287
The Ultimate Software Group, Inc.	16,100	4,047,772	4,412,618
Vantiv, Inc.	73,800	5,473,332	6,817,028
Xilinx Inc.	34,500	2,637,327	2,921,217
Zayo Group Holdings Inc.	109,500	4,727,204	5,060,786
		74,352,916	80,262,100
Transaction Costs		(117,649)	
TOTAL INVESTMENT PORTFOLIO		106,228,113	117,832,821
Unrealized Gain (Loss) on Derivatives – 0.2%			221,993
OTHER ASSETS, LESS LIABILITIES – 2.8%			3,434,416
NET ASSETS – 100.0%			121,489,230

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	Feb. 14, 2018	Canadian Dollar	2,159,439	Japanese Yen	188,120,000	87.115	89.422	55,713
Canadian Imperial Bank of Commerce	A-1	Feb. 14, 2018	Canadian Dollar	5,644,531	Japanese Yen	491,300,000	87.04	89.422	150,374
Royal Bank of Canada	A-1+	Feb. 14, 2018	Canadian Dollar	240,543	Japanese Yen	20,940,000	87.053	89.422	6,373
State Street Bank & Trust Company	A-1+	Feb. 14, 2018	Canadian Dollar	604,463	Japanese Yen	53,200,000	88.012	89.422	9,533
									221,993

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

Scotia Global Small Cap Fund (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 December 31, 2017 and December 31, 2016. 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.

	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

	December 31, 2016			
Currency	Gross currency exposure ($)	Currency contracts ($)	Net exposure ($)	Percentage of net assets (%)
US Dollar	67,977,621	(33,027,640)	34,949,981	32.7
European Euro	15,223,046	–	15,223,046	14.2
Norwegian Krone	2,376,476	–	2,376,476	2.2
British Pound	6,949,499	(6,454,923)	494,576	0.5
Japanese Yen	5,951,690	(5,464,915)	486,775	0.5
	98,478,332	(44,947,478)	53,530,854	50.1

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 $11,138,915 or 9.2% of net assets (December 31, 2016 – $5,353,085 or 5.1%). 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 December 31, 2017, approximately 97.0% (December 31, 2016 – 96.6%) 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 of the Fund would have decreased or increased, respectively, by approximately $11,783,282 (December 31, 2016 – $10,332,533). 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 December 31, 2017 or December 31, 2016.

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 (%)	
	December 31, 2017	December 31, 2016
Canada	–	6.3
France	8.3	3.6
Germany	3.6	3.7
Hong Kong	1.3	–
Japan	7.4	5.5
Norway	2.1	2.2
Spain	2.1	6.8
Switzerland	2.8	–
United Kingdom	3.3	6.5
United States	66.1	62.0

Fair Value Classification (note 2)

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

December 31, 2017	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
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

December 31, 2016	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Equities	72,935,804	30,389,527	–	103,325,331
Unrealized gain on currency forward contracts	–	50,477	–	50,477
	72,935,804	30,440,004	–	103,375,808
Unrealized loss on currency forward contracts	–	(242,460)	–	(242,460)
	72,935,804	30,197,544	–	103,133,348

Transfers between levels

During the periods ended December 31, 2017 and December 31, 2016, there were no significant transfers between Level 1 and Level 2.

Scotia Global Small Cap Fund (Continued)

FUND SPECIFIC NOTES
For the periods indicated in Note 1

Offsetting of financial assets and liabilities (note 2)

The following tables present 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.

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

	December 31, 2016			
Financial assets – by type	Gross amount of assets ($)	Master netting offset ($)	Collateral pledged/ received ($)	Net Amount ($)
Currency forward contracts	50,477	(16,550)	–	33,927
Options contracts – OTC	–	–	–	–
Swap contracts – OTC	–	–	–	–
	50,477	(16,550)	–	33,927

Financial liabilities – by type	Gross amount of liabilities ($)	Master netting offset ($)	Collateral pledged/ received ($)	Net Amount ($)
Currency forward contracts	242,460	(16,550)	–	225,910
Options contracts – OTC	–	–	–	–
Swap contracts – OTC	–	–	–	–
	242,460	(16,550)	–	225,910

Interest in Underlying Funds (note 2)

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

	December 31, 2017	
Underlying Fund	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	

	December 31, 2016	
Underlying Fund	Carrying value of the Underlying Fund ($)	Ownership percentage in Underlying Fund (%)
iShares MSCI Europe Financials ETF	2,093,705	0.3
iShares Nasdaq Biotechnology ETF	2,530,754	0.0
	4,624,459	

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

The table below provides a comparison of the net asset value per unit and net assets per unit. A difference could arise when the last traded market price for a financial instrument is not within the bid-ask spread.

	December 31, 2017		December 31, 2016	
	Net asset value per unit ($)	Net assets per unit ($)	Net asset value per unit ($)	Net assets per unit ($)
Series A	11.40	11.40	10.05	10.06
Series F	11.58	11.58	10.13	10.13
Series I	12.99	12.99	11.33	11.33

Scotia Global Opportunities Fund

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	December 31, 2017	December 31, 2016
ASSETS		
Current assets		
Investments		
Non-derivative financial assets	272,724,824	218,810,498
Unrealized gain on currency spot contracts	778	–
Cash	17,724,588	30,196,281
Subscriptions receivable	242,827	22,579
Accrued investment income and other	106,262	129,915
	290,799,279	249,159,273
LIABILITIES		
Current liabilities		
Payable for securities purchased	963,413	1,622,694
Redemptions payable	7,239	5,385
Accrued expenses	–	1,488
Unrealized loss on currency spot contracts	–	5,641
	970,652	1,635,208
Net assets attributable to holders of redeemable units	289,828,627	247,524,065
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
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
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series A	13.35	11.77
Advisor Series	13.02	11.44
Series F	13.52	11.80
Series I	14.61	12.82

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except average units)	2017	2016
INCOME		
Net gain (loss) on investments		
Dividends	5,855,745	4,288,779
Interest for distribution purposes	131,712	87,559
Net realized gain (loss) on non-derivative financial assets	(6,177,150)	8,717,935
Change in unrealized gain (loss) on non-derivative financial assets	41,479,863	(8,637,118)
Change in unrealized gain (loss) on currency spots contracts	6,419	(3,181)
Net gain (loss) on investments	41,296,589	4,453,974
Securities lending (note 11)	19,438	11,363
Net realized and unrealized foreign currency translation gain (loss)	(144,259)	(17,742)
Other income	203	84
Total income (loss), net	41,171,971	4,447,679
EXPENSES		
Management fees (note 5)	256,766	296,993
Fixed administration fees and operating expense (note 6)	204,087	167,679
Independent Review Committee fees	1,135	1,181
Interest expense and bank overdraft charges	4,074	5,764
Foreign withholding taxes/tax reclaims	580,990	495,767
Other fund costs	–	27
Harmonized Sales Tax/Goods and Services Tax	47,873	47,603
Transaction costs	150,764	184,697
Total expenses	1,245,689	1,199,711
Expenses absorbed by the Manager	(120)	(12,068)
Net expenses	1,245,569	1,187,643
Increase (decrease) in net assets attributable to holders of redeemable units from operations	39,926,402	3,260,036
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A	1,792,319	(204,866)
Advisor Series	37,500	(3,920)
Series F	923	(603)
Series I	38,095,660	3,469,425
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT†		
Series A	1.58	(0.18)
Advisor Series	1.65	(0.15)
Series F	1.97	(1.33)
Series I	2.07	0.25
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series A	1,136,858	1,144,457
Advisor Series	22,754	26,442
Series F	469	453
Series I	18,432,305	13,897,171

† 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 Global Opportunities Fund (Continued)

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

For the periods ended December 31 (note 1),

(in dollars)	2017	2016
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series A	13,000,186	13,985,651
Advisor Series	303,882	307,802
Series F	502	11,439
Series I	234,219,495	172,010,791
	247,524,065	186,315,683
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A	1,792,319	(204,866)
Advisor Series	37,500	(3,920)
Series F	923	(603)
Series I	38,095,660	3,469,425
	39,926,402	3,260,036
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net investment income		
Series I	(4,906,947)	(3,436,279)
From net realized gains on investments		
Series A	–	(55,289)
Advisor Series	–	(1,292)
Series F	–	(2)
Series I	–	(993,684)
	(4,906,947)	(4,486,546)
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A	3,002,783	3,245,205
Series F	28,230	500
Series I	8,030,100	87,966,724
Reinvested distributions		
Series A	–	54,998
Advisor Series	–	1,292
Series F	–	2
Series I	4,906,947	4,429,963
Payments on redemption		
Series A	(2,271,694)	(4,025,513)
Advisor Series	(87,309)	–
Series F	–	(10,834)
Series I	(6,323,950)	(29,227,445)
	7,285,107	62,434,892
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A	2,523,408	(985,465)
Advisor Series	(49,809)	(3,920)
Series F	29,153	(10,937)
Series I	39,801,810	62,208,704
	42,304,562	61,208,382
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END 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
	289,828,627	247,524,065

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	39,926,402	3,260,036
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	6,177,150	(8,717,935)
Unrealized foreign currency translation (gain) loss	(96,092)	88,732
Change in unrealized (gain) loss on non-derivative financial assets	(41,479,863)	8,637,118
Change in unrealized (gain) loss on currency spot contracts	(6,419)	3,181
Non-cash transactions	(18,704)	–
Purchases of portfolio investments	(72,858,378)	(101,562,231)
Proceeds from sale of portfolio investments	53,606,189	48,671,921
Accrued investment income and other	23,653	49,352
Accrued expenses and other payables	(1,488)	1,488
Net cash provided by (used in) operating activities	(14,727,550)	(49,568,338)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	10,812,635	91,282,053
Amounts paid on redemption of redeemable units	(8,652,870)	(39,058,810)
Distributions to unitholders of redeemable units	–	(291)
Net cash provided by (used in) financing activities	2,159,765	52,222,952
Unrealized foreign currency translation gain (loss)	96,092	(88,732)
Net increase (decrease) in cash	(12,567,785)	2,654,614
Cash (bank overdraft), beginning of period	30,196,281	27,630,399
CASH (BANK OVERDRAFT), END OF PERIOD	17,724,588	30,196,281
Interest paid[1]	4,074	5,764
Interest received[1]	140,775	87,289
Dividends received, net of withholding taxes[1]	5,270,643	3,842,632

[1] Classified as operating items.

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

Scotia Global Opportunities Fund (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2017

Issuer	Number of Shares	Average Cost ($)	Carrying Value ($)
EQUITIES – 94.1%			
Australia – 2.6%			
Ansell Ltd.	313,392	6,724,789	7,441,965
Brazil – 0.3%			
Odontoprev S.A.	142,200	492,803	855,517
Denmark – 1.7%			
Topdanmark A/S	88,800	2,993,520	4,811,196
Finland – 3.8%			
Kone Oyj	59,500	3,378,275	4,010,364
Nokian Renkaat Oyj	124,092	4,307,500	7,059,868
		7,685,775	11,070,232
France – 4.6%			
LVMH Moet Hennessy Louis Vuitton SA	17,100	3,944,352	6,309,283
Schneider Electric SA	67,000	6,187,773	7,137,300
		10,132,125	13,446,583
Germany – 3.3%			
Fresenius SE & Co. KGaA	97,550	9,359,813	9,540,012
Hong Kong – 1.0%			
Techtronic Industries Co., Ltd.	357,400	2,878,935	2,925,678
Japan – 6.3%			
Aeon Delight Co., Ltd.	101,300	3,150,555	4,756,593
FANUC Corporation	17,500	3,658,768	5,282,575
Kuraray Co., Ltd.	330,800	6,096,892	7,844,718
USS Co., Ltd.	18,000	354,645	478,428
		13,260,860	18,362,314
Netherlands – 8.2%			
Koninklijke Philips NV	197,500	7,923,075	9,384,815
Unilever NV	92,700	6,868,992	6,541,858
Wolters Kluwer NV	120,610	6,725,410	7,888,748
		21,517,477	23,815,421
Norway – 5.5%			
Gjensidige Forsikring ASA	187,500	3,781,373	4,443,465
Kongsberg Gruppen ASA	187,230	4,055,000	4,330,618
Protector Forsikring ASA	302,500	3,345,027	4,166,548
TGS Nopec Geophysical Co. ASA	100,904	2,698,812	2,999,280
		13,880,212	15,939,911
Singapore – 4.6%			
DBS Group Holdings Limited	212,800	3,376,284	4,950,458
Mapletree Logistics Trust	3,227,290	3,156,466	4,001,588
United Overseas Bank Ltd.	180,400	3,246,683	4,471,331
		9,779,433	13,423,377
South Korea – 3.3%			
Samsung Electronics Co., Ltd.	3,200	4,610,971	9,585,941
Sweden – 0.5%			
Hexagon AB	22,300	1,359,515	1,403,464
Switzerland – 4.3%			
Nestle SA	74,370	6,988,735	8,028,217
SGS SA	1,390	3,381,361	4,551,554
		10,370,096	12,579,771
United Kingdom – 12.7%			
Admiral Group PLC	106,100	3,439,702	3,594,861
Diageo PLC	205,000	7,351,445	9,426,472
Inchcape PLC	538,200	7,241,852	7,129,222
Intertek Group PLC	63,500	2,735,529	5,588,657
Just Eat PLC	121,500	1,313,129	1,601,403
RELX PLC	238,500	6,786,400	7,020,248
WPP Group PLC	112,800	3,425,871	2,568,405
		32,293,928	36,929,268
EQUITIES (cont'd)			
United States – 31.4%			
3M Company	31,300	6,645,743	9,252,334
Alphabet Inc., Class A	5,740	4,624,573	7,593,836
Check Point Software Technologies Ltd.	34,600	3,445,620	4,502,728
Cognizant Technology Solutions Corporation	114,700	7,644,057	10,230,576
Costco Wholesale Corporation	17,400	2,541,141	4,067,226
Deere & Company	27,600	2,940,934	5,425,093
Grupo Aeroportuario del Sureste S.A. de CV – ADR	6,300	1,493,026	1,444,053
Microsoft Corporation	81,600	4,686,135	8,766,282
Nielsen Holdings PLC	166,100	10,705,254	7,593,238
Omnicom Group Inc.	29,000	2,814,412	2,652,555
Oracle Corporation	141,100	7,569,660	8,378,388
Progressive Corporation, The	60,700	2,267,530	4,293,459
Ross Stores, Inc.	88,300	6,846,698	8,899,421
Visa Inc.	52,340	4,771,096	7,494,985
		68,995,879	90,594,174
Transaction Costs		(254,432)	
TOTAL INVESTMENT PORTFOLIO		216,081,699	272,724,824
OTHER ASSETS, LESS LIABILITIES – 5.9%			17,103,803
NET ASSETS – 100.0%			289,828,627

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

Scotia Global Opportunities Fund (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 December 31, 2017 and December 31, 2016. 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.

	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

	December 31, 2016			
Currency	Gross currency exposure ($)	Currency contracts ($)	Net exposure ($)	Percentage of net assets (%)
US Dollar	87,361,236	–	87,361,236	35.3
European Euro	30,270,251	–	30,270,251	12.2
British Pound	20,764,820	–	20,764,820	8.4
Japanese Yen	18,226,919	1,267,405	19,494,324	7.9
Hong Kong Dollar	15,894,393	151,120	16,045,513	6.5
Singapore Dollar	13,508,019	–	13,508,019	5.5
Swiss Franc	11,540,578	–	11,540,578	4.7
Norwegian Krone	11,463,740	–	11,463,740	4.6
Australian Dollar	7,532,880	–	7,532,880	3.0
South Korean Won	6,362,116	–	6,362,116	2.6
Danish Krone	869,965	82,502	952,467	0.4
Brazilian Real	722,083	–	722,083	0.3
South African Rand	29,031	–	29,031	0.0
Israel Shekel	11,222	–	11,222	0.0
	224,557,253	1,501,027	226,058,280	91.4

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 $28,228,093 or 9.7% of net assets (December 31, 2016 – $22,605,828 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 December 31, 2017, approximately 94.1% (December 31, 2016 – 88.4%) 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 of the Fund would have decreased or increased, respectively, by approximately $27,272,482 (December 31, 2016 – $21,881,050). 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 December 31, 2017 or December 31, 2016.

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 (%)	
	December 31, 2017	December 31, 2016
Australia	2.6	3.0
Brazil	0.3	0.3
Denmark	1.7	0.4
Finland	3.8	3.5
France	4.6	5.8
Germany	3.3	2.7
Hong Kong	1.0	6.1
Japan	6.3	7.3
Netherlands	8.2	–
Norway	5.5	4.2
Singapore	4.6	5.2
South Korea	3.3	2.6
Sweden	0.5	–
Switzerland	4.3	4.4
United Kingdom	12.7	8.1
United States	31.4	34.8

Fair Value Classification (note 2)

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

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

Scotia Global Opportunities Fund (Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

December 31, 2016	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Equities	86,206,842	132,603,656	–	218,810,498
	86,206,842	132,603,656	–	218,810,498
Unrealized loss on currency spot contracts	–	(5,641)	–	(5,641)
	86,206,842	132,598,015	–	218,804,857

Transfers between levels

During the periods ended December 31, 2017 and December 31, 2016, there were no significant transfers between Level 1 and Level 2.

Offsetting of financial assets and liabilities (note 2)

As at December 31, 2017 and December 31, 2016, 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 December 31, 2017 or December 31, 2016.

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

As at December 31, 2017 or December 31, 2016, 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

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	December 31, 2017	December 31, 2016
ASSETS		
Current assets		
Investments		
Non-derivative financial assets	725,210,927	386,065,078
Purchased Options	6,203,935	8,797,492
Unrealized gain on currency forward contracts	14,137,021	–
Cash*	141,087,045	397,659,013
Receivable for securities sold	1,856,331	20,403,364
Subscriptions receivable	536,986	549,970
Accrued investment income and other	289,136	206,701
	889,321,381	813,681,618
LIABILITIES		
Current liabilities		
Payable for securities purchased	4,922,165	1,758,371
Redemptions payable	1,863,675	312,055
Accrued expenses	5	2,548
Distributions payable	1,376	–
Liability for written options	4,574,150	13,050,764
Unrealized loss on currency forward contracts	–	2,835,872
	11,361,371	17,959,610
Net assets attributable to holders of redeemable units	877,960,010	795,722,008
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series I	577,689,643	575,786,743
Series K	25,073,596	4,307,394
Series M	275,196,771	215,627,871
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series I	10.37	10.11
Series K	9.88	9.78
Series M	9.76	9.55

* $8,035,960 held by brokers as collateral for derivatives (December 31, 2016 – $213,809,268)

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except average units)	2017	2016
INCOME		
Net gain (loss) on investments		
Dividends	6,264,009	4,467,933
Interest for distribution purposes	3,652,073	1,159,128
Net realized gain (loss) on non-derivative financial assets	12,045,292	(22,859,613)
Net realized gain (loss) on option contracts	40,111,382	31,312,336
Net realized gain (loss) on currency forward contracts	24,765,905	15,953,281
Net realized gain (loss) on futures contracts	160,167	(1,366,987)
Net realized gain (loss) on swap contracts	–	(2,510,295)
Change in unrealized gain (loss) on non-derivative financial assets	8,428,355	10,033,238
Change in unrealized gain (loss) on option contracts	3,469,625	615,704
Change in unrealized gain (loss) on currency forward contracts	16,972,893	733,039
Net gain (loss) on investments	115,869,701	37,537,764
Net realized and unrealized foreign currency translation gain (loss)	(30,836,075)	(9,852,224)
Total income (loss), net	85,033,626	27,685,540
EXPENSES		
Management fees (note 5)	245,894	199,964
Fixed administration fees (note 6)	686,557	605,455
Independent Review Committee fees	1,135	1,184
Interest expense and bank overdraft charges	2,684	5,326
Foreign withholding taxes/tax reclaims	774,791	596,867
Other fund costs	–	133
Harmonized Sales Tax/Goods and Services Tax	95,992	89,015
Transaction costs	4,168,153	3,945,688
Total expenses	5,975,206	5,443,632
Increase (decrease) in net assets attributable to holders of redeemable units from operations	79,058,420	22,241,908
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series I	54,603,977	16,354,038
Series K	1,454,240	22,567
Series M	23,000,203	5,865,303
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT†		
Series I	1.00	0.28
Series K	0.95	0.17
Series M	0.91	0.28
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series I	54,845,524	58,100,738
Series K	1,536,047	134,399
Series M	25,331,277	20,822,152

† 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 Options Income Pool (Continued)

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

For the periods ended December 31 (note 1),

(in dollars)	2017	2016
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series I	575,786,743	593,720,376
Series K	4,307,394	–
Series M	215,627,871	183,976,885
	795,722,008	777,697,261
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series I	54,603,977	16,354,038
Series K	1,454,240	22,567
Series M	23,000,203	5,865,303
	79,058,420	22,241,908
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net investment income		
Series I	(5,255,719)	–
Series K	(201,570)	–
Series M	(2,160,075)	–
From net realized gains on investments		
Series I	(34,012,041)	(1,490,759)
Series K	(1,436,021)	(11,731)
Series M	(16,097,348)	(278,450)
From return of capital		
Series K	–	(23,757)
Series M	–	(8,973,555)
	(59,162,774)	(10,778,252)
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series I	39,082,088	59,781,614
Series K	21,372,062	4,297,890
Series M	72,060,305	57,631,292
Reinvested distributions		
Series I	37,023,480	1,329,059
Series K	1,636,183	35,488
Series M	17,964,947	9,173,604
Payments on redemption		
Series I	(89,538,885)	(93,907,585)
Series K	(2,058,692)	(13,063)
Series M	(35,199,132)	(31,767,208)
	62,342,356	6,561,091
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series I	1,902,900	(17,933,633)
Series K	20,766,202	4,307,394
Series M	59,568,900	31,650,986
	82,238,002	18,024,747
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END 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
	877,960,010	795,722,008

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	79,058,420	22,241,908
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(12,045,292)	22,859,613
Net realized (gain) loss on option contracts	(40,111,382)	(31,312,336)
Unrealized foreign currency translation (gain) loss	(2,089,989)	8,625,688
Change in unrealized (gain) loss on non-derivative financial assets	(8,428,355)	(10,033,238)
Change in unrealized (gain) loss on option contracts	(3,469,625)	(615,704)
Change in unrealized (gain) loss on currency forward contracts	(16,972,893)	(733,039)
Non-cash transactions	(260,639)	–
Purchases of portfolio investments	(2,230,851,968)	(1,122,534,875)
Proceeds from sale of portfolio investments	1,971,849,180	949,032,862
Accrued investment income and other	(82,435)	(11,607)
Accrued expenses and other payables	(2,543)	2,548
Net cash provided by (used in) operating activities	(263,407,521)	(162,478,180)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	132,278,472	122,990,520
Amounts paid on redemption of redeemable units	(124,996,120)	(125,483,921)
Distributions to unitholders of redeemable units	(2,536,788)	(240,101)
Net cash provided by (used in) financing activities	4,745,564	(2,733,502)
Unrealized foreign currency translation gain (loss)	2,089,989	(8,625,688)
Net increase (decrease) in cash	(258,661,957)	(165,211,682)
Cash (bank overdraft), beginning of period	397,659,013	571,496,383
CASH (BANK OVERDRAFT), END OF PERIOD	141,087,045	397,659,013
Interest paid[1]	2,684	5,326
Interest received[1]	3,706,668	1,248,948
Dividends received, net of withholding taxes[1]	5,091,549	3,769,640

[1] Classified as operating items.

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

Scotia Private Options Income Pool (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2017

Issuer	Number of Shares/ Number of Contracts	Average Cost ($)	Carrying Value ($)
LONG POSITIONS – 83.2%			
Consumer Discretionary – 4.8%			
Amazon.com, Inc.	5,319	6,424,290	7,812,231
Aptiv PLC	11,960	1,444,963	1,274,197
Comcast Corporation, Class A	174,700	8,321,113	8,787,219
Comcast Corporation, Class A, Call Options $41.50 Jan 05, 2018	1,747	146,423	9,873
Comcast Corporation, Class A, Call Options $42.50 Feb 16, 2018	3,325	160,830	217,146
Delphi Technologies PLC	3,986	260,639	262,666
General Motors Company	41,251	2,267,212	2,123,579
General Motors Company, Call Options $48.00 Feb 16, 2018	2,850	232,215	28,635
Lowe's Companies, Inc.	74,473	7,660,802	8,692,757
McDonald's Corporation	35,667	7,161,794	7,709,992
Priceline Group Inc., The	659	1,625,870	1,438,223
PVH Corporation	21,548	3,359,907	3,713,203
Starbucks Corporation, Call Options $61.00 Jan 12, 2018	4,065	302,965	12,763
		39,369,023	42,082,484
Consumer Staples – 2.8%			
Colgate-Palmolive Company	42,503	3,752,960	4,027,493
Constellation Brands, Inc., Class A	9,549	2,638,916	2,741,152
CVS Health Corporation	20,531	1,824,372	1,869,408
Mondelez International, Inc.	59,470	3,151,051	3,196,669
PepsiCo, Inc.	36,097	5,044,218	5,436,492
Philip Morris International Inc.	26,315	3,476,966	3,491,635
Walgreens Boots Alliance Inc.	44,731	4,407,287	4,079,631
		24,295,770	24,842,480
Currency Options – 0.1%			
USD Call / CAD Put, Call Options $1.31 Mar 23, 2018	171,000,000	1,230,384	448,203
Energy – 2.8%			
Alerian MLP ETF, Call Options $14.00 Jan 14, 2019	23,000	406,366	216,643
Anadarko Petroleum Corporation	48,200	4,077,203	3,247,071
Devon Energy Corporation, Call Options $42.00 Apr 20, 2018	1,913	516,638	624,661
Diamondback Energy Inc., Call Options $125.00 Mar 16, 2018	1,995	483,031	1,891,672
Halliburton Company	28,380	1,992,321	1,741,850
Marathon Petroleum Corporation	99,936	6,905,822	8,281,143
Nabors Industries Ltd., Call Options $8.00 Mar 16, 2018	11,000	312,182	442,078
Williams Companies Inc., The	215,454	8,007,274	8,250,267
		22,700,837	24,695,385
Financials – 5.0%			
Assurant, Inc.	33,259	4,349,520	4,212,094
BlackRock, Inc.	3,396	2,152,560	2,190,997
Capital One Financial Corporation	9,252	1,079,243	1,157,081
Citigroup Inc.	82,900	7,816,275	7,747,148
Citizens Financial Group Inc.	39,368	2,027,317	2,075,591
Comerica Incorporated	25,627	2,603,395	2,793,982
Leucadia National Corporation	124,655	3,937,893	4,147,130
Prudential Financial, Inc.	31,986	4,637,102	4,618,897
S&P Global Inc.	35,251	7,230,650	7,499,648
SPDR S&P Regional Banking ETF, Call Options $65.00 Mar 16, 2018	6,750	687,395	313,662
Synchrony Financial	11,859	463,970	575,048
Wells Fargo & Company	88,226	6,313,159	6,722,435
		43,298,479	44,053,713
Health Care – 5.2%			
Abbott Laboratories	55,072	3,903,153	3,947,251
AbbVie Inc.	6,457	769,385	784,257
Agilent Technologies, Inc.	11,933	960,023	1,003,658
Baxter International Inc.	6,112	507,134	496,182
Biogen Inc.	3,964	1,565,333	1,585,968
Bristol-Myers Squibb Company	19,809	1,587,375	1,524,535
CIGNA Corporation	22,821	6,014,021	5,820,754
Gilead Sciences, Inc.	83,698	8,265,887	7,530,549
Johnson & Johnson	44,921	7,486,416	7,882,500

Issuer	Number of Shares/ Number of Contracts	Average Cost ($)	Carrying Value ($)
LONG POSITIONS (cont'd)			
Health Care (cont'd)			
Medtronic PLC	47,301	4,806,296	4,796,991
Merck & Co., Inc.	71,569	5,712,985	5,057,756
Merck & Company Inc., Call Options $60.00 Mar 16, 2018	1,510	113,599	102,406
Mettler-Toledo International Inc.	1,710	1,352,704	1,330,477
UnitedHealth Group Incorporated	14,704	3,791,009	4,071,189
		46,835,320	45,934,473
Options on Index Based Exchange-Traded Funds – 0.1%			
SPDR S&P 500 ETF, Put Options $230.00 Jan 05, 2018	11,150	127,435	35,008
SPDR S&P 500 ETF, Put Options $247.50 Jan 12, 2018	8,225	560,164	165,277
SPDR S&P 500 ETF, Put Options $250.00 Jan 05, 2018	11,150	623,016	105,025
SPDR S&P 500 ETF, Put Options $250.00 Jan 19, 2018	8,225	491,464	294,399
SPDR S&P 500 ETF, Put Options $250.00 Jan 26, 2018	8,225	343,272	413,192
		2,145,351	1,012,901
Industrials – 3.7%			
Boeing Company, The	7,617	2,266,584	2,821,171
FedEx Corporation	3,546	926,448	1,111,309
General Dynamics Corporation	4,593	1,192,092	1,173,573
Honeywell International Inc.	26,006	4,456,652	5,008,892
Ingersoll-Rand PLC	62,575	6,850,206	7,009,274
JB Hunt Transport Services Inc	6,307	873,518	910,754
Kansas City Southern	7,591	1,022,682	1,003,121
Raytheon Company	24,492	5,712,001	5,778,185
Republic Services, Inc.	21,589	1,782,045	1,833,156
Rockwell Automation, Inc.	6,483	1,574,027	1,598,685
Southwest Airlines Company	42,504	2,920,362	3,493,779
United Parcel Service, Inc., Class B	3,508	530,854	524,940
Waste Management, Inc.	5,018	526,229	543,873
		30,633,700	32,810,712
Information Technology – 11.9%			
Adobe Systems Incorporated	11,313	2,103,236	2,489,815
Alphabet Inc., Class A	6,137	7,456,110	8,119,054
Apple Inc.	36,421	7,034,703	7,740,789
Applied Materials, Inc.	118,608	6,937,574	7,614,841
Broadcom Ltd.	72,290	23,264,744	23,323,748
Broadcom Ltd., Call Options $280.00 Feb 16, 2018	613	575,565	202,090
Cisco Systems, Inc.	96,653	4,516,358	4,649,113
Cognizant Technology Solutions Corporation	85,900	7,552,224	7,661,783
Facebook Inc.	35,468	8,055,268	7,860,298
Fidelity National Information Service, Inc.	22,559	2,681,382	2,665,749
HP Inc.	259,111	7,027,701	6,837,037
MasterCard, Inc., Class A	11,415	1,995,936	2,169,917
Microsoft Corporation	72,912	7,785,926	7,832,930
Oracle Corporation	86,753	5,335,910	5,151,313
Synopsys Inc.	9,418	1,073,529	1,008,227
Texas Instruments Incorporated	15,806	1,962,043	2,073,217
Total System Services, Inc.	19,191	1,785,585	1,906,230
Visa Inc.	1,700	168,005	243,437
Western Digital Corporation	47,500	4,869,850	4,744,392
		102,181,649	104,293,980
Materials – 1.2%			
Air Products and Chemicals, Inc.	30,250	6,223,712	6,233,573
Avery Dennison Corporation	18,965	2,610,517	2,735,758
Newmont Mining Corporation	34,215	1,586,197	1,612,261
		10,420,426	10,581,592
Real Estate – 1.4%			
American Tower Corporation	38,916	7,033,655	6,972,955
Duke Realty Corporation	144,180	5,169,382	4,927,080
		12,203,037	11,900,035

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

Scotia Private Options Income Pool (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2017

Issuer		Number of Shares/ Number of Contracts/ Face Value ($)	Average Cost ($)	Carrying Value ($)
LONG POSITIONS (cont'd)				
Telecommunication Services – 1.8%				
CenturyLink Inc.		499,500	11,166,232	10,463,755
CenturyLink Inc., Call Options $18.00 Jan 19, 2018		4,995	131,141	125,465
CenturyLink Inc., Call Options $18.00 Mar 16, 2018		5,900	429,623	555,737
Verizon Communications Inc.		68,875	4,050,558	4,578,460
			15,777,554	15,723,417
Utilities – 0.8%				
CMS Energy Corporation		8,529	538,829	506,658
DTE Energy Company		7,467	1,062,448	1,026,497
PG&E Corporation		104,777	7,261,179	5,899,167
			8,862,456	7,432,322
MONEY MARKET INSTRUMENTS – 41.6%				
Treasury Bills – 41.6%				
Government of Canada 0.00% Apr 05, 2018		25,400,000	25,245,314	25,347,527
Government of Canada 0.00% Aug 23, 2018		19,500,000	19,337,175	19,343,794
Government of Canada 0.00% Jul 26, 2018		162,250,000	160,624,255	161,225,288
Government of Canada 0.00% Oct 18, 2018		7,000,000	6,921,810	6,924,399
United States Treasury Bills 0.00% Jul 19, 2018	USD	70,000,000	86,041,992	87,326,227
United States Treasury Bills 0.00% Mar 01, 2018	USD	52,200,000	64,973,670	65,435,930
			363,144,216	365,603,165
TOTAL LONG POSITIONS			723,098,202	731,414,862
SHORT POSITIONS – (0.4%)				
Consumer Discretionary – (0.1%)				
Amazon.com, Inc., Written Put Options $1120.00 Jan 26, 2018		(33)	(36,568)	(25,385)
Carnival Corporation, Written Put Options $60.50 Jan 26, 2018		(675)	(52,888)	(10,597)
CBS Corporation, Class B, Written Put Options $52.50 Jan 19, 2018		(1,050)	(66,668)	(12,528)
Charter Communications Inc., Class A, Written Put Options $285.00 Jan 19, 2018		(190)	(77,901)	(11,931)
Charter Communications Inc., Class A, Written Put Options $310.00 Jan 19, 2018		(138)	(75,354)	(25,997)
Comcast Corporation, Class A, Written Call Options $43.00 Jan 05, 2018		(3,494)	(130,890)	(6,582)
Comcast Corporation, Class A, Written Call Options $47.50 Feb 16, 2018		(3,325)	(46,555)	(25,055)
Comcast Corporation, Class A, Written Put Options $35.00 Feb 16, 2018		(925)	(64,294)	(20,911)
Comcast Corporation, Class A, Written Put Options $37.50 Feb 16, 2018		(1,500)	(89,159)	(100,786)
Dollar General Corporation, Written Put Options $86.00 Jan 26, 2018		(475)	(49,439)	(28,336)
Dollar General Corporation, Written Put Options $87.00 Jan 26, 2018		(555)	(65,698)	(36,594)
General Motors Company, Written Put Options $40.00 Feb 16, 2018		(1,425)	(197,756)	(171,808)
Lowe's Companies Inc., Written Put Options $77.50 Jan 19, 2018		(570)	(54,684)	(1,790)
Starbucks Corporation, Written Call Options $63.00 Jan 12, 2018		(4,065)	(99,245)	(10,210)
Twenty-First Century Fox Inc., Class B, Written Put Options $28.00 Jan 19, 2018		(1,615)	(67,481)	(202,828)
Twenty-First Century Fox Inc., Class B, Written Put Options $29.00 Jan 19, 2018		(1,500)	(53,969)	(221,353)
Walt Disney Company, The, Written Put Options $105.00 Feb 16, 2018		(500)	(86,782)	(110,519)
			(1,315,331)	(1,023,210)
Consumer Staples – 0.0%				
Constellation Brands, Inc., Class A, Written Put Options $210.00 Jan 19, 2018		(150)	(33,473)	(14,129)
CVS Health Corporation, Written Put Options $66.50 Jan 26, 2018		(545)	(39,797)	(16,427)
CVS Health Corporation, Written Put Options $67.50 Jan 19, 2018		(900)	(123,432)	(19,780)
Philip Morris International Inc., Written Put Options $100.00 Jan 26, 2018		(375)	(31,476)	(17,897)
Wal-Mart Stores Inc., Written Put Options $93.00 Jan 26, 2018		(475)	(53,712)	(16,405)
			(281,890)	(84,638)

Issuer	Number of Contracts	Average Cost ($)	Carrying Value ($)
SHORT POSITIONS (cont'd)			
Currency Options – 0.0%			
USD Call / CAD Put, Written Call Options $1.37 Mar 23, 2018	(171,000,000)	(201,222)	(69,582)
Energy – (0.1%)			
Andeavor, Written Put Options $105.00 Jan 26, 2018	(275)	(33,630)	(9,843)
Devon Energy Corporation, Written Call Options $47.00 Apr 20, 2018	(1,913)	(191,913)	(230,644)
Devon Energy Corporation, Written Put Options $36.00 Apr 20, 2018	(1,275)	(296,294)	(132,105)
Diamondback Energy Inc., Written Put Options $100.00 Mar 16, 2018	(665)	(340,658)	(50,111)
Marathon Petroleum Corporation, Written Put Options $62.50 Feb 16, 2018	(565)	(62,165)	(67,411)
Pioneer Natural Resources Company, Written Put Options $160.00 Feb 02, 2018	(325)	(57,381)	(50,001)
		(982,041)	(540,115)
Financials – 0.0%			
Assurant Inc., Written Put Options $95.00 Jan 19, 2018	(675)	(64,698)	(23,313)
Bank of America Corporation, Written Put Options $27.00 Jan 26, 2018	(1,570)	(50,521)	(18,732)
Capital One Financial Corporation, Written Put Options $88.00 Jan 26, 2018	(390)	(51,666)	(12,490)
Citigroup Inc., Written Put Options $70.00 Feb 16, 2018	(499)	(48,230)	(48,569)
Citigroup Inc., Written Put Options $71.00 Jan 26, 2018	(570)	(45,492)	(31,856)
Citigroup Inc., Written Put Options $72.50 Jan 19, 2018	(555)	(54,190)	(44,610)
KeyCorp., Written Put Options $18.00 Jan 19, 2018	(2,900)	(110,479)	(10,926)
Prudential Financial Inc., Written Put Options $110.00 Jan 19, 2018	(300)	(37,778)	(18,273)
Raymond James Financial Inc., Written Put Options $85.00 Jan 19, 2018	(223)	(30,088)	(14,003)
SPDR S&P Regional Banking ETF, Written Put Options $55.00 Mar 16, 2018	(1,350)	(232,885)	(156,831)
Wells Fargo & Company, Written Put Options $55.00 Jan 19, 2018	(980)	(89,602)	(15,385)
		(815,629)	(394,988)
Health Care – 0.0%			
AbbVie Inc., Written Put Options $92.00 Jan 19, 2018	(185)	(14,754)	(10,339)
Aetna Inc., Written Put Options $155.00 Jan 19, 2018	(250)	(64,129)	(3,297)
Aetna Inc., Written Put Options $175.00 Jan 19, 2018	(261)	(49,716)	(27,862)
Allergan PLC, Written Put Options $152.50 Jan 26, 2018	(270)	(47,578)	(40,691)
Biogen Inc., Written Put Options $290.00 Jan 19, 2018	(97)	(18,504)	(8,223)
Bristol-Myers Squibb Company, Written Put Options $57.00 Jan 26, 2018	(295)	(14,481)	(15,190)
Gilead Sciences, Inc., Written Put Options $70.00 Jan 26, 2018	(509)	(42,440)	(55,615)
Medtronic PLC, Written Put Options $78.00 Jan 26, 2018	(425)	(39,934)	(26,688)
Merck & Company Inc., Written Put Options $50.00 Mar 16, 2018	(755)	(89,529)	(28,920)
		(381,065)	(216,825)
Index Based Exchange-Traded Funds – (0.1%)			
SPDR S&P 500 ETF, Written Put Options $237.50 Jan 12, 2018	(8,225)	(253,653)	(103,298)
SPDR S&P 500 ETF, Written Put Options $237.50 Jan 26, 2018	(8,225)	(145,630)	(206,596)
SPDR S&P 500 ETF, Written Put Options $240.00 Jan 05, 2018	(22,300)	(509,728)	(126,030)
SPDR S&P 500 ETF, Written Put Options $240.00 Jan 26, 2018	(8,225)	(243,084)	(237,585)
		(1,152,095)	(673,509)
Industrials – 0.0%			
Boeing Company, The, Written Put Options $267.50 Jan 12, 2018	(95)	(25,120)	(1,849)
Delta Air Lines Inc., Written Put Options $48.00 Jan 19, 2018	(715)	(38,654)	(7,633)
FedEx Corporation, Written Put Options $230.00 Jan 19, 2018	(50)	(14,707)	(1,947)
Ingersoll-Rand PLC, Written Put Options $82.50 Jan 19, 2018	(500)	(37,974)	(9,419)
JB Hunt Transport Services Inc., Written Put Options $105.00 Jan 19, 2018	(400)	(62,193)	(18,839)
Rockwell Automation Inc., Written Put Options $185.00 Jan 19, 2018	(176)	(31,718)	(23,209)
Southwest Airlines Company, Written Put Options $57.00 Jan 26, 2018	(725)	(52,259)	(20,487)

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

Scotia Private Options Income Pool (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2017

Issuer	Number of Contracts	Average Cost ($)	Carrying Value ($)
SHORT POSITIONS (cont'd)			
Industrials (cont'd)			
Southwest Airlines Company, Written Put Options $60.50 Jan 26, 2018	(500)	(35,067)	(34,537)
		(297,692)	(117,920)
Information Technology – (0.1%)			
Activision Blizzard Inc., Written Put Options $60.00 Jan 19, 2018	(1,482)	(165,588)	(76,311)
Activision Blizzard Inc., Written Put Options $60.00 Jan 26, 2018	(865)	(64,530)	(60,293)
Adobe Systems Incorporated, Written Put Options $160.00 Jan 19, 2018	(214)	(53,555)	(8,735)
Adobe Systems Incorporated, Written Put Options $165.00 Jan 26, 2018	(212)	(39,540)	(27,823)
Alphabet Inc., Class A, Written Put Options $1010.00 Jan 19, 2018	(52)	(81,611)	(16,980)
Apple Inc., Written Put Options $155.00 Feb 16, 2018	(227)	(42,631)	(45,187)
Apple Inc., Written Put Options $160.00 Jan 26, 2018	(218)	(28,002)	(22,040)
Apple Inc., Written Put Options $162.50 Jan 26, 2018	(218)	(38,537)	(32,444)
Applied Materials, Inc., Written Put Options $47.00 Jan 26, 2018	(750)	(45,784)	(32,967)
Broadcom Ltd., Written Call Options $300.00 Feb 16, 2018	(613)	(171,877)	(53,891)
Electronic Arts Inc., Written Put Options $100.00 Jan 19, 2018	(1,189)	(165,093)	(103,782)
Facebook Inc., Written Put Options $167.50 Jan 26, 2018	(339)	(58,912)	(47,045)
MasterCard, Inc., Class A, Written Put Options $145.00 Jan 19, 2018	(205)	(24,573)	(12,358)
Microsoft Corporation, Written Put Options $75.00 Feb 16, 2018	(570)	(70,217)	(22,550)
NXP Semiconductors NV, Written Put Options $105.00 Jan 19, 2018	(525)	(69,499)	(9,890)
NXP Semiconductors NV, Written Put Options $110.00 Jan 19, 2018	(335)	(52,927)	(9,466)
Oracle Corporation, Written Put Options $46.00 Feb 16, 2018	(1,621)	(112,395)	(110,952)
Oracle Corporation, Written Put Options $47.00 Jan 19, 2018	(692)	(48,023)	(44,758)
QUALCOMM Inc., Written Put Options $61.00 Jan 26, 2018	(1,460)	(116,745)	(86,180)
Total System Services, Inc., Written Put Options $75.00 Jan 19, 2018	(385)	(17,041)	(13,297)
Western Digital Corporation, Written Put Options $72.50 Jan 19, 2018	(555)	(69,927)	(17,426)
Western Digital Corporation, Written Put Options $85.00 Jan 19, 2018	(342)	(59,933)	(246,973)
		(1,596,940)	(1,101,348)
Materials – 0.0%			
Newmont Mining Corporation, Written Put Options $34.50 Jan 26, 2018	(600)	(23,859)	(7,159)
Real Estate – 0.0%			
American Tower Corporation, Written Call Options $148.00 Jan 26, 2018	(250)	(21,681)	(18,839)
American Tower Corporation, Written Put Options $136.00 Jan 26, 2018	(256)	(35,111)	(18,487)
GGP Inc., Written Put Options $21.00 Jan 19, 2018	(2,600)	(80,288)	(62,042)
GGP Inc., Written Put Options $22.00 Jan 19, 2018	(1,615)	(60,083)	(63,891)
		(197,163)	(163,259)
Telecommunication Services – 0.0%			
CenturyLink Inc., Written Call Options $20.00 Jan 19, 2018	(9,990)	(124,752)	(31,152)
CenturyLink Inc., Written Call Options $22.00 Mar 16, 2018	(5,900)	(177,121)	(111,147)
CenturyLink Inc., Written Put Options $12.00 Jan 19, 2018	(2,950)	(180,889)	(9,262)
T-Mobile US Inc., Written Put Options $57.00 Jan 12, 2018	(666)	(52,440)	(4,600)
T-Mobile US Inc., Written Put Options $57.50 Jan 19, 2018	(1,402)	(124,298)	(14,086)
T-Mobile US Inc., Written Put Options $58.00 Jan 05, 2018	(725)	(46,446)	(3,187)
		(705,946)	(173,434)
Utilities – 0.0%			
AES Corporation, The, Written Put Options $10.00 Jan 19, 2018	(1,300)	(14,193)	(8,163)
TOTAL SHORT POSITIONS		(7,965,066)	(4,574,150)
Transaction Costs		(233,241)	
TOTAL INVESTMENT PORTFOLIO		714,899,895	726,840,712
Unrealized Gain (Loss) on Derivatives – 1.6%			14,137,021
OTHER ASSETS, LESS LIABILITIES – 15.6%			136,982,277
NET ASSETS – 100.0%			877,960,010

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	Jan. 24, 2018	Canadian Dollar	311,270,624	US Dollar	241,850,000	0.777	0.795	7,232,709
Royal Bank of Canada	A-1+	Jan. 24, 2018	Canadian Dollar	70,331,321	US Dollar	54,740,000	0.778	0.795	1,515,792
Bank of America, N.A.	A-1	Jan. 24, 2018	Canadian Dollar	232,892,103	US Dollar	180,970,000	0.777	0.795	5,388,520
									14,137,021

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

Scotia Private Options Income Pool (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 (earlier of maturity date or interest reset date) of the Fund's portfolio, excluding underlying funds, preferred shares, cash and overdrafts, as applicable.

Interest rate exposure	December 31, 2017 ($)	December 31, 2016 ($)
Less than 1 year	365,603,165	–
1-3 years	–	–
3-5 years	–	–
5-10 years	–	–
> 10 years	–	–
	365,603,165	–

As at December 31, 2017, 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 would have decreased or increased, respectively, by $436,871 or approximately 0.0% (December 31, 2016 – nil 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.

	December 31, 2017			
Currency	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

	December 31, 2016			
Currency	Gross currency exposure ($)	Currency contracts ($)	Net exposure ($)	Percentage of net assets (%)
US Dollar	711,429,687	(685,010,608)	26,419,079	3.3
European Euro	58,006	–	58,006	0.0
	711,487,693	(685,010,608)	26,477,085	3.3

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 $3,753,221 or 0.4% of net assets (December 31, 2016 – $2,647,709 or 0.3%). 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 December 31, 2017, approximately 41.2% (December 31, 2016 – 48.0%) 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 of the Fund would have decreased or increased, respectively, by approximately $36,123,755 (December 31, 2016 – $38,181,181). 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.

	December 31, 2017		December 31, 2016	
Credit ratings	Percentage of total credit rated instruments (%)	Percentage of net assets (%)	Percentage of total credit rated instruments (%)	Percentage of net assets (%)
A-1+	100.0	41.6	–	–
	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 (%)	
	December 31, 2017	December 31, 2016
Consumer Discretionary	4.7	9.3
Consumer Staples	2.8	11.2
Currency Options	0.1	–
Energy	2.7	6.7
Financials	5.0	0.2
Health Care	5.2	6.6
Options on Index Based Exchange-Traded Funds	0.1	(0.2)
Industrials	3.7	1.6
Information Technology	11.8	12.0
Materials	1.2	0.0
Real Estate	1.4	0.6
Telecommunication Services	1.8	–
Treasury Bills	41.6	–
Utilities	0.8	–

Scotia Private Options Income Pool (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.

December 31, 2017	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
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

December 31, 2016	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Equities	386,065,078	–	–	386,065,078
Warrants, rights and options	8,175,627	621,865	–	8,797,492
	394,240,705	621,865	–	394,862,570
Liability for written options	(12,465,234)	(585,530)	–	(13,050,764)
Unrealized loss on currency forward contracts	–	(2,835,872)	–	(2,835,872)
	381,775,471	(2,799,537)	–	378,975,934

Transfers between levels

During the periods ended December 31, 2017 and December 31, 2016, there were no significant transfers between Level 1 and Level 2.

Offsetting of financial assets and liabilities (note 2)

The following tables present 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.

	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)	–	–

	December 31, 2016			
Financial assets – by type	Gross amount of assets ($)	Master netting offset ($)	Collateral pledged/ received ($)	Net Amount ($)
Currency forward contracts	–	–	–	–
Options contracts – OTC	621,865	(585,530)	–	36,335
Swap contracts – OTC	–	–	–	–
	621,865	(585,530)	–	36,335

Financial liabilities – by type	Gross amount of liabilities ($)	Master netting offset ($)	Collateral pledged/ received ($)	Net Amount ($)
Currency forward contracts	2,835,872	–	–	2,835,872
Options contracts – OTC	585,530	(585,530)	–	–
Swap contracts – OTC	–	–	–	–
	3,421,402	(585,530)	–	2,835,872

Interest in Underlying Funds (note 2)

The Fund did not hold any interest in Underlying Funds as at December 31, 2017 or December 31, 2016.

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

As at December 31, 2017 or December 31, 2016, 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

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	December 31, 2017	December 31, 2016
ASSETS		
Current assets		
Investments		
Non-derivative financial assets	261,087,300	295,468,116
Cash	9,942	151,658
Receivable for securities sold	316,556	309,487
Subscriptions receivable	131,273	211,214
Accrued investment income and other	1,430,605	1,564,136
	262,975,676	297,704,611
LIABILITIES		
Current liabilities		
Payable for securities purchased	548,340	–
Redemptions payable	358,807	283,052
Accrued expenses	–	6,909
Distributions payable	19	16
	907,166	289,977
Net assets attributable to holders of redeemable units	262,068,510	297,414,634
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series A	261,144,729	296,559,652
Series D	536,452	45,008
Series F	387,329	809,974
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series A	11.45	11.51
Series D	9.47	9.54
Series F	11.44	11.51

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except average units)	2017	2016
INCOME		
Net gain (loss) on investments		
Interest for distribution purposes	8,718,618	9,818,705
Net realized gain (loss) on non-derivative financial assets	782,087	1,683,229
Change in unrealized gain (loss) on non-derivative financial assets	(2,125,875)	(6,128,341)
Net gain (loss) on investments	7,374,830	5,373,593
Securities lending (note 11)	25,191	35,410
Other income	1,718	3,297
Total income (loss), net	7,401,739	5,412,300
EXPENSES		
Management fees (note 5)	1,949,424	2,156,469
Fixed administration fees (note 6)	167,288	184,969
Independent Review Committee fees	1,135	1,184
Interest expense and bank overdraft charges	408	172
Foreign withholding taxes/tax reclaims	305	305
Other fund costs	–	54
Harmonized Sales Tax/Goods and Services Tax	253,805	277,816
Total expenses	2,372,365	2,620,969
Increase (decrease) in net assets attributable to holders of redeemable units from operations	5,029,374	2,791,331
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A	5,014,719	2,797,523
Series D	(3,526)	(357)
Series F	18,181	(5,835)
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT†		
Series A	0.21	0.11
Series D	(0.17)	(0.09)
Series F	0.39	(0.17)
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series A	24,260,736	26,104,690
Series D	20,174	3,872
Series F	47,108	34,841

† 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 Canadian Bond Index Fund (Continued)

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

For the periods ended December 31 (note 1),

(in dollars)	2017	2016
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series A	296,559,652	310,957,439
Series D	45,008	32,618
Series F	809,974	11,264
	297,414,634	311,001,321
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A	5,014,719	2,797,523
Series D	(3,526)	(357)
Series F	18,181	(5,835)
	5,029,374	2,791,331
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net investment income		
Series A	(6,428,963)	(7,256,556)
Series D	(4,994)	(980)
Series F	(14,776)	(10,843)
	(6,448,733)	(7,268,379)
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A	31,552,579	37,655,170
Series D	674,095	46,395
Series F	140,704	942,200
Reinvested distributions		
Series A	6,296,647	7,084,385
Series D	4,392	920
Series F	6,175	1,804
Payments on redemption		
Series A	(71,849,905)	(54,678,309)
Series D	(178,523)	(33,588)
Series F	(572,929)	(128,616)
	(33,926,765)	(9,109,639)
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A	(35,414,923)	(14,397,787)
Series D	491,444	12,390
Series F	(422,645)	798,710
	(35,346,124)	(13,586,687)
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series A	261,144,729	296,559,652
Series D	536,452	45,008
Series F	387,329	809,974
	262,068,510	297,414,634

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	5,029,374	2,791,331
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(782,087)	(1,683,229)
Change in unrealized (gain) loss on non-derivative financial assets	2,125,875	6,128,341
Purchases of portfolio investments	(89,995,495)	(92,669,316)
Proceeds from sale of portfolio investments	123,573,794	101,466,731
Accrued investment income and other	133,531	148,231
Accrued expenses and other payables	(6,909)	6,909
Net cash provided by (used in) operating activities	40,078,083	16,188,998
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	32,195,419	38,100,565
Amounts paid on redemption of redeemable units	(72,273,702)	(54,174,405)
Distributions to unitholders of redeemable units	(141,516)	(181,283)
Net cash provided by (used in) financing activities	(40,219,799)	(16,255,123)
Net increase (decrease) in cash	(141,716)	(66,125)
Cash (bank overdraft), beginning of period	151,658	217,783
CASH (BANK OVERDRAFT), END OF PERIOD	9,942	151,658
Interest paid[1]	408	172
Interest received[1]	8,867,676	9,961,664

[1] Classified as operating items.

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

Scotia Canadian Bond Index Fund (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2017

Issuer	Face Value ($)	Average Cost ($)	Carrying Value ($)
BONDS AND DEBENTURES – 99.4%			
Corporate Bonds – 32.2%			
407 East Development Group General Partnership 4.47% Jun 23, 2045	57,382	57,382	61,838
407 International Inc. (Callable) 2.43% Feb 04, 2027	32,000	31,987	31,165
407 International Inc. (Callable) 2.47% Aug 08, 2022	24,000	23,996	23,856
407 International Inc. (Callable) 3.30% Sep 27, 2044	39,000	38,933	37,759
407 International Inc. (Callable) 3.43% Dec 01, 2032	65,000	64,945	66,888
407 International Inc. (Callable) 3.60% Nov 21, 2046	54,000	53,939	54,999
407 International Inc. (Callable) 3.65% Mar 08, 2044	71,000	70,890	73,057
407 International Inc. (Callable) 3.83% Nov 11, 2045	45,000	44,926	47,508
407 International Inc. (Callable) 3.98% Jun 11, 2052	80,000	79,610	86,190
407 International Inc. (Callable) 4.19% Jan 25, 2042	53,000	52,928	59,148
407 International Inc. (Callable) 4.30% Feb 26, 2021	121,000	124,634	128,444
407 International Inc. (Callable) 4.45% Aug 15, 2041	84,000	87,532	96,882
407 International Inc. (Callable) 4.68% Apr 07, 2053	33,000	32,994	40,226
407 International Inc. 4.99% Jun 16, 2020	40,000	44,519	42,695
407 International Inc. 5.75% Feb 14, 2036	79,000	78,899	102,258
407 International Inc. 5.96% Dec 03, 2035	80,000	85,414	108,639
407 International Inc. 6.47% Jul 27, 2029	125,000	159,194	166,305
Access Prairies Partnership 4.23% Mar 01, 2048	34,000	34,000	35,445
Aeroports de Montreal (Callable) 3.92% Dec 12, 2044	50,000	50,000	56,927
Aeroports de Montreal 3.92% Sep 26, 2042	60,000	60,000	67,754
Aeroports de Montreal 5.17% Sep 17, 2035	65,000	70,509	83,267
Aeroports de Montreal 5.67% Oct 16, 2037	75,000	87,660	103,097
Aeroports de Montreal 6.95% Apr 16, 2032	106,221	120,604	139,837
AGT Ltd. 8.80% Sep 22, 2025	99,000	143,272	132,717
AIMCo Realty Investors LP (Callable) 2.27% Apr 26, 2024	102,000	102,000	99,063
AIMCo Realty Investors LP 3.04% Jun 01, 2028	42,000	42,000	41,871
Aimia Inc. 5.60% May 17, 2019	103,000	102,924	103,740
Alberta Powerline LP 4.07% Dec 01, 2053	74,000	74,000	79,268
Alberta Powerline LP 4.07% Mar 01, 2054	73,000	73,000	78,201
Alectra Inc. (Callable) 2.49% Feb 17, 2027	103,000	103,000	100,083
Alectra Inc. (Callable) 3.24% Aug 21, 2024	75,000	75,000	77,612
Alectra Inc. 4.52% Apr 29, 2021	35,000	35,000	37,487
Alectra Inc. 5.30% Apr 29, 2041	60,000	60,000	77,128
Algonquin Power & Utilities Corporation 4.65% Feb 15, 2022	70,000	69,905	74,503
Algonquin Power & Utilities Corporation 4.82% Feb 15, 2021	50,000	49,970	52,996
Algonquin Power Company (Callable) 4.09% Nov 17, 2026	28,000	27,980	28,937
Alimentation Couche-Tard Inc. (Callable) 3.06% May 26, 2024	75,000	75,000	74,655
Alimentation Couche-Tard Inc. (Callable) 3.60% Mar 02, 2025	188,000	188,000	191,624
Alimentation Couche-Tard Inc. 3.32% Nov 01, 2019	165,000	165,000	168,098
Alliance Pipeline LP 5.55% Dec 31, 2023	15,792	15,796	16,566
Alliance Pipeline LP 6.77% Dec 31, 2025	50,271	50,271	57,317
Alliance Pipeline LP 7.18% Jun 30, 2023	26,566	27,892	29,811
Alliance Pipeline LP 7.22% Dec 31, 2025	37,705	39,873	43,794
Allied Properties Real Estate Investment Trust (Callable) 3.64% Feb 21, 2025	67,000	67,000	65,236
Allied Properties Real Estate Investment Trust 3.75% May 13, 2020	43,000	43,000	43,807
Allied Properties Real Estate Investment Trust 3.93% Nov 14, 2022	73,000	73,000	74,400
AltaGas Ltd. (Callable) 3.57% Mar 12, 2023	106,000	105,921	108,147
AltaGas Ltd. (Callable) 3.84% Oct 15, 2024	85,000	84,975	87,255
AltaGas Ltd. (Callable) 3.98% Jul 04, 2027	16,000	15,993	16,292
AltaGas Ltd. (Callable) 4.12% Jan 07, 2026	27,000	26,985	28,060
AltaGas Ltd. (Callable) 4.40% Dec 15, 2023	12,000	11,993	12,719
AltaGas Ltd. (Callable) 4.99% Apr 04, 2047	37,000	37,000	39,127
AltaGas Ltd. (Callable) 5.16% Jul 13, 2043	6,000	5,993	6,482
AltaGas Ltd. 3.72% Sep 28, 2021	55,000	54,984	56,762
AltaGas Ltd. 4.07% Jun 01, 2020	28,000	28,510	28,983
AltaGas Ltd. 4.55% Jan 17, 2019	46,000	47,037	47,098
AltaLink Investments LP (Callable) 2.24% Dec 07, 2021	35,000	35,000	34,547
AltaLink Investments LP (Callable) 3.27% Mar 05, 2020	32,000	31,998	32,626
AltaLink LP (Callable) 2.75% Feb 28, 2026	26,000	26,000	26,001
AltaLink LP (Callable) 3.40% Mar 06, 2024	89,000	89,000	93,087
AltaLink LP (Callable) 3.72% Jun 03, 2046	37,000	37,000	38,635
AltaLink LP (Callable) 4.05% May 21, 2044	42,000	42,000	46,250
AltaLink LP (Callable) 4.09% Dec 30, 2044	91,000	91,000	100,699

Issuer	Face Value ($)	Average Cost ($)	Carrying Value ($)
BONDS AND DEBENTURES (cont'd)			
Corporate Bonds (cont'd)			
AltaLink LP (Callable) 4.27% Dec 06, 2063	23,000	23,000	26,461
AltaLink LP 2.98% Nov 28, 2022	45,000	45,000	46,185
AltaLink LP 3.62% Sep 17, 2020	68,000	68,000	70,546
AltaLink LP 3.67% Nov 06, 2023	77,000	77,000	81,774
AltaLink LP 4.46% Nov 08, 2041	95,000	95,000	110,173
AltaLink LP 4.87% Nov 15, 2040	65,000	65,000	79,257
AltaLink LP 4.92% Sep 17, 2043	90,000	90,000	111,880
AltaLink LP 5.25% Sep 22, 2036	50,000	59,640	62,439
AltaLink LP 5.38% Mar 26, 2040	22,000	22,000	28,433
Arrow Lakes Power 5.52% Apr 05, 2041	97,065	97,065	115,416
Artis Real Estate Investment Trust 3.75% Mar 27, 2019	33,000	33,410	33,213
Asian Development Bank 4.65% Feb 16, 2027	101,000	101,062	116,530
Bank of Montreal (Floating Rate) 3.40% Apr 23, 2021	400,000	421,840	412,887
Bank of Montreal 1.61% Oct 28, 2021	491,000	490,051	476,481
Bank of Montreal 1.88% Mar 31, 2021	355,000	355,120	349,667
Bank of Montreal 2.10% Oct 06, 2020	299,000	298,943	297,562
Bank of Montreal 2.12% Mar 16, 2022	241,000	240,906	237,543
Bank of Montreal 2.27% Jul 11, 2022	237,000	236,988	234,564
Bank of Montreal 2.70% Dec 09, 2026	93,000	92,984	91,973
Bank of Montreal 2.70% Sep 11, 2024	486,000	485,937	485,835
Bank of Montreal 2.84% Jun 04, 2020	456,000	455,886	462,513
Bank of Montreal 4.61% Sep 10, 2025	249,000	266,947	280,147
Bankers Hall LP 4.38% Nov 20, 2023	68,750	68,750	70,188
bcIMC Realty Corporation (Callable) 2.15% Jul 11, 2022	75,000	74,978	73,672
bcIMC Realty Corporation (Callable) 2.84% Mar 03, 2025	90,000	89,953	89,909
bcIMC Realty Corporation (Callable) 3.00% Dec 31, 2026	57,000	57,000	57,155
bcIMC Realty Corporation 2.10% Jun 03, 2021	66,000	65,974	65,364
bcIMC Realty Corporation 2.96% Mar 07, 2019	97,000	96,963	98,157
bcIMC Realty Corporation 3.51% Jun 29, 2022	25,000	24,994	26,023
Bell Canada (Callable) 2.70% Dec 27, 2023	180,000	179,795	177,049
Bell Canada (Callable) 2.90% May 12, 2026	123,000	122,672	118,904
Bell Canada (Callable) 3.00% Sep 03, 2022	238,000	238,714	240,881
Bell Canada (Callable) 3.15% Aug 29, 2021	100,000	99,602	101,954
Bell Canada (Callable) 3.35% Dec 22, 2022	215,000	214,637	220,211
Bell Canada (Callable) 3.55% Dec 02, 2025	66,000	65,752	67,145
Bell Canada (Callable) 4.35% Jun 18, 2045	96,000	95,538	97,589
Bell Canada (Callable) 4.45% Aug 27, 2046	95,000	94,501	98,035
Bell Canada (Callable) 4.70% Jun 11, 2023	145,000	144,851	158,008
Bell Canada (Callable) 4.75% Mar 29, 2044	98,000	97,117	105,880
Bell Canada 2.00% Oct 01, 2021	149,000	148,708	145,909
Bell Canada 3.25% Jun 17, 2020	196,000	195,853	200,190
Bell Canada 3.35% Jun 18, 2019	215,000	214,654	218,715
Bell Canada 3.54% Jun 12, 2020	60,000	60,000	61,670
Bell Canada 4.95% May 19, 2021	160,000	159,414	172,322
Bell Canada 6.10% Mar 16, 2035	37,000	34,302	46,182
Bell Canada 6.17% Feb 26, 2037	38,000	37,965	47,914
Bell Canada 7.30% Feb 23, 2032	35,000	47,110	47,338
Bell Canada 7.65% Dec 30, 2031	59,000	75,240	78,178
Bell Canada 7.85% Apr 02, 2031	80,000	93,650	111,918
Bell Canada Inc. (Callable) 3.60% Jun 29, 2027	79,000	78,770	79,915
Blackbird Infrastructure 407 General Partnership (Callable) 1.71% Jan 08, 2020	57,000	56,556	56,122
Blackbird Infrastructure 407 General Partnership 3.76% Jun 30, 2047	39,000	39,000	39,056
BMW Canada Inc. 1.78% Oct 19, 2020	42,000	41,987	41,366
BMW Canada Inc. 1.83% Jun 15, 2021	37,000	36,984	36,261
BMW Canada Inc. 1.88% Dec 11, 2020	77,000	77,000	75,939
BMW Canada Inc. 2.27% Nov 26, 2018	49,000	48,987	49,190
Borealis Infrastructure Trust 6.35% Dec 01, 2020	13,418	15,138	14,228
British Columbia Ferry Services Inc. (Callable) 4.29% Oct 28, 2043	43,000	43,000	49,372
British Columbia Ferry Services Inc. (Callable) 4.70% Apr 23, 2043	24,000	24,000	29,301
British Columbia Ferry Services Inc. 5.02% Mar 20, 2037	50,000	57,137	61,564
British Columbia Ferry Services Inc. 5.58% Jan 11, 2038	35,000	35,000	46,358
British Columbia Ferry Services Inc. 6.25% Oct 13, 2034	40,000	39,952	54,861
Brookfield Asset Management Inc. (Callable) 3.80% Dec 16, 2026	130,000	129,956	131,240

Scotia Canadian Bond Index Fund (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2017

Issuer	Face Value ($)	Average Cost ($)	Carrying Value ($)
BONDS AND DEBENTURES (cont'd)			
Corporate Bonds (cont'd)			
Brookfield Asset Management Inc. (Callable) 4.82% Oct 28, 2025	109,000	112,783	118,143
Brookfield Asset Management Inc. (Callable) 5.04% Dec 08, 2023	45,000	44,982	49,353
Brookfield Asset Management Inc. 3.95% Apr 09, 2019	127,000	126,992	129,754
Brookfield Asset Management Inc. 4.54% Mar 31, 2023	120,000	120,924	128,362
Brookfield Asset Management Inc. 5.30% Mar 01, 2021	74,000	75,832	79,782
Brookfield Asset Management Inc. 5.95% Jun 14, 2035	72,000	67,954	84,728
Brookfield Infrastructure Finance ULC (Callable) 3.32% Dec 22, 2023	95,000	95,545	94,632
Brookfield Infrastructure Finance ULC (Callable) 3.45% Feb 11, 2022	64,000	64,000	65,098
Brookfield Infrastructure Finance ULC 3.54% Oct 30, 2020	102,000	102,000	104,525
Brookfield Renewable Energy Partners ULC (Callable) 3.63% Oct 15, 2026	25,000	24,988	24,933
Brookfield Renewable Energy Partners ULC (Callable) 3.75% Mar 02, 2025	65,000	64,997	66,451
Brookfield Renewable Energy Partners ULC 4.79% Feb 07, 2022	88,000	87,993	94,561
Brookfield Renewable Energy Partners ULC 5.84% Nov 05, 2036	62,000	56,687	72,915
Bruce Power LP (Callable) 3.00% Apr 21, 2024	103,000	102,989	102,984
Bruce Power LP (Callable) 4.01% Mar 21, 2029	79,000	79,003	82,351
Bruce Power LP 2.84% Jun 23, 2021	82,000	82,000	82,607
Bruce Power LP 3.97% Jun 23, 2026	89,000	89,000	93,277
Cadillac Fairview Finance Trust 4.31% Jan 25, 2021	105,000	104,975	111,599
Caisse Centrale Desjardins 2.44% Jul 17, 2019	67,000	67,000	67,376
Cameco Corporation (Callable) 4.19% Mar 24, 2024	138,000	137,945	136,987
Cameco Corporation 3.75% Nov 14, 2022	80,000	79,994	79,017
Cameco Corporation 5.67% Sep 02, 2019	115,000	115,488	119,295
Canadian Imperial Bank of Commerce 1.64% Jul 12, 2021	279,000	278,880	271,924
Canadian Imperial Bank of Commerce 1.66% Jan 20, 2020	312,000	311,938	308,794
Canadian Imperial Bank of Commerce 1.85% Jul 14, 2020	170,000	169,686	168,346
Canadian Imperial Bank of Commerce 1.90% Apr 26, 2021	281,000	280,854	276,886
Canadian Imperial Bank of Commerce 2.04% Mar 21, 2022	80,000	79,974	78,612
Canadian Imperial Bank of Commerce 2.30% Jul 11, 2022	451,000	450,977	446,971
Canadian Imperial Bank of Commerce 2.35% Jun 24, 2019	261,000	260,768	262,155
Canadian Imperial Bank of Commerce 2.47% Dec 05, 2022	225,000	224,980	224,107
Canadian National Railway Company (Callable) 2.75% Jan 18, 2021	80,000	79,475	81,108
Canadian National Railway Company (Callable) 2.80% Jun 22, 2025	54,000	53,827	54,356
Canadian National Railway Company (Callable) 3.60% Feb 01, 2047	84,000	83,451	85,447
Canadian National Railway Company (Callable) 3.95% Mar 22, 2045	49,000	48,838	53,105
Canadian Natural Resources Ltd. (Callable) 3.42% Sep 01, 2026	128,000	128,000	125,841
Canadian Natural Resources Ltd. (Callable) 3.55% Mar 03, 2024	81,000	80,703	82,546
Canadian Natural Resources Ltd. (Callable) 4.85% Nov 30, 2046	53,000	53,348	55,061
Canadian Natural Resources Ltd. 2.05% Jun 01, 2020	20,000	19,995	19,793
Canadian Natural Resources Ltd. 2.60% Dec 03, 2019	171,000	170,696	171,741
Canadian Natural Resources Ltd. 2.89% Aug 14, 2020	163,000	165,185	164,461
Canadian Natural Resources Ltd. 3.05% Jun 19, 2019	55,000	54,965	55,604
Canadian Natural Resources Ltd. 3.31% Feb 11, 2022	267,000	266,960	272,458
Canadian Pacific Railway Company 5.10% Jan 14, 2022	60,000	60,079	65,520
Canadian Pacific Railway Company 6.45% Nov 17, 2039	50,000	52,832	69,758
Canadian Real Estate Investment Trust (Callable) 2.95% Dec 19, 2022	22,000	21,999	21,529
Canadian Real Estate Investment Trust 4.32% Jan 15, 2021	29,000	29,000	30,091
Canadian Tire Corporation Ltd. 5.61% Sep 04, 2035	55,000	57,054	64,471
Canadian Tire Corporation Ltd. 6.45% Feb 24, 2034	45,000	47,241	56,620
Canadian Utilities Ltd. 3.12% Nov 09, 2022	100,000	100,000	102,953
Canadian Western Bank 2.38% Jan 23, 2020	50,000	50,000	49,886
Canadian Western Bank 2.74% Jun 16, 2022	12,000	12,000	11,905
Canadian Western Bank 2.75% Jun 29, 2020	44,000	44,000	44,159
Canadian Western Bank 2.79% Sep 13, 2021	17,000	17,000	16,988
Canadian Western Bank 2.88% Mar 01, 2021	48,000	47,999	48,217
Canadian Western Bank 2.92% Dec 15, 2022	75,000	75,000	74,677
Canadian Western Bank 3.08% Jan 14, 2019	19,000	19,000	19,198
Capital City Link General Partnership 4.39% Mar 31, 2046	146,146	146,152	158,696
Capital Desjardins Inc. (Callable) 4.95% Dec 15, 2021	85,000	85,000	92,364
Capital Desjardins Inc. 5.19% May 05, 2020	160,000	175,264	170,072
Capital Power Corporation (Callable) 4.28% Jul 18, 2024	82,000	82,000	83,384
Capital Power Corporation 5.28% Nov 16, 2020	130,000	130,000	137,776
CARDS II Trust 2.16% Oct 15, 2020	212,000	212,000	211,129
Caterpillar Financial Services Ltd. 1.50% Jun 08, 2020	38,000	37,958	37,326
Caterpillar Financial Services Ltd. 1.75% Jun 03, 2019	28,000	27,995	27,894
CBC Monetization Trust 4.69% May 15, 2027	64,222	64,222	70,580
CDP Financial Inc. 4.60% Jul 15, 2020	220,000	219,547	233,742
Central 1 Credit Union (Callable) 2.89% Apr 25, 2019	110,000	109,985	110,263
Central 1 Credit Union (Callable) 3.06% Oct 14, 2021	43,000	42,982	42,876
Central 1 Credit Union 1.87% Mar 16, 2020	144,000	143,963	142,265
Central 1 Credit Union 2.60% Nov 07, 2022	72,000	71,973	71,340
Centre Hospitalier de l'Universite de Montreal 4.45% Oct 01, 2049	38,000	38,002	45,401
Chartwell Retirement Residences (Callable) 3.79% Oct 11, 2023	52,000	52,000	51,914
Chip Mortgage Trust 2.98% Nov 15, 2021	21,000	21,000	20,583
Choice Properties LP (Callable) 3.00% Jun 20, 2019	33,000	32,938	33,318
Choice Properties LP (Callable) 3.60% Jan 20, 2020	53,000	54,150	54,229
Choice Properties LP (Callable) 3.60% Jun 20, 2021	25,000	25,049	25,670
Choice Properties LP (Callable) 3.60% Jun 20, 2022	60,000	58,973	61,700
Choice Properties Real Estate Investment Trust (Callable) 3.20% Feb 07, 2023	39,000	39,000	39,257
Choice Properties Real Estate Investment Trust (Callable) 4.06% Aug 24, 2025	18,000	18,000	18,684
Choice Properties Real Estate Investment Trust (Callable) 4.29% Nov 08, 2023	35,000	35,000	36,948
Choice Properties Real Estate Investment Trust (Callable) 4.90% Apr 05, 2023	35,000	35,000	38,043
Choice Properties Real Estate Investment Trust (Callable) 5.27% Sep 07, 2045	26,000	26,000	29,488
Choice Properties Real Estate Investment Trust 2.30% Sep 14, 2020	23,000	23,000	22,871
Choice Properties Real Estate Investment Trust 3.50% Feb 08, 2021	55,000	55,000	56,380
CI Financial Corporation (Callable) 2.78% Oct 25, 2021	69,000	69,000	69,048
CI Financial Corporation 2.65% Dec 07, 2020	62,000	62,000	62,114
CI Financial Corporation 3.90% Sep 27, 2027	79,000	79,000	80,613
CIBC Capital Trust (Callable) 10.25% Jun 30, 2039	60,000	88,876	77,534
CIBC Capital Trust (Callable) 9.98% Jun 30, 2019	300,000	354,920	331,241
Cogeco Communications Inc. (Callable) 4.18% Feb 27, 2023	75,000	75,055	78,824
Cogeco Communications Inc. 4.93% Feb 14, 2022	91,000	91,035	98,251
Cogeco Communications Inc. 5.15% Nov 16, 2020	30,000	29,942	32,079
Comber Wind Financial Corporation 5.13% Nov 15, 2030	184,536	181,240	196,420
Cominar Real Estate Investment Trust 3.62% Jun 21, 2019	32,000	31,996	32,134
Cominar Real Estate Investment Trust 4.16% Jun 01, 2022	71,000	71,000	70,625
Cominar Real Estate Investment Trust 4.23% Dec 04, 2019	65,000	64,472	65,889
Cominar Real Estate Investment Trust 4.25% Dec 08, 2021	59,000	59,000	59,217
Cominar Real Estate Investment Trust 4.25% May 23, 2023	53,000	53,000	52,358
Cominar Real Estate Investment Trust 4.94% Jul 27, 2020	72,000	72,710	74,093
Concordia University 6.55% Sep 02, 2042	30,000	29,996	45,202
CPPIB Capital Inc. 1.00% Jan 15, 2019	239,000	239,000	237,442
CPPIB Capital Inc. 1.10% Jun 10, 2019	162,000	161,971	160,491
CPPIB Capital Inc. 1.40% Jun 04, 2020	324,000	323,394	320,043
Crombie Real Estate Investment Trust (Callable) 4.07% Oct 21, 2022	32,000	32,000	31,963
Crombie Real Estate Investment Trust 2.78% Feb 10, 2020	36,000	35,916	35,635
Crombie Real Estate Investment Trust 3.96% Jun 01, 2021	39,000	39,153	39,382
Crosslinx Transit Solutions GP 4.56% Jun 30, 2051	33,000	32,429	33,071
Crosslinx Transit Solutions GP 4.65% Sep 30, 2046	100,000	99,748	104,452
CT Real Estate Investment Trust (Callable) 2.16% May 01, 2021	32,000	32,000	31,420
CT Real Estate Investment Trust (Callable) 2.85% May 09, 2022	33,000	33,000	32,933
CT Real Estate Investment Trust (Callable) 3.29% Mar 01, 2026	45,000	45,000	44,059
CT Real Estate Investment Trust (Callable) 3.47% Mar 16, 2027	20,000	20,000	19,621
CT Real Estate Investment Trust (Callable) 3.53% Mar 09, 2025	56,000	56,000	56,280
CU Inc. (Callable) 3.55% May 22, 2047	137,000	137,000	138,578
CU Inc. (Callable) 3.76% May 19, 2046	16,000	16,000	16,822
CU Inc. (Callable) 3.96% Jan 27, 2045	33,000	33,000	35,773
CU Inc. (Callable) 4.21% Apr 29, 2055	24,000	24,000	27,265
CU Inc. (Callable) 4.56% May 07, 2053	39,000	39,000	46,675
CU Inc. (Callable) 4.72% Mar 09, 2043	148,000	148,000	179,040
CU Inc. 3.81% Sep 10, 2042	131,000	128,780	137,960
CU Inc. 3.83% Sep 11, 2062	105,000	105,000	110,606
CU Inc. 4.54% Oct 24, 2041	79,000	82,573	92,477
CU Inc. 4.59% Oct 24, 2061	45,000	45,000	54,625
CU Inc. 4.80% Nov 22, 2021	54,000	59,387	58,971

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

Scotia Canadian Bond Index Fund (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2017

Issuer	Face Value ($)	Average Cost ($)	Carrying Value ($)
BONDS AND DEBENTURES (cont'd)			
Corporate Bonds (cont'd)			
CU Inc. 4.95% Nov 18, 2050	30,000	30,000	37,956
CU Inc. 5.03% Nov 20, 2036	28,000	28,000	34,285
CU Inc. 5.18% Nov 21, 2035	31,000	31,000	38,239
CU Inc. 5.43% Jan 23, 2019	20,000	20,000	20,733
CU Inc. 5.56% May 26, 2028	40,000	43,095	48,277
CU Inc. 5.56% Oct 30, 2037	38,000	38,530	49,459
CU Inc. 5.58% May 26, 2038	70,000	84,807	91,446
CU Inc. 6.80% Aug 13, 2019	60,000	75,912	64,474
CU Inc. 9.92% Apr 01, 2022	35,000	54,540	44,939
Daimler Canada Finance Inc. 1.57% May 25, 2020	109,000	109,000	107,045
Daimler Canada Finance Inc. 1.78% Aug 19, 2019	85,000	84,970	84,430
Daimler Canada Finance Inc. 1.80% Dec 16, 2019	71,000	70,996	70,380
Daimler Canada Finance Inc. 1.91% Jul 08, 2021	115,000	114,968	112,727
Daimler Canada Finance Inc. 2.23% Dec 16, 2021	84,000	83,992	82,944
Daimler Canada Finance Inc. 2.30% Nov 23, 2020	72,000	72,000	71,780
Daimler Canada Finance Inc. 2.57% Nov 22, 2022	107,000	106,990	106,390
Dollarama Inc. (Callable) 2.20% Oct 10, 2022	17,000	17,000	16,573
Dollarama Inc. 2.34% Jul 22, 2021	42,000	42,000	41,673
Dream Office Real Estate Investment Trust 4.07% Jan 21, 2020	70,000	70,015	70,535
Durham District School Board Canada 6.75% Nov 19, 2019	44,000	51,401	47,667
Eagle Credit Card Trust 2.15% Sep 17, 2020	26,000	26,000	25,862
Eagle Credit Card Trust 2.63% Oct 17, 2022	46,000	46,000	45,945
Emera Inc. 4.83% Dec 02, 2019	45,000	48,452	47,066
Empire Life Insurance Co, The (Callable) 3.66% Mar 15, 2023	11,000	11,000	11,065
Empire Life Insurance Company, The (Callable) 3.38% Dec 16, 2021	76,000	76,000	76,235
Enbridge Gas Distribution Inc. (Callable) 2.50% May 05, 2026	14,000	13,990	13,681
Enbridge Gas Distribution Inc. (Callable) 3.15% May 22, 2024	17,000	16,952	17,497
Enbridge Gas Distribution Inc. (Callable) 3.31% Jun 11, 2025	93,000	92,968	96,552
Enbridge Gas Distribution Inc. (Callable) 3.51% May 29, 2047	39,000	39,000	39,065
Enbridge Gas Distribution Inc. (Callable) 4.00% Feb 22, 2044	17,000	16,248	18,482
Enbridge Gas Distribution Inc. (Callable) 4.50% May 23, 2043	33,000	32,978	38,487
Enbridge Gas Distribution Inc. 4.04% Nov 23, 2020	53,000	55,840	55,694
Enbridge Gas Distribution Inc. 4.77% Dec 17, 2021	32,000	36,104	34,931
Enbridge Gas Distribution Inc. 4.95% Nov 22, 2050	86,000	88,913	108,090
Enbridge Gas Distribution Inc. 5.21% Feb 25, 2036	50,000	49,932	61,861
Enbridge Gas Distribution Inc. 6.90% Nov 15, 2032	50,000	62,313	70,441
Enbridge Gas Distribution Inc. 7.60% Oct 29, 2026	70,000	91,571	94,172
Enbridge Inc. (Callable) 3.20% Mar 08, 2027	44,000	43,982	42,514
Enbridge Inc. (Callable) 3.94% Mar 30, 2023	88,000	88,000	91,706
Enbridge Inc. (Callable) 4.56% Sep 28, 2063	48,000	47,963	46,595
Enbridge Inc. (Callable) 4.57% Sep 11, 2043	123,000	125,653	124,221
Enbridge Inc. (Callable) 5.38% Sep 27, 2027	210,000	210,000	209,292
Enbridge Inc. 3.19% Dec 05, 2022	89,000	90,645	89,937
Enbridge Inc. 4.24% Aug 27, 2042	128,000	125,720	122,796
Enbridge Inc. 4.26% Feb 01, 2021	15,000	14,993	15,686
Enbridge Inc. 4.53% Mar 09, 2020	95,000	94,985	99,077
Enbridge Inc. 4.77% Sep 02, 2019	50,000	49,977	51,970
Enbridge Inc. 5.12% Sep 28, 2040	35,000	38,190	38,057
Enbridge Inc. 5.57% Nov 14, 2035	39,000	41,991	43,985
Enbridge Inc. 5.75% Sep 02, 2039	23,000	23,206	26,859
Enbridge Inc. 6.10% Jul 14, 2028	96,000	82,368	110,265
Enbridge Inc. 7.20% Jun 18, 2032	24,000	32,534	31,196
Enbridge Income Fund (Callable) 3.95% Aug 19, 2024	145,000	145,000	149,634
Enbridge Income Fund (Callable) 4.87% May 21, 2044	73,000	72,931	75,620
Enbridge Income Fund 4.10% Feb 22, 2019	89,000	88,829	90,813
Enbridge Income Fund 4.85% Feb 22, 2022	25,000	24,969	26,810
Enbridge Pipelines Inc. (Callable) 3.00% May 10, 2026	137,000	136,988	136,158
Enbridge Pipelines Inc. (Callable) 3.45% Jun 29, 2025	55,000	54,917	56,654
Enbridge Pipelines Inc. (Callable) 3.79% May 17, 2023	60,000	59,980	63,212
Enbridge Pipelines Inc. (Callable) 4.13% Feb 09, 2046	33,000	32,989	34,174
Enbridge Pipelines Inc. (Callable) 4.55% Feb 17, 2043	58,000	57,962	63,298
Enbridge Pipelines Inc. (Callable) 4.55% Mar 29, 2045	18,000	17,889	19,708
Enbridge Pipelines Inc. 5.08% Dec 19, 2036	26,000	25,980	29,947
Enbridge Pipelines Inc. 5.33% Apr 06, 2040	125,000	145,875	150,347
Enbridge Pipelines Inc. 6.35% Nov 17, 2023	72,000	82,178	84,481
Enbridge Pipelines Inc. 8.20% Feb 15, 2024	100,000	144,593	127,974
Enercare Solutions Inc. (Callable) 3.38% Jan 21, 2022	57,000	56,990	57,638
Enercare Solutions Inc. (Callable) 3.99% Dec 21, 2023	91,000	90,984	93,278
Enercare Solutions Inc. 4.60% Feb 03, 2020	20,000	19,988	20,783
ENMAX Corporation (Callable) 3.81% Sep 05, 2024	87,000	87,000	88,220
EPCOR Utilities Inc. 3.55% Nov 27, 2047	93,000	93,000	93,576
EPCOR Utilities Inc. 4.55% Feb 28, 2042	95,000	94,953	110,815
EPCOR Utilities Inc. 5.65% Nov 16, 2035	33,000	32,830	42,271
EPCOR Utilities Inc. 5.75% Nov 24, 2039	35,000	36,943	46,820
EPCOR Utilities Inc. 6.65% Apr 15, 2038	25,000	27,700	36,259
Fairfax Financial Holdings Limited (Callable) 4.70% Sep 16, 2026	16,000	15,947	16,571
Fairfax Financial Holdings Limited 4.50% Mar 22, 2023	158,000	157,101	165,006
Fairfax Financial Holdings Limited 4.95% Mar 03, 2025	57,000	56,495	60,495
Fairfax Financial Holdings Limited 5.84% Oct 14, 2022	166,000	168,044	183,429
Fairfax Financial Holdings Ltd. 4.25% Dec 06, 2027	97,000	96,992	96,122
Fédération des caisses Desjardins du Québec 2.09% Jan 17, 2022	166,000	166,000	163,587
Federation des Caisses Desjardins du Quebec 2.39% Aug 25, 2022	99,000	99,000	98,284
Fifth Avenue LP 4.71% Aug 05, 2021	64,026	70,368	66,015
Finning International Inc. 2.84% Sep 29, 2021	19,000	19,000	19,039
Finning International Inc. 5.08% Jun 13, 2042	75,000	75,000	85,915
First Capital Realty Inc. (Callable) 3.60% Feb 06, 2026	98,000	100,186	97,264
First Capital Realty Inc. (Callable) 3.75% Apr 12, 2027	30,000	30,000	29,730
First Capital Realty Inc. 4.32% Jul 31, 2025	69,000	71,635	72,422
First Capital Realty Inc. 4.43% Jan 31, 2022	28,000	28,167	29,600
First Capital Realty Inc. 4.50% Mar 01, 2021	88,000	88,341	92,670
First Capital Realty Inc. 4.79% Aug 30, 2024	29,000	29,133	31,308
First Capital Realty Inc. 5.48% Jul 30, 2019	45,000	45,042	47,190
First National Financial Corporation 4.01% Apr 09, 2020	48,000	47,981	48,222
First Nations ETF LP 4.14% Dec 31, 2041	81,000	81,000	80,924
Ford Credit Canada Company 2.71% Feb 23, 2022	162,000	162,000	160,270
Ford Credit Canada Company 2.77% Jun 22, 2022	62,000	62,000	61,314
Ford Credit Canada Company 3.35% Sep 19, 2022	148,000	148,000	149,790
Ford Credit Canada Ltd. 2.45% May 07, 2020	93,000	93,000	92,678
Ford Credit Canada Ltd. 2.58% May 10, 2021	147,000	147,000	145,942
Ford Credit Canada Ltd. 2.92% Sep 16, 2020	42,000	42,000	42,275
Ford Credit Canada Ltd. 2.94% Feb 19, 2019	90,000	90,000	90,692
Ford Credit Canada Ltd. 3.14% Jun 14, 2019	64,000	64,000	64,694
Ford Floorplan Auto Securitization Trust 2.20% Jul 15, 2020	69,000	69,000	68,604
Fortified Trust 1.67% Jul 23, 2021	168,000	168,000	163,746
Fortified Trust 2.16% Oct 23, 2020	145,000	145,000	144,426
Fortis Inc. (Callable) 2.85% Oct 12, 2023	70,000	69,987	69,947
Fortis Inc. 6.51% Jul 04, 2039	70,000	69,954	97,187
FortisAlberta Inc. (Callable) 3.30% Jun 30, 2024	22,000	21,998	22,848
FortisAlberta Inc. (Callable) 3.34% Mar 21, 2046	41,000	40,930	39,773
FortisAlberta Inc. (Callable) 3.67% Mar 09, 2047	48,000	48,000	49,443
FortisAlberta Inc. (Callable) 4.11% Mar 29, 2044	14,000	13,998	15,489
FortisAlberta Inc. (Callable) 4.27% Mar 22, 2045	13,000	12,985	14,771
FortisAlberta Inc. (Callable) 4.85% Mar 11, 2043	25,000	24,973	30,635
FortisAlberta Inc. 3.98% Oct 23, 2052	30,000	29,982	32,303
FortisAlberta Inc. 4.80% Oct 27, 2050	42,000	41,970	51,993
FortisAlberta Inc. 5.37% Oct 30, 2039	25,000	24,989	32,083
FortisAlberta Inc. 5.40% Apr 21, 2036	18,000	17,987	22,577
FortisAlberta Inc. 6.22% Oct 31, 2034	30,000	29,991	40,661
FortisAlberta Inc. 7.06% Feb 14, 2039	45,000	58,037	68,640
FortisBC Energy Inc. (Callable) 2.58% Jan 08, 2026	36,000	35,978	35,524
FortisBC Energy Inc. (Callable) 3.38% Oct 13, 2044	61,000	61,000	59,586
FortisBC Energy Inc. (Callable) 3.67% Oct 08, 2045	11,000	10,984	11,307
FortisBC Energy Inc. (Callable) 3.78% Sep 06, 2046	32,000	31,961	33,702
FortisBC Energy Inc. 3.69% Oct 30, 2047	7,000	6,995	7,215
FortisBC Energy Inc. 4.25% Dec 09, 2041	31,000	32,004	34,931
FortisBC Energy Inc. 5.20% Dec 06, 2040	60,000	59,828	75,813
FortisBC Energy Inc. 5.55% Sep 25, 2036	20,000	19,997	25,763
FortisBC Energy Inc. 5.80% May 13, 2038	75,000	78,971	99,974
FortisBC Energy Inc. 5.90% Feb 26, 2035	75,000	86,067	98,804
FortisBC Energy Inc. 6.05% Feb 15, 2038	35,000	34,976	47,735

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

Scotia Canadian Bond Index Fund (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2017

Issuer	Face Value ($)	Average Cost ($)	Carrying Value ($)
BONDS AND DEBENTURES (cont'd)			
Corporate Bonds (cont'd)			
FortisBC Inc. (Callable) 4.00% Apr 28, 2044	31,000	30,979	33,475
FortisBC Inc. 5.00% Nov 24, 2050	15,000	14,974	18,905
FortisBC Inc. 5.60% Nov 09, 2035	16,000	19,261	20,329
Gaz Metro Inc. (Callable) 3.28% Apr 09, 2046	12,000	11,982	11,606
Gaz Metro Inc. (Callable) 3.30% Sep 30, 2044	8,000	7,992	7,754
Gaz Metro Inc. 1.52% May 25, 2020	40,000	39,986	39,425
Gaz Metro Inc. 4.93% Jun 18, 2019	38,000	42,668	39,564
Gaz Metro Inc. 5.45% Jul 12, 2021	66,000	76,816	73,036
Gaz Metro Inc. 5.70% Jul 10, 2036	29,000	28,954	37,794
Gaz Metro Inc. 6.30% Oct 31, 2033	30,000	29,824	40,543
Gaz Metro Inc., Series U (Callable) 3.53% Nov 16, 2046	50,000	49,945	50,508
GE Capital Canada Funding Company 4.60% Jan 26, 2022	147,000	146,965	158,392
General Motors Financial of Canada Ltd. 2.60% Jun 01, 2022	117,000	116,879	114,864
General Motors Financial of Canada Ltd. 3.08% May 22, 2020	117,000	116,952	118,172
Genesis Trust II 1.70% Apr 15, 2020	172,000	172,000	169,909
Genesis Trust II 2.43% May 15, 2019	210,000	210,000	211,091
Genworth MI Canada Inc. 4.24% Apr 01, 2024	120,000	120,000	121,623
George Weston Limited (Callable) 4.12% Mar 17, 2024	58,000	58,000	60,792
George Weston Limited 7.10% Feb 05, 2032	25,000	28,165	32,448
Glacier Credit Card Trust 2.05% Sep 20, 2022	116,000	116,000	112,818
Glacier Credit Card Trust 2.24% Sep 20, 2020	133,000	133,000	132,534
Glacier Credit Card Trust 2.57% Sep 20, 2019	151,000	151,000	151,812
Grand Renewable Solar LP 3.93% Jan 31, 2035	30,144	30,144	29,784
GrandLinq GP 4.77% Mar 31, 2047	24,000	24,000	25,606
Granite REIT Holdings LP (Callable) 3.79% Jun 05, 2021	58,000	58,000	58,809
Granite REIT Holdings LP (Callable) 3.87% Sep 30, 2023	61,000	61,001	61,237
Greater Toronto Airports Authority (Callable) 3.04% Jun 21, 2022	55,000	54,995	56,710
Greater Toronto Airports Authority 1.51% Feb 16, 2021	43,000	42,996	42,183
Greater Toronto Airports Authority 4.53% Dec 02, 2041	99,000	100,093	122,593
Greater Toronto Airports Authority 5.30% Feb 25, 2041	75,000	85,505	101,891
Greater Toronto Airports Authority 5.63% Jun 07, 2040	65,000	64,934	90,940
Greater Toronto Airports Authority 5.96% Nov 20, 2019	50,000	49,989	53,449
Greater Toronto Airports Authority 6.45% Dec 03, 2027	49,000	51,685	64,729
Greater Toronto Airports Authority 6.47% Feb 02, 2034	100,000	99,316	143,743
Greater Toronto Airports Authority 6.98% Oct 15, 2032	80,000	113,240	118,060
Greater Toronto Airports Authority 7.05% Jun 12, 2030	108,000	132,143	154,346
Greater Toronto Airports Authority 7.10% Jun 04, 2031	99,000	116,897	144,203
Great-West Lifeco Inc. 4.65% Aug 13, 2020	93,000	97,400	98,460
Great-West Lifeco Inc. 6.00% Nov 16, 2039	50,000	53,393	66,557
Great-West Lifeco Inc. 6.67% Mar 21, 2033	65,000	72,804	88,050
H&R Real Estate Investment Trust (Callable) 3.37% Nov 30, 2023	64,000	64,044	63,386
H&R Real Estate Investment Trust 2.92% May 06, 2022	21,000	21,020	20,708
H&R Real Estate Investment Trust 4.45% Mar 02, 2020	90,000	90,063	93,190
Halifax International Airport Authority 4.89% Nov 15, 2050	48,000	47,999	60,553
Halifax International Airport Authority 5.50% Jul 19, 2041	23,000	26,838	30,023
HCN Canadian Holdings-1 LP 3.35% Nov 25, 2020	38,000	37,901	38,861
Health Montreal Collective LP 6.72% Sep 30, 2049	300,000	359,400	408,186
Hollis Receivables Term Trust II 2.43% Jun 26, 2019	73,000	73,000	73,378
Home Trust Company 3.40% Dec 10, 2018	41,000	40,985	40,778
Honda Canada Finance Inc. 1.63% Aug 12, 2019	58,000	58,000	57,596
Honda Canada Finance Inc. 1.82% Dec 07, 2021	146,000	146,000	142,522
Honda Canada Finance Inc. 2.16% Feb 18, 2021	72,000	72,000	71,559
Honda Canada Finance Inc. 2.27% Jul 15, 2022	69,000	69,000	68,205
Honda Canada Finance Inc. 2.49% Dec 19, 2022	112,000	112,000	111,269
Honda Canada Finance Inc. 2.54% Mar 01, 2023	83,000	83,000	82,563
Hospital for Sick Children 5.22% Dec 16, 2049	150,000	150,000	201,912
Hospital for Sick Children, The (Callable) 3.42% Jun 07, 2057	41,000	41,000	40,945
Hospital Infrastructure Partners NOH Partnership 5.44% Jan 31, 2045	189,069	195,429	221,822
HSBC Bank Canada 2.17% Jun 29, 2022	155,000	155,000	152,241
HSBC Bank Canada 2.54% Jan 31, 2023	298,000	298,000	295,695
HSBC Bank of Canada 1.82% Jul 07, 2020	322,000	321,987	318,131
HSBC Bank of Canada 2.45% Jan 29, 2021	226,000	226,002	226,239
HSBC Bank of Canada 2.49% May 13, 2019	320,000	320,000	321,755
HSBC Bank of Canada 2.91% Sep 29, 2021	273,000	273,000	277,047
HSBC Bank of Canada 2.94% Jan 14, 2020	400,000	400,000	405,462

Issuer	Face Value ($)	Average Cost ($)	Carrying Value ($)
BONDS AND DEBENTURES (cont'd)			
Corporate Bonds (cont'd)			
Husky Energy Inc. (Callable) 3.55% Dec 12, 2024	76,000	75,765	76,957
Husky Energy Inc. (Callable) 3.60% Dec 10, 2026	95,000	94,795	94,738
Husky Energy Inc. 5.00% Mar 12, 2020	105,000	105,798	110,606
Hydro One Inc. (Callable) 2.77% Nov 26, 2025	99,000	98,965	98,884
Hydro One Inc. (Callable) 3.72% May 18, 2047	84,000	84,000	87,046
Hydro One Inc. (Callable) 3.91% Aug 23, 2045	11,000	10,985	11,727
Hydro One Inc. (Callable) 4.17% Dec 06, 2043	71,000	70,928	78,684
Hydro One Inc. (Callable) 4.59% Apr 09, 2043	48,000	47,992	56,531
Hydro One Inc. 1.48% Nov 18, 2019	26,000	25,999	25,733
Hydro One Inc. 1.62% Apr 30, 2020	66,000	65,993	65,267
Hydro One Inc. 1.84% Feb 24, 2021	80,000	79,985	78,994
Hydro One Inc. 3.20% Jan 13, 2022	119,000	119,795	122,796
Hydro One Inc. 3.79% Jul 31, 2062	123,000	122,642	126,985
Hydro One Inc. 4.00% Dec 22, 2051	63,000	63,011	67,790
Hydro One Inc. 4.40% Jun 01, 2020	110,000	113,740	115,814
Hydro One Inc. 4.89% Mar 13, 2037	50,000	55,732	59,640
Hydro One Inc. 5.00% Oct 19, 2046	35,000	34,126	44,171
Hydro One Inc. 5.36% May 20, 2036	99,000	113,144	124,421
Hydro One Inc. 5.49% Jul 16, 2040	51,000	52,799	66,427
Hydro One Inc. 6.35% Jan 31, 2034	20,000	20,151	27,198
Hydro One Inc. 6.93% Jun 01, 2032	115,000	138,865	161,747
Hydro One Inc. 7.35% Jun 03, 2030	135,000	156,842	190,283
Hydro Ottawa Holding Inc. (Callable) 2.61% Nov 03, 2024	55,000	55,000	54,309
Hydro Ottawa Holding Inc. (Callable) 3.64% Aug 02, 2044	44,000	44,000	44,281
Hydro Ottawa Holding Inc. (Callable) 3.99% Nov 14, 2042	65,000	65,000	69,253
Hydro-Quebec 1.00% May 25, 2019	170,000	169,330	168,291
Hydro-Quebec 10.50% Oct 15, 2021	259,000	410,689	336,892
Hydro-Quebec 11.00% Aug 15, 2020	350,000	557,550	430,105
Hydro-Quebec 4.00% Feb 15, 2055	192,000	216,941	239,568
Hydro-Quebec 5.00% Feb 15, 2045	230,000	245,978	318,164
Hydro-Quebec 5.00% Feb 15, 2050	285,000	340,232	408,088
Hydro-Quebec 6.00% Aug 15, 2031	40,000	37,938	54,192
Hydro-Quebec 6.00% Feb 15, 2040	206,000	240,053	308,312
Hydro-Quebec 6.50% Feb 15, 2035	403,000	539,422	600,036
Hydro-Quebec 9.63% Jul 15, 2022	153,000	227,024	201,768
IGM Financial Inc. (Callable) 3.44% Oct 26, 2026	81,000	80,946	81,219
IGM Financial Inc. (Callable) 4.12% Jun 09, 2047	38,000	38,000	38,061
IGM Financial Inc. (Callable) 4.56% Jul 25, 2046	16,000	16,000	17,131
IGM Financial Inc. 7.11% Mar 07, 2033	50,000	50,229	67,587
IGM Financial Inc. 7.35% Apr 08, 2019	100,000	115,636	105,962
IGM Financial Inc. 7.45% May 09, 2031	60,000	63,120	81,684
Industrial Alliance Insurance & Financial Services Inc. (Callable) 2.64% Feb 23, 2022	138,000	137,966	136,734
Industrial Alliance Insurance & Financial Services Inc. (Callable) 3.30% Sep 15, 2023	23,000	22,994	23,322
InPower BC General Partnership 4.47% Mar 31, 2033	119,000	118,284	125,565
Intact Financial Corporation (Callable) 2.85% Mar 07, 2027	68,000	67,988	65,463
Intact Financial Corporation (Callable) 3.77% Dec 02, 2025	88,000	87,985	91,452
Intact Financial Corporation 4.70% Aug 18, 2021	40,000	41,116	42,944
Intact Financial Corporation 5.16% Jun 16, 2042	52,000	51,953	61,599
Intact Financial Corporation 5.41% Sep 03, 2019	75,000	80,292	78,864
Intact Financial Corporation 6.40% Nov 23, 2039	59,000	61,785	79,607
Integrated Team Solutions PCH Partnership 4.88% May 31, 2046	29,841	29,841	33,534
Integrated Team Solutions SJHC Partnership 5.95% Nov 30, 2042	47,723	47,723	59,919
Inter Pipeline Ltd. (Callable) 2.61% Jul 13, 2023	129,000	129,000	126,011
Inter Pipeline Ltd. (Callable) 2.73% Feb 18, 2024	89,000	89,000	86,728
Inter Pipeline Ltd. (Callable) 3.17% Dec 24, 2024	45,000	45,000	44,595
Inter Pipeline Ltd. (Callable) 3.48% Sep 16, 2026	27,000	27,000	26,919
Inter Pipeline Ltd. (Callable) 4.64% Nov 30, 2043	60,000	60,000	63,399
Inter Pipeline Ltd. 3.45% Jul 20, 2020	103,000	103,000	105,429
Inter Pipeline Ltd. 3.78% May 30, 2022	88,000	88,000	91,397
Inter Pipeline Ltd. 4.97% Feb 02, 2021	125,000	125,000	133,571
Inter-American Development Bank 1.88% Mar 20, 2020	65,000	64,795	64,874
Inter-American Development Bank 4.40% Jan 26, 2026	464,000	509,623	521,669
John Deere Canada Funding Inc. 1.60% Jul 13, 2020	39,000	38,949	38,357

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

Scotia Canadian Bond Index Fund (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2017

Issuer	Face Value ($)	Average Cost ($)	Carrying Value ($)
BONDS AND DEBENTURES (cont'd)			
Corporate Bonds (cont'd)			
John Deere Canada Funding Inc. 1.75% Jan 28, 2019	26,000	25,971	25,966
John Deere Canada Funding Inc. 1.85% Mar 24, 2021	24,000	23,998	23,590
John Deere Canada Funding Inc. 2.05% May 13, 2022	106,000	105,915	104,062
John Deere Canada Funding Inc. 2.05% Sep 17, 2020	36,000	35,976	35,756
John Deere Canada Funding Inc. 2.35% Jun 24, 2019	41,000	40,956	41,184
John Deere Canada Funding Inc. 2.63% Sep 21, 2022	29,000	28,988	29,056
Kingston Solar LP 3.57% Jul 31, 2035	121,643	121,643	118,445
Kraft Canada Inc. (Callable) 2.70% Jun 06, 2020	55,000	55,039	55,178
Labrador-Island Link Funding Trust 3.76% Jun 01, 2033	78,000	79,441	87,203
Labrador-Island Link Funding Trust 3.85% Dec 01, 2053	193,000	196,217	231,972
Labrador-Island Link Funding Trust 3.86% Dec 01, 2045	86,000	87,932	101,016
Laurentian Bank of Canada 2.50% Jan 23, 2020	69,000	69,366	68,812
Laurentian Bank of Canada 2.75% Apr 22, 2021	80,000	79,830	79,679
Laurentian Bank of Canada 3.00% Sep 12, 2022	66,000	65,884	65,677
Leisureworld Senior Care LP, Restricted, 3.47% Feb 03, 2021	24,000	24,000	24,686
Loblaw Companies Limited (Callable) 4.86% Jun 12, 2023	122,000	122,000	133,764
Loblaw Companies Limited 3.75% Mar 12, 2019	200,000	200,000	203,967
Loblaw Companies Limited 5.90% Jan 18, 2036	60,000	59,915	73,036
Loblaw Companies Limited 6.15% Jan 29, 2035	40,000	41,844	49,558
Loblaw Companies Limited 6.45% Mar 01, 2039	45,000	48,983	58,907
Loblaw Companies Limited 6.50% Jan 22, 2029	45,000	55,341	55,702
Loblaw Companies Limited 6.54% Feb 17, 2033	44,000	51,097	55,833
Loblaw Companies Limited 6.65% Nov 08, 2027	15,000	14,720	18,721
Loblaw Companies Limited 6.85% Mar 01, 2032	50,000	53,885	65,093
Lower Mattagami Energy LP 2.31% Oct 21, 2026	14,000	14,000	13,479
Lower Mattagami Energy LP 3.42% Jun 20, 2024	42,000	42,000	43,921
Lower Mattagami Energy LP 4.18% Apr 23, 2052	64,000	64,000	71,243
Lower Mattagami Energy LP 4.33% May 18, 2021	72,000	76,375	76,707
Lower Mattagami Energy LP 5.14% May 18, 2041	81,000	81,000	102,380
Magna International Inc. (Callable) 3.10% Nov 15, 2022	35,000	34,995	35,519
Manitoba Telecom Services Inc. 5.63% Dec 16, 2019	100,000	108,628	106,357
Manufacturers Life Insurance Company, The (Callable) 2.10% Jun 01, 2020	107,000	106,996	106,198
Manufacturers Life Insurance Company, The (Callable) 2.39% Jan 05, 2021	53,000	52,999	52,834
Manufacturers Life Insurance Company, The (Callable) 2.64% Jan 15, 2020	141,000	140,996	141,787
Manufacturers Life Insurance Company, The (Callable) 2.81% Feb 21, 2019	90,000	90,000	90,658
Manufacturers Life Insurance Company, The (Callable) 2.93% Nov 29, 2018	28,000	28,000	28,249
Manufacturers Life Insurance Company, The (Callable) 3.18% Nov 22, 2022	238,000	238,000	243,061
Manulife Bank of Canada 1.92% Sep 01, 2021	33,000	33,000	32,273
Manulife Bank of Canada 2.08% May 26, 2022	62,000	62,000	60,507
Manulife Finance Delaware LP (Callable) 5.06% Dec 15, 2036	115,000	104,999	130,190
Manulife Financial Capital Trust II (Callable) 7.41% Dec 31, 2019	150,000	160,459	163,573
Manulife Financial Corporation (Callable) 3.05% Aug 20, 2024	74,000	74,000	73,438
Maritime Link Financing Trust 3.50% Dec 01, 2052	406,000	404,624	432,021
MCAP Commercial LP 3.96% Mar 11, 2019	60,000	60,000	60,499
MCAP Commercial LP 5.00% Dec 14, 2022	26,000	26,000	26,050
McGill University (Callable) 3.98% Jul 29, 2055	11,000	11,000	12,361
McGill University Health Centre 5.36% Dec 31, 2043	93,000	92,959	122,180
McMaster University (Callable) 4.11% May 26, 2065	18,000	18,000	20,020
McMaster University 6.15% Oct 07, 2052	20,000	19,981	31,131
Melancthon Wolfe Wind LP 3.83% Dec 31, 2028	82,886	82,896	84,339
Metro Inc. (Callable) 3.20% Nov 01, 2021	61,000	60,993	62,214
Metro Inc. (Callable) 5.03% Jun 01, 2044	42,000	41,981	47,253
Metro Inc. 5.97% Oct 15, 2035	40,000	41,274	48,887
Metro Inc., Series F (Callable) 2.68% Nov 05, 2022	90,000	89,996	89,440
Metro Inc., Series G (Callable) 3.39% Sep 06, 2027	104,000	103,939	103,315
Metro Inc., Series H (Callable) 4.27% Jun 04, 2047	79,000	78,920	79,239
Milit-Air Inc. 5.75% Jun 30, 2019	12,154	11,517	12,583
Morguard Corporation (Callable) 4.33% Aug 15, 2022	37,000	37,000	37,431
Morguard Corporation 4.01% Nov 18, 2020	63,000	63,000	63,870
Muskrat Falls / Labrador Transmission Assets Funding Trust 3.63% Jun 01, 2029	43,000	43,731	46,982
Muskrat Falls / Labrador Transmission Assets Funding Trust 3.83% Jun 01, 2037	86,000	87,758	98,225
Muskrat Falls / Labrador Transmission Assets Funding Trust 3.86% Dec 01, 2048	229,000	233,933	273,434
National Bank of Canada 1.74% Mar 03, 2020	196,000	196,296	194,018
National Bank of Canada 1.81% Jul 26, 2021	107,000	107,000	104,822
National Bank of Canada 1.96% Jun 30, 2022	109,000	109,000	106,407
National Bank of Canada 2.11% Mar 18, 2022	217,000	217,000	213,671
National Bank of Canada 2.40% Oct 28, 2019	325,000	325,900	326,702
NAV Canada (Callable) 3.53% Aug 23, 2045	31,000	31,000	33,389
NAV Canada 4.40% Feb 18, 2021	20,000	20,000	21,270
NAV Canada 5.30% Apr 17, 2019	36,000	41,372	37,464
NAV Canada 7.40% Jun 01, 2027	30,000	33,804	41,425
NAV Canada 7.56% Mar 01, 2027	124,500	154,502	150,681
NBC Asset Trust (Callable) 7.45% Jun 30, 2020	300,000	317,910	329,233
New Brunswick F-M Project Company Inc. 6.47% Nov 30, 2027	28,025	35,455	33,130
Newfoundland and Labrador Hydro 3.60% Dec 01, 2045	88,000	85,806	93,315
Newfoundland and Labrador Hydro 6.65% Aug 27, 2031	175,000	174,729	242,535
Nissan Canada Financial Services Inc. 1.58% Oct 07, 2019	32,000	32,000	31,648
Nissan Canada Financial Services Inc. 1.75% Apr 09, 2020	49,000	49,000	48,392
Nissan Canada Financial Services Inc. 2.42% Oct 19, 2020	145,000	145,000	145,104
North Battleford Power LP 4.96% Dec 31, 2032	126,094	126,103	139,292
North West Redwater Partnership / NWR Financing Co., Ltd. (Callable) 2.10% Jan 23, 2022	52,000	51,895	50,979
North West Redwater Partnership / NWR Financing Co., Ltd. (Callable) 2.80% Mar 01, 2027	39,000	38,898	37,760
North West Redwater Partnership / NWR Financing Co., Ltd. (Callable) 3.20% Apr 23, 2024	172,000	171,737	175,010
North West Redwater Partnership / NWR Financing Co., Ltd. (Callable) 3.20% Jan 24, 2026	82,000	81,825	82,709
North West Redwater Partnership / NWR Financing Co., Ltd. (Callable) 3.65% Dec 01, 2034	145,000	147,220	146,596
North West Redwater Partnership / NWR Financing Co., Ltd. (Callable) 3.70% Aug 23, 2042	59,000	58,786	58,387
North West Redwater Partnership / NWR Financing Co., Ltd. (Callable) 4.05% Jan 24, 2044	93,000	92,351	97,161
North West Redwater Partnership / NWR Financing Co., Ltd. (Callable) 4.15% Dec 01, 2032	64,000	63,838	68,934
North West Redwater Partnership / NWR Financing Co., Ltd. (Callable) 4.25% Mar 01, 2029	93,000	92,741	100,910
North West Redwater Partnership / NWR Financing Co., Ltd. (Callable) 4.35% Jul 10, 2038	99,000	98,558	107,432
North West Redwater Partnership / NWR Financing Co., Ltd. (Callable) 4.75% Dec 01, 2036	150,000	153,939	171,943
Northland Power Solar Finance One LP 4.40% Jun 30, 2032	38,744	38,749	40,597
Nova Gas Transmission Ltd. 9.90% Dec 16, 2024	15,000	19,238	21,237
Nova Scotia Power Inc. (Callable) 3.61% Nov 01, 2044	71,000	71,000	70,566
Nova Scotia Power Inc. (Callable) 4.50% Jan 20, 2043	68,000	67,590	77,867
Nova Scotia Power Inc. 4.15% Mar 06, 2042	45,000	44,962	48,851
Nova Scotia Power Inc. 5.61% Jun 15, 2040	35,000	42,274	45,636
Nova Scotia Power Inc. 5.67% Nov 14, 2035	43,000	47,032	54,717
Nova Scotia Power Inc. 5.95% Jul 27, 2039	26,000	30,970	35,133
Nova Scotia Power Inc. 6.95% Aug 25, 2033	40,000	42,157	56,105
OMERS Realty Corporation (Callable) 1.82% Apr 09, 2022	81,000	81,000	78,780
OMERS Realty Corporation (Callable) 2.86% Jan 23, 2024	88,000	88,000	88,708
OMERS Realty Corporation (Callable) 3.24% Jul 04, 2027	100,000	100,000	101,819
OMERS Realty Corporation 2.47% Nov 12, 2019	53,000	53,000	53,333
OMERS Realty Corporation 3.33% Nov 12, 2024	59,000	59,000	61,051
OMERS Realty Corporation 3.36% Jun 05, 2023	150,000	150,000	155,533
Ontario Electricity Financial Corporation 10.00% Feb 06, 2020	100,000	137,618	116,506
Ontario Electricity Financial Corporation 10.13% Oct 15, 2021	113,000	181,665	145,345
Ontario Electricity Financial Corporation 10.75% Aug 06, 2021	11,000	18,216	14,233
Ontario Electricity Financial Corporation 8.25% Jun 22, 2026	255,000	372,047	361,028
Ontario Electricity Financial Corporation 8.50% May 26, 2025	155,000	194,424	215,517

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

Scotia Canadian Bond Index Fund (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2017

Issuer	Face Value ($)	Average Cost ($)	Carrying Value ($)
BONDS AND DEBENTURES (cont'd)			
Corporate Bonds (cont'd)			
Ontario Electricity Financial Corporation 8.90% Aug 18, 2022	236,000	326,413	303,930
Ontario Power Generation Inc. (Callable) 3.32% Jul 04, 2027	87,000	87,000	88,473
Ontario School Boards Financing Corporation 5.90% Jun 02, 2033	135,000	134,906	180,121
OPB Finance Trust 2.95% Feb 02, 2026	30,000	29,984	30,454
Original Wempi Inc. 4.06% Feb 13, 2024	241,801	241,801	244,801
Original Wempi Inc. 4.31% Feb 13, 2024	172,000	172,000	176,246
Ornge Issuer Trust 5.73% Jun 11, 2034	118,450	126,484	137,832
Ottawa MacDonald-Cartier International Airport Authority (Callable) 3.93% Dec 09, 2044	124,000	124,000	130,667
Pembina Pipeline Corporation (Callable) 2.99% Nov 22, 2023	194,000	193,242	191,240
Pembina Pipeline Corporation (Callable) 3.54% Nov 03, 2024	46,000	45,981	46,364
Pembina Pipeline Corporation (Callable) 3.71% May 11, 2026	14,000	13,994	14,088
Pembina Pipeline Corporation (Callable) 4.24% Mar 15, 2027	93,000	92,992	96,609
Pembina Pipeline Corporation (Callable) 4.74% Jul 21, 2046	71,000	70,205	71,931
Pembina Pipeline Corporation (Callable) 4.75% Oct 30, 2042	96,000	94,751	97,357
Pembina Pipeline Corporation (Callable) 4.81% Sep 25, 2043	145,000	144,865	148,792
Pembina Pipeline Corporation 3.77% Oct 24, 2022	50,000	49,992	51,707
Pembina Pipeline Corporation 4.89% Mar 29, 2021	114,000	121,883	121,609
Penske Truck Leasing Canada Inc. (Callable) 2.85% Nov 07, 2022	34,000	33,998	33,973
Penske Truck Leasing Canada Inc. 2.95% Jun 12, 2020	62,000	61,980	62,555
Plenary Health Care Partnerships Humber LP 4.82% Nov 30, 2044	74,000	74,596	86,580
Plenary Health Care Partnerships Humber LP 4.90% May 31, 2039	123,677	123,677	140,250
Plenary Health Hamilton LP 5.80% May 31, 2043	80,493	80,493	100,860
Plenary Properties LTAP LP 6.29% Jan 31, 2044	162,534	188,031	217,231
Power Corporation of Canada 8.57% Apr 22, 2039	25,000	24,981	39,935
Power Financial Corporation 6.90% Mar 11, 2033	40,000	47,371	53,994
PSP Capital Inc. 1.73% Jun 21, 2022	306,000	306,000	299,674
PSP Capital Inc. 2.09% Nov 22, 2023	152,000	151,980	149,709
PSP Capital Inc. 3.03% Oct 22, 2020	191,000	191,381	196,471
PSP Capital Inc. 3.29% Apr 04, 2024	150,000	153,115	157,694
PSP Capital Inc., Series B 1.34% Aug 18, 2021	198,000	197,943	192,774
PSS Generating Station LP 4.80% Oct 24, 2067	32,000	32,000	35,165
Reliance LP (Callable) 3.84% Jan 15, 2025	41,000	40,999	40,940
Reliance LP 3.81% Sep 15, 2020	128,000	128,004	130,375
Reliance LP 4.08% Aug 02, 2021	30,000	30,000	30,779
RioCan Real Estate Investment Trust 2.19% Apr 09, 2021	64,000	64,000	63,058
RioCan Real Estate Investment Trust 2.19% Aug 26, 2020	50,000	50,000	49,549
RioCan Real Estate Investment Trust 2.83% Oct 03, 2022	25,000	24,999	24,827
RioCan Real Estate Investment Trust 3.29% Feb 12, 2024	57,000	57,009	57,085
RioCan Real Estate Investment Trust 3.62% Jun 01, 2020	69,000	69,135	70,775
RioCan Real Estate Investment Trust 3.73% Apr 18, 2023	10,000	10,018	10,293
RioCan Real Estate Investment Trust 3.75% May 30, 2022	39,000	39,136	40,319
RioCan Real Estate Investment Trust 3.85% Jun 28, 2019	57,000	57,191	58,302
Rogers Communications Inc. (Callable) 4.00% Dec 13, 2023	167,000	166,509	176,921
Rogers Communications Inc. (Callable) 6.11% Feb 25, 2040	119,000	119,873	150,968
Rogers Communications Inc. (Callable) 6.56% Sep 22, 2040	70,000	77,605	93,422
Rogers Communications Inc. 2.80% Mar 13, 2019	50,000	49,986	50,449
Rogers Communications Inc. 4.00% Jun 06, 2022	99,000	98,604	104,607
Rogers Communications Inc. 4.70% Sep 29, 2020	145,000	147,909	153,894
Rogers Communications Inc. 5.34% Mar 22, 2021	275,000	287,535	299,165
Rogers Communications Inc. 6.68% Nov 04, 2039	105,000	109,068	141,364
Royal Bank of Canada (Callable) 2.99% Dec 06, 2019	480,000	480,000	486,314
Royal Bank of Canada 1.40% Apr 26, 2019	180,000	179,942	178,868
Royal Bank of Canada 1.58% Sep 13, 2021	249,000	249,000	241,566
Royal Bank of Canada 1.59% Mar 23, 2020	142,000	141,980	140,349
Royal Bank of Canada 1.65% Jul 15, 2021	230,000	229,933	224,221
Royal Bank of Canada 1.92% Jul 17, 2020	424,000	424,000	420,451
Royal Bank of Canada 1.97% Mar 02, 2022	495,000	495,000	485,012
Royal Bank of Canada 2.00% Mar 21, 2022	363,000	362,946	356,074
Royal Bank of Canada 2.03% Mar 15, 2021	483,000	482,816	477,900
Royal Bank of Canada 2.33% Dec 05, 2023	372,000	372,000	365,736
Royal Bank of Canada 2.35% Dec 09, 2019	347,000	346,743	348,364
Royal Bank of Canada 2.36% Dec 05, 2022	231,000	230,979	228,750
Royal Bank of Canada 2.98% May 07, 2019	163,000	163,000	165,057

Issuer	Face Value ($)	Average Cost ($)	Carrying Value ($)
BONDS AND DEBENTURES (cont'd)			
Corporate Bonds (cont'd)			
Royal Bank of Canada 4.93% Jul 16, 2025	150,000	162,873	171,677
Royal Office Finance LP 5.21% Nov 12, 2032	287,129	290,644	347,471
Ryerson University (Callable) 3.77% Apr 11, 2057	20,000	20,000	21,612
Saputo Inc. (Callable) 1.94% May 13, 2022	78,000	78,000	75,668
Saputo Inc. (Callable) 2.83% Sep 21, 2023	95,000	95,000	94,797
Saputo Inc. 2.20% Jun 23, 2021	24,000	24,000	23,768
Saputo Inc. 2.65% Nov 26, 2019	54,000	54,000	54,456
Sea To Sky Highway Investment LP 2.63% Aug 31, 2030	75,173	75,170	72,646
SEC LP and Arci Ltd. 5.19% Aug 29, 2033	84,861	97,166	89,304
SGTP Highway Bypass LP 4.11% Jan 31, 2045	45,000	45,000	47,309
SGTP Highway Bypass LP 4.16% Jul 31, 2049	24,000	24,000	25,473
Shaw Communications Inc. (Callable) 3.80% Dec 01, 2026	29,000	28,971	29,587
Shaw Communications Inc. 3.15% Feb 19, 2021	32,000	31,965	32,575
Shaw Communications Inc. 5.50% Dec 07, 2020	98,000	100,972	106,290
Shaw Communications Inc. 5.65% Oct 01, 2019	305,000	310,380	322,543
Shaw Communications Inc. 6.75% Nov 09, 2039	284,000	282,523	366,312
Simon Fraser University 5.61% Jun 10, 2043	50,000	50,000	67,996
Sinai Health System (Callable) 3.53% Dec 09, 2055	37,000	37,000	36,425
Smart Real Estate Investment Trust (Callable) 2.99% Jul 28, 2024	23,000	23,031	22,297
Smart Real Estate Investment Trust (Callable) 3.44% May 28, 2026	46,000	46,062	44,893
Smart Real Estate Investment Trust 2.88% Mar 21, 2022	24,000	24,002	23,880
Smart Real Estate Investment Trust 3.56% Feb 06, 2025	55,000	55,226	54,906
Smart Real Estate Investment Trust 3.73% Jul 22, 2022	34,000	34,098	34,897
Smart Real Estate Investment Trust 4.05% Jul 27, 2020	28,000	28,046	29,052
SmartCentres Real Estate Investment Trust (Callable) 3.83% Sep 21, 2027	51,000	51,000	50,675
SNC-Lavalin Group Inc. 2.69% Nov 24, 2020	71,000	71,000	70,995
SNC-Lavalin Group Inc. 6.19% Jul 03, 2019	119,000	129,068	125,454
Sobeys Inc. 6.64% Jun 07, 2040	47,000	46,976	52,706
Société en Commandite ce Sebastopol 4.14% Jul 31, 2047	34,000	34,000	34,827
South Coast British Columbia Transportation Authority 3.05% Jun 04, 2025	37,000	36,839	37,851
SSL Finance Inc. / SSL Financement Inc. 4.10% Oct 31, 2045	144,000	144,000	151,401
SSL Finance Inc. 4.18% Apr 30, 2049	47,000	47,000	46,749
Sun Life Capital Trust II (Callable) 5.86% Dec 31, 2019	150,000	152,567	159,069
Sun Life Financial Inc. (Callable) 2.60% Sep 25, 2020	89,000	88,942	89,047
Sun Life Financial Inc. (Callable) 2.75% Nov 23, 2022	18,000	17,992	17,898
Sun Life Financial Inc. (Callable) 3.05% Sep 19, 2023	182,000	181,738	182,756
Sun Life Financial Inc. (Callable) 3.10% Feb 19, 2021	74,000	73,915	75,022
Sun Life Financial Inc. (Callable) 5.40% May 29, 2037	102,000	95,457	123,005
Sun Life Financial Inc. 5.70% Jul 02, 2019	120,000	119,918	126,248
Suncor Energy Inc. (Callable) 3.00% Jun 14, 2026	137,000	136,659	135,109
Suncor Energy Inc. (Callable) 3.10% Oct 26, 2021	168,000	167,434	171,563
Suncor Energy Inc. (Callable) 4.34% Mar 13, 2046	24,000	23,976	25,510
Suncor Energy Inc. 5.39% Mar 26, 2037	95,000	100,320	113,037
TCHC Issuer Trust 4.88% May 11, 2037	50,000	50,000	60,939
TD Capital Trust III (Callable) 7.24% Dec 31, 2018	300,000	300,000	315,157
TD Capital Trust IV (Callable) 10.00% Jun 30, 2039	110,000	140,544	141,383
TD Capital Trust IV (Callable) 6.63% Jun 30, 2021	191,000	210,263	213,912
TD Capital Trust IV (Callable) 9.52% Jun 30, 2019	274,000	349,191	300,554
TELUS Communications Inc. 10.65% Jun 19, 2021	32,000	41,509	40,211
TELUS Communications Inc. 9.65% Apr 08, 2022	290,000	400,406	367,105
TELUS Corporation (Callable) 2.35% Feb 28, 2022	133,000	132,642	131,460
TELUS Corporation (Callable) 3.20% Mar 05, 2021	115,000	114,700	117,427
TELUS Corporation (Callable) 3.35% Jan 02, 2024	115,000	114,350	117,108
TELUS Corporation (Callable) 3.75% Dec 10, 2025	64,000	63,497	65,890
TELUS Corporation (Callable) 3.75% Oct 17, 2024	90,000	89,798	93,351
TELUS Corporation (Callable) 4.40% Jul 29, 2045	19,000	18,995	18,938
TELUS Corporation (Callable) 4.40% Oct 01, 2042	105,000	104,756	104,879
TELUS Corporation (Callable) 4.70% Sep 06, 2047	34,000	33,682	35,684
TELUS Corporation (Callable) 4.75% Jul 17, 2044	45,000	44,681	47,317
TELUS Corporation (Callable) 4.85% Oct 05, 2043	190,000	188,101	202,495
TELUS Corporation (Callable) 5.15% May 26, 2043	91,000	90,545	101,084
TELUS Corporation 5.05% Dec 04, 2019	69,000	68,599	72,675
TELUS Corporation 5.05% Jul 23, 2020	175,000	190,264	186,670
Teranet Holdings LP (Callable) 3.65% Oct 18, 2022	18,000	18,000	18,124

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

Scotia Canadian Bond Index Fund (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2017

Issuer	Face Value ($)	Average Cost ($)	Carrying Value ($)
BONDS AND DEBENTURES (cont'd)			
Corporate Bonds (cont'd)			
Teranet Holdings LP 4.81% Dec 16, 2020	170,000	170,818	177,914
Teranet Holdings LP 5.75% Dec 17, 2040	120,000	123,553	127,697
Teranet Holdings LP 6.10% Jun 17, 2041	40,000	39,982	44,215
Thomson Reuters Corporation (Callable) 3.31% Oct 12, 2021	117,000	117,000	119,930
Thomson Reuters Corporation 4.35% Sep 30, 2020	197,000	202,318	207,053
THP Partnership 4.39% Oct 31, 2046	40,741	40,741	44,314
TMX Group Ltd. (Callable) 4.46% Aug 03, 2023	43,000	43,000	46,326
TMX Group Ltd. 3.00% Dec 11, 2024	63,000	63,000	62,583
Toromont Industries Ltd. (Callable) 3.84% Jul 27, 2027	86,000	86,000	88,045
Toronto Hydro Corporation (Callable) 2.52% May 25, 2026	81,000	80,987	79,601
Toronto Hydro Corporation (Callable) 2.91% Jan 10, 2023	18,000	17,997	18,382
Toronto Hydro Corporation (Callable) 3.49% Aug 28, 2047	7,000	6,995	7,041
Toronto Hydro Corporation (Callable) 3.55% Jan 28, 2045	20,000	19,967	20,275
Toronto Hydro Corporation (Callable) 3.96% Oct 09, 2062	32,000	31,965	34,907
Toronto Hydro Corporation 3.54% Nov 18, 2021	108,000	107,946	112,969
Toronto Hydro Corporation 4.49% Nov 12, 2019	100,000	110,473	104,365
Toronto Hydro Corporation 5.54% May 21, 2040	40,000	45,945	52,877
Toronto-Dominion Bank, The (Callable) 3.22% Jul 25, 2024	191,000	191,000	190,952
Toronto-Dominion Bank, The 1.68% Jun 08, 2021	433,000	433,830	424,264
Toronto-Dominion Bank, The 1.69% Apr 02, 2020	127,000	127,000	125,569
Toronto-Dominion Bank, The 1.91% Jul 18, 2023	407,000	407,000	392,607
Toronto-Dominion Bank, The 1.99% Mar 23, 2022	479,000	479,000	470,410
Toronto-Dominion Bank, The 2.05% Mar 08, 2021	181,000	181,000	179,463
Toronto-Dominion Bank, The 2.45% Apr 02, 2019	366,000	366,000	368,246
Toronto-Dominion Bank, The 2.56% Jun 24, 2020	433,000	434,320	436,519
Toronto-Dominion Bank, The 2.62% Dec 22, 2021	364,000	367,560	366,838
Toronto-Dominion Bank, The 3.23% Jul 24, 2024	346,000	351,952	357,366
Toronto-Dominion Bank, The 9.15% May 26, 2025	50,000	62,200	69,814
Toyota Credit Canada Inc. 1.75% Jul 21, 2021	41,000	40,932	40,113
Toyota Credit Canada Inc. 1.80% Feb 19, 2020	150,000	149,970	148,802
Toyota Credit Canada Inc. 2.02% Feb 28, 2022	125,000	124,959	122,837
Toyota Credit Canada Inc. 2.05% May 20, 2020	124,000	123,976	123,480
Toyota Credit Canada Inc. 2.20% Feb 25, 2021	89,000	88,824	88,625
Toyota Credit Canada Inc. 2.35% Jul 18, 2022	64,000	63,994	63,579
Toyota Credit Canada Inc. 2.48% Nov 19, 2019	40,000	39,994	40,257
Toyota Credit Canada Inc. 2.62% Oct 11, 2022	36,000	36,000	36,102
TransAlta Corporation 5.00% Nov 25, 2020	51,000	50,753	52,975
TransAlta Corporation 6.40% Nov 18, 2019	120,000	135,576	126,862
TransAlta Corporation 6.90% Nov 15, 2030	30,000	31,142	31,922
TransCanada PipeLines Ltd. (Callable) 3.30% Apr 17, 2025	115,000	114,854	118,360
TransCanada PipeLines Ltd. (Callable) 3.39% Dec 15, 2027	37,000	36,984	37,911
TransCanada PipeLines Ltd. (Callable) 3.69% Apr 19, 2023	136,000	137,676	143,230
TransCanada PipeLines Ltd. (Callable) 4.33% Mar 16, 2047	74,000	73,987	79,222
TransCanada PipeLines Ltd. (Callable) 4.35% Dec 06, 2045	73,000	72,830	78,454
TransCanada PipeLines Ltd. 11.80% Nov 20, 2020	90,000	144,104	112,482
TransCanada PipeLines Ltd. 3.65% Nov 15, 2021	80,000	79,894	83,795
TransCanada PipeLines Ltd. 4.55% Nov 15, 2041	185,000	184,025	204,470
TransCanada PipeLines Ltd. 6.28% May 26, 2028	40,000	35,490	49,433
TransCanada PipeLines Ltd. 6.50% Dec 09, 2030	50,000	57,417	63,811
TransCanada PipeLines Ltd. 7.34% Jul 18, 2028	65,000	67,506	87,282
TransCanada PipeLines Ltd. 7.90% Apr 15, 2027	75,000	102,697	101,492
TransCanada PipeLines Ltd. 8.05% Feb 17, 2039	50,000	68,023	78,822
TransCanada PipeLines Ltd. 8.23% Jan 16, 2031	120,000	140,932	172,962
TransEd Partners GP 3.95% Sep 30, 2050	84,000	77,692	82,577
Trillium Windpower LP 5.80% Feb 15, 2033	54,129	54,129	61,614
Union Gas Ltd. (Callable) 2.76% May 02, 2021	70,000	69,978	71,041
Union Gas Ltd. (Callable) 2.81% Mar 01, 2026	26,000	26,000	26,010
Union Gas Ltd. (Callable) 2.88% Aug 22, 2027	38,000	37,974	37,965
Union Gas Ltd. (Callable) 3.19% Jun 17, 2025	47,000	46,980	48,427
Union Gas Ltd. (Callable) 3.59% May 22, 2047	34,000	33,944	34,497
Union Gas Ltd. (Callable) 3.79% Apr 10, 2023	96,000	95,967	101,860
Union Gas Ltd. (Callable) 3.80% Dec 01, 2045	47,000	46,975	49,457
Union Gas Ltd. (Callable) 4.20% Dec 02, 2043	110,000	108,940	123,186
Union Gas Ltd. (Callable) 4.88% Dec 21, 2040	50,000	49,938	60,758
Union Gas Ltd. 5.20% Jul 23, 2040	50,000	56,159	63,149
Union Gas Ltd. 5.46% Sep 11, 2036	50,000	50,000	63,883
Union Gas Ltd. 6.05% Sep 02, 2038	35,000	41,650	48,007
Union Gas Ltd. 8.65% Nov 10, 2025	25,000	29,500	34,729
University Health Network 5.64% Dec 08, 2022	15,354	14,995	16,556
University of British Columbia 4.82% Jul 26, 2035	20,000	20,000	23,917
University of Guelph 6.24% Oct 10, 2042	20,000	19,974	29,133
University of Ontario Institute of Technology 6.35% Oct 15, 2034	38,650	38,650	45,765
University of Ottawa (Callable) 3.26% Apr 12, 2056	22,000	22,000	21,396
University of Toronto 4.25% Dec 07, 2051	75,000	73,301	88,235
University of Western Ontario 4.80% May 24, 2047	71,000	71,955	89,629
University of Western Ontario, The (Callable) 3.39% Jun 04, 2056	12,000	12,000	11,942
University of Windsor 5.37% Jun 29, 2046	41,000	42,507	53,068
Vancouver Airport Authority (Callable) 3.86% May 10, 2045	39,000	39,000	44,150
Vancouver Airport Authority 4.42% Dec 07, 2018	95,000	102,931	97,295
Ventas Canada Finance Ltd. (Callable) 2.55% Feb 15, 2023	18,000	17,992	17,614
Ventas Canada Finance Ltd. (Callable) 3.30% Jan 02, 2022	59,000	58,995	59,992
Ventas Canada Finance Ltd. (Callable) 4.13% Jun 30, 2024	44,000	43,825	46,164
Ventas Canada Finance Ltd. 3.00% Sep 30, 2019	73,000	72,790	73,857
Veresen Inc. (Callable) 3.43% Oct 10, 2021	104,000	103,965	106,248
VW Credit Canada Inc. 2.15% Jun 24, 2020	57,000	56,898	56,636
VW Credit Canada Inc. 2.50% Oct 01, 2019	149,000	148,917	149,545
Wells Fargo Canada Corporation 2.94% Jul 25, 2019	230,000	230,000	233,025
Wells Fargo Canada Corporation 3.04% Jan 29, 2021	175,000	184,287	178,282
Wells Fargo Canada Corporation 3.46% Jan 24, 2023	123,000	123,000	127,820
Westcoast Energy Inc. (Callable) 3.43% Jun 12, 2024	81,000	80,966	83,506
Westcoast Energy Inc. (Callable) 3.77% Sep 08, 2025	44,000	43,982	46,100
Westcoast Energy Inc. 4.57% Jul 02, 2020	81,000	86,749	85,228
Westcoast Energy Inc. 4.79% Oct 28, 2041	50,000	55,109	55,391
Westcoast Energy Inc. 7.15% Mar 20, 2031	50,000	50,325	65,778
WestJet Airlines Ltd. 3.29% Jul 23, 2019	43,000	43,000	43,528
Wilfrid Laurier University 5.43% Feb 01, 2045	20,000	20,000	26,546
Windsor Canada Utilities Ltd. 4.13% Nov 06, 2042	50,000	50,000	50,116
Winnipeg Airport Authority Inc. (Callable) 3.66% Mar 30, 2047	34,000	34,000	36,096
Winnipeg Airport Authority Inc. 4.57% Nov 20, 2019	75,000	83,318	78,138
Winnipeg Airport Authority Inc. 5.21% Sep 28, 2040	17,521	17,521	20,919
York Region District School Board 6.45% Jun 04, 2024	34,592	42,723	39,021
York University (Callable) 4.46% Aug 26, 2053	30,000	30,000	35,796
York University 6.48% Mar 07, 2042	100,000	99,972	148,459
		81,299,795	84,382,157
Federal Bonds – 33.4%			
Business Development Bank of Canada 4.35% Feb 28, 2022	53,000	55,707	57,575
Business Development Bank of Canada 4.75% Jul 26, 2021	87,000	105,024	94,837
Canada Government International Bond 2.75% Dec 01, 2064	850,000	858,656	976,314
Canada Housing Trust No 1 1.75% Jun 15, 2022	1,858,000	1,865,045	1,830,681
Canada Housing Trust No 1 2.35% Jun 15, 2027	1,191,000	1,200,739	1,186,742
Canada Housing Trust No. 1 1.15% Dec 15, 2021	895,000	893,237	864,744
Canada Housing Trust No. 1 1.20% Jun 15, 2020	972,000	970,484	957,249
Canada Housing Trust No. 1 1.25% Dec 15, 2020	1,629,000	1,626,152	1,598,406
Canada Housing Trust No. 1 1.25% Jun 15, 2021	1,646,000	1,652,278	1,605,809
Canada Housing Trust No. 1 1.45% Jun 15, 2020	968,000	967,487	959,039
Canada Housing Trust No. 1 1.50% Dec 15, 2021	834,000	833,483	816,816
Canada Housing Trust No. 1 1.90% Sep 15, 2026	1,220,000	1,222,681	1,174,582
Canada Housing Trust No. 1 1.95% Dec 15, 2025	450,000	448,002	437,186
Canada Housing Trust No. 1 1.95% Jun 15, 2019	1,638,000	1,636,559	1,644,110
Canada Housing Trust No. 1 2.00% Dec 15, 2019	1,802,000	1,812,998	1,809,899
Canada Housing Trust No. 1 2.25% Dec 15, 2025	584,000	592,237	580,004
Canada Housing Trust No. 1 2.35% Mar 15, 2028	415,000	414,062	412,530
Canada Housing Trust No. 1 2.35% Sep 15, 2023	670,000	667,025	675,146
Canada Housing Trust No. 1 2.40% Dec 15, 2022	842,000	857,425	851,990
Canada Housing Trust No. 1 2.40% Dec 15, 2022	2,034,000	2,029,868	2,058,677
Canada Housing Trust No. 1 2.55% Mar 15, 2025	856,000	878,294	869,987
Canada Housing Trust No. 1 2.65% Mar 15, 2022	1,191,000	1,202,625	1,218,584
Canada Housing Trust No. 1 2.90% Jun 15, 2024	1,072,000	1,083,473	1,113,108

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

Scotia Canadian Bond Index Fund (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2017

Issuer	Face Value ($)	Average Cost ($)	Carrying Value ($)
BONDS AND DEBENTURES (cont'd)			
Federal Bonds (cont'd)			
Canada Housing Trust No. 1 3.15% Sep 15, 2023	443,000	446,234	465,177
Canada Housing Trust No. 1 3.35% Dec 15, 2020	755,000	751,705	786,054
Canada Housing Trust No. 1 3.75% Mar 15, 2020	812,000	806,831	846,009
Canada Housing Trust No. 1 3.80% Jun 15, 2021	1,135,000	1,214,252	1,203,254
Canada Post Corporation 4.08% Jul 16, 2025	125,000	132,500	138,846
Canada Post Corporation 4.36% Jul 16, 2040	356,000	414,123	439,691
Canadian Government Bond 0.50% Feb 01, 2019	1,800,000	1,790,739	1,780,087
Canadian Government Bond 0.50% Mar 01, 2022	2,347,000	2,283,326	2,222,807
Canadian Government Bond 0.50% Nov 01, 2018	20,000	19,969	19,843
Canadian Government Bond 0.75% May 01, 2019	650,000	648,857	642,696
Canadian Government Bond 1.00% Jun 01, 2027	2,131,000	1,966,594	1,942,069
Canadian Government Bond 1.00% Sep 01, 2022	1,821,000	1,764,628	1,751,199
Export Development Canada 1.80% Sep 01, 2022	93,000	92,872	91,868
Farm Credit Canada 4.55% Apr 12, 2021	231,000	266,130	248,865
Farm Credit Canada 4.60% Jun 01, 2021	303,000	361,094	327,993
Government of Canada 0.75% Aug 01, 2019	650,000	643,066	640,772
Government of Canada 0.75% Mar 01, 2021	2,935,000	2,941,211	2,843,390
Government of Canada 0.75% Sep 01, 2020	2,318,000	2,308,869	2,259,401
Government of Canada 0.75% Sep 01, 2021	2,034,000	2,018,368	1,959,559
Government of Canada 1.25% Feb 01, 2020	1,250,000	1,241,463	1,238,191
Government of Canada 1.25% Nov 01, 2019	1,250,000	1,245,700	1,240,274
Government of Canada 1.50% Jun 01, 2023	1,304,000	1,297,254	1,277,700
Government of Canada 1.50% Jun 01, 2026	1,773,000	1,784,703	1,701,492
Government of Canada 1.50% Mar 01, 2020	3,135,000	3,201,223	3,120,974
Government of Canada 1.75% Mar 01, 2019	1,794,000	1,818,931	1,798,157
Government of Canada 1.75% Mar 01, 2023	550,000	546,003	546,139
Government of Canada 1.75% Sep 01, 2019	1,997,000	2,041,153	1,999,820
Government of Canada 10.50% Mar 15, 2021	1,000	1,680	1,271
Government of Canada 2.00% Jun 01, 2028	993,000	988,408	985,690
Government of Canada 2.25% Jun 01, 2025	2,021,000	2,180,963	2,056,798
Government of Canada 2.50% Jun 01, 2024	1,104,000	1,183,697	1,140,888
Government of Canada 2.75% Dec 01, 2048	1,850,000	2,061,822	2,049,091
Government of Canada 2.75% Jun 01, 2022	1,258,000	1,330,264	1,306,927
Government of Canada 3.25% Jun 01, 2021	1,932,000	2,169,559	2,025,372
Government of Canada 3.50% Dec 01, 2045	2,098,000	2,775,442	2,623,167
Government of Canada 3.50% Jun 01, 2020	2,173,000	2,448,836	2,263,894
Government of Canada 3.75% Jun 01, 2019	3,567,000	4,042,896	3,671,900
Government of Canada 4.00% Jun 01, 2041	1,865,000	2,381,086	2,446,005
Government of Canada 5.00% Jun 01, 2037	1,685,000	2,478,761	2,419,219
Government of Canada 5.75% Jun 01, 2029	1,569,000	2,246,458	2,146,980
Government of Canada 5.75% Jun 01, 2033	1,623,000	2,383,017	2,382,224
Government of Canada 8.00% Jun 01, 2023	390,000	544,818	511,785
Government of Canada 8.00% Jun 01, 2027	685,800	984,802	1,034,516
Government of Canada 9.00% Jun 01, 2025	527,000	769,680	780,670
Government of Canada 9.25% Jun 01, 2022	111,000	185,696	145,910
Government of Canada 9.75% Jun 01, 2021	203,000	305,701	256,316
		89,384,925	87,574,965
Mortgage-Backed Securities – 0.2%			
Caisse Centrale Desjardins 1.75% Mar 02, 2020	359,000	359,000	355,455
Canadian Credit Card Trust II 1.83% Mar 24, 2020	161,000	161,033	159,441
Chip Mortgage Trust 2.33% Apr 29, 2020	45,000	45,000	44,280
OPB Finance Trust 1.88% Feb 24, 2022	40,000	39,024	39,347
		604,057	598,523
Municipal Bonds – 1.9%			
City of Edmonton 8.50% Sep 14, 2018	58,000	78,153	60,737
City of Montreal 3.00% Sep 01, 2025	88,000	88,757	89,692
City of Montreal 3.50% Sep 01, 2023	140,000	139,161	147,511
City of Montreal 3.50% Sep 01, 2024	99,000	103,526	104,321
City of Montreal 4.10% Dec 01, 2034	85,000	87,459	96,428
City of Montreal 4.25% Dec 01, 2032	20,000	20,232	22,808
City of Montreal 4.50% Dec 01, 2021	85,000	89,842	92,255
City of Montreal 5.45% Dec 01, 2019	143,000	164,472	152,444
City of Montreal 6.00% Jun 01, 2043	122,000	148,820	181,070

Issuer	Face Value ($)	Average Cost ($)	Carrying Value ($)
BONDS AND DEBENTURES (cont'd)			
Municipal Bonds (cont'd)			
City of Montreal 2.75% Sep 01, 2026	72,000	71,654	71,816
City of Montreal 3.00% Sep 01, 2027	52,000	52,042	52,782
City of Montreal Canada 3.15% Dec 01, 2036	33,000	32,928	33,155
City of Ottawa 3.05% Apr 23, 2046	24,000	23,767	23,409
City of Ottawa 3.10% Jul 27, 2048	113,000	108,139	111,274
City of Ottawa 3.25% Nov 10, 2047	18,000	17,969	18,244
City of Ottawa 4.20% Jul 30, 2053	76,000	75,810	91,418
City of Ottawa 4.40% Oct 22, 2033	41,000	40,941	47,739
City of Ottawa 4.60% Jul 14, 2042	15,000	16,021	18,628
City of Ottawa 5.05% Aug 13, 2030	31,000	35,946	37,086
City of Toronto 2.40% Jun 24, 2026	30,000	29,974	29,224
City of Toronto 2.45% Feb 06, 2025	77,000	76,578	76,047
City of Toronto 2.95% Apr 28, 2035	70,000	67,517	68,711
City of Toronto 3.25% Jun 24, 2046	88,000	85,366	89,013
City of Toronto 3.50% Dec 06, 2021	86,000	86,984	90,090
City of Toronto 3.50% Jun 02, 2036	29,000	29,929	30,582
City of Toronto 3.80% Dec 13, 2042	62,000	61,790	68,615
City of Toronto 3.90% Sep 29, 2023	26,000	25,925	27,956
City of Toronto 4.50% Dec 02, 2019	50,000	49,846	52,393
City of Toronto 4.70% Jun 10, 2041	151,000	153,992	188,696
City of Toronto 5.20% Jun 01, 2040	107,000	122,937	141,589
City of Toronto 5.34% Jul 18, 2027	11,320	11,320	12,645
City of Toronto 6.80% Jul 26, 2021	67,000	87,322	77,435
City of Toronto Canada 2.40% Jun 07, 2027	68,000	67,820	65,760
City of Vancouver 2.70% Dec 15, 2026	25,000	24,970	24,891
City of Vancouver 2.85% Nov 03, 2027	16,000	15,965	16,132
City of Vancouver 2.90% Nov 20, 2025	16,000	15,946	16,240
City of Vancouver 3.05% Oct 16, 2024	24,000	23,973	24,618
City of Vancouver 3.45% Dec 02, 2021	54,000	53,923	56,391
City of Vancouver 3.70% Oct 18, 2052	40,000	39,727	43,978
City of Vancouver 3.75% Oct 24, 2023	46,000	45,947	49,129
City of Winnipeg 4.10% Jun 01, 2045	20,000	20,957	22,843
City of Winnipeg 5.20% Jul 17, 2036	81,000	95,352	103,893
City of Winnipeg 5.90% Feb 02, 2029	30,000	37,712	38,028
Municipal Finance Authority of British Columbia 1.65% Apr 19, 2021	103,000	102,839	101,602
Municipal Finance Authority of British Columbia 1.75% Oct 15, 2020	28,000	27,961	27,799
Municipal Finance Authority of British Columbia 2.50% Apr 19, 2026	127,000	126,732	125,672
Municipal Finance Authority of British Columbia 2.65% Oct 02, 2025	29,000	28,901	29,107
Municipal Finance Authority of British Columbia 2.95% Oct 14, 2024	62,000	63,502	63,693
Municipal Finance Authority of British Columbia 3.35% Jun 01, 2022	60,000	59,930	62,828
Municipal Finance Authority of British Columbia 3.75% Sep 26, 2023	70,000	70,939	75,107
Municipal Finance Authority of British Columbia 4.15% Jun 01, 2021	155,000	162,635	165,395
Municipal Finance Authority of British Columbia 4.45% Jun 01, 2020	173,000	179,378	183,151
Municipal Finance Authority of British Columbia 4.88% Jun 03, 2019	99,000	112,977	103,320
Regional Municipality of Halton Canada 3.15% Apr 06, 2045	49,000	48,830	48,276
Regional Municipality of Halton Canada 4.05% Oct 11, 2041	38,000	37,817	43,053
Regional Municipality of Peel 2.30% Nov 02, 2026	22,000	21,928	21,202
Regional Municipality of Peel 3.50% Dec 01, 2021	25,000	25,603	26,159
Regional Municipality of Peel 3.85% Oct 30, 2042	59,000	58,667	65,843
Regional Municipality of Peel 4.25% Dec 02, 2033	131,000	130,479	150,614
Regional Municipality of York 2.35% Jun 09, 2027	19,000	18,015	18,340
Regional Municipality of York 2.50% Jun 02, 2026	34,000	33,988	33,416
Regional Municipality of York 2.60% Dec 15, 2025	70,000	69,546	69,510
Regional Municipality of York 3.65% May 13, 2033	83,000	73,645	88,910
Regional Municipality of York 4.00% Jun 30, 2021	50,000	51,014	53,038
Regional Municipality of York 4.00% May 31, 2032	142,000	143,639	157,677
Regional Municipality of York 4.05% May 01, 2034	66,000	68,125	74,260
Regional Municipality of York 4.50% Jun 30, 2020	99,000	102,609	104,925
Regional Municipality of York 5.00% Apr 29, 2019	144,000	163,678	150,079
		4,710,788	4,910,692
Provincial Bonds – 31.7%			
Alberta Capital Finance Authority 4.45% Dec 15, 2025	15,000	14,953	16,865
Financement-Quebec 2.45% Dec 01, 2019	244,000	243,779	246,731
Financement-Quebec 5.25% Jun 01, 2034	255,000	265,761	331,529

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

Scotia Canadian Bond Index Fund (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2017

Issuer	Face Value ($)	Average Cost ($)	Carrying Value ($)
BONDS AND DEBENTURES (cont'd)			
Provincial Bonds (cont'd)			
First Nations Finance Authority 3.05% Jun 01, 2028	13,000	12,976	13,056
First Nations Finance Authority 3.40% Jun 26, 2024	26,000	27,428	27,089
Municipal Finance Authority of British Columbia 2.15% Dec 01, 2022	71,000	70,963	70,511
Municipal Finance Authority of British Columbia 4.95% Dec 01, 2027	114,000	131,145	135,749
Ontario School Boards Financing Corporation 4.79% Aug 08, 2030	13,246	13,246	14,270
Ontario School Boards Financing Corporation 5.07% Apr 18, 2031	17,889	17,889	19,722
Ontario School Boards Financing Corporation 5.38% Jun 25, 2032	28,492	28,492	32,127
Ontario School Boards Financing Corporation 5.48% Nov 26, 2029	32,205	32,206	37,130
Ontario School Boards Financing Corporation 5.90% Oct 11, 2027	20,137	20,030	22,936
OPB Finance Trust (Callable) 2.98% Oct 25, 2026	80,000	79,958	80,893
OPB Finance Trust 2.90% May 24, 2023	152,000	151,895	155,542
OPB Finance Trust 3.89% Jul 04, 2042	101,000	100,929	110,978
Province of Alberta 1.25% Jun 01, 2020	422,000	418,750	415,447
Province of Alberta 1.35% Sep 01, 2021	524,000	523,675	510,585
Province of Alberta 1.60% Sep 01, 2022	117,000	116,720	113,784
Province of Alberta 2.00% Jun 01, 2019	128,000	127,945	128,491
Province of Alberta 2.20% Jun 01, 2026	586,000	585,189	568,054
Province of Alberta 2.35% Jun 01, 2025	566,000	568,128	559,044
Province of Alberta 2.55% Dec 15, 2022	314,000	311,193	318,319
Province of Alberta 2.55% Jun 01, 2027	349,000	347,820	345,982
Province of Alberta 2.90% Sep 20, 2029	271,000	256,702	273,695
Province of Alberta 3.05% Dec 01, 2048	710,000	696,473	717,888
Province of Alberta 3.10% Jun 01, 2024	163,000	162,751	169,334
Province of Alberta 3.30% Dec 01, 2046	848,000	866,417	895,512
Province of Alberta 3.40% Dec 01, 2023	95,000	94,687	100,328
Province of Alberta 3.45% Dec 01, 2043	431,000	427,867	465,253
Province of Alberta 3.50% Jun 01, 2031	228,000	228,962	244,596
Province of Alberta 3.90% Dec 01, 2033	183,000	182,347	205,989
Province of Alberta 4.00% Dec 01, 2019	300,000	324,421	312,187
Province of Alberta 4.50% Dec 01, 2040	100,000	99,115	124,825
Province of British Columbia 2.25% Mar 01, 2019	242,000	242,202	243,789
Province of British Columbia 2.30% Jun 18, 2026	216,000	217,244	212,579
Province of British Columbia 2.55% Jun 18, 2027	117,000	116,577	116,953
Province of British Columbia 2.70% Dec 18, 2022	285,000	285,425	291,703
Province of British Columbia 2.80% Jun 18, 2048	658,000	639,638	649,373
Province of British Columbia 2.85% Jun 18, 2025	314,000	324,776	322,538
Province of British Columbia 3.20% Jun 18, 2044	634,000	581,394	671,560
Province of British Columbia 3.25% Dec 18, 2021	354,000	356,457	369,724
Province of British Columbia 3.30% Dec 18, 2023	236,000	233,518	248,862
Province of British Columbia 3.70% Dec 18, 2020	276,000	275,060	289,911
Province of British Columbia 4.10% Dec 18, 2019	347,000	356,005	362,394
Province of British Columbia 4.30% Jun 18, 2042	495,000	545,719	618,524
Province of British Columbia 4.65% Dec 18, 2018	330,000	344,542	339,749
Province of British Columbia 4.70% Jun 18, 2037	228,000	270,100	291,673
Province of British Columbia 4.80% Jun 15, 2021	60,000	67,179	65,487
Province of British Columbia 4.95% Jun 18, 2040	286,000	319,096	384,621
Province of British Columbia 5.30% Jun 17, 2019	30,000	30,065	31,545
Province of British Columbia 5.40% Jun 18, 2035	84,000	108,120	114,128
Province of British Columbia 5.70% Jun 18, 2029	455,000	568,644	590,003
Province of British Columbia 6.15% Nov 19, 2027	90,000	84,882	117,581
Province of British Columbia 6.35% Jun 18, 2031	295,000	379,629	414,644
Province of British Columbia 9.50% Jun 09, 2022	68,000	107,740	88,746
Province of British Columbia 9.95% May 15, 2021	100,000	152,708	125,403
Province of Edward Island 2.35% Aug 25, 2025	26,000	25,959	25,265
Province of Edward Island 3.60% Jan 17, 2053	25,000	23,077	26,895
Province of Edward Island 3.65% Jun 27, 2042	11,000	10,970	11,688
Province of Edward Island 3.70% Sep 02, 2020	31,000	30,836	32,303
Province of Edward Island 3.85% Jul 17, 2054	27,000	26,858	29,818
Province of Edward Island 4.60% May 19, 2041	30,000	31,337	36,513
Province of Edward Island 4.65% Nov 19, 2037	20,000	22,018	24,135
Province of Edward Island 5.30% May 19, 2036	36,000	39,761	46,420
Province of Edward Island 5.70% Jun 15, 2035	20,000	19,982	26,626
Province of Edward Island 6.80% Feb 21, 2030	50,000	49,690	69,061
Province of Manitoba 1.15% Nov 21, 2019	107,000	106,852	105,669
Province of Manitoba 1.55% Sep 05, 2021	200,000	199,875	196,225
Province of Manitoba 1.60% Sep 05, 2020	87,000	86,797	86,226
Province of Manitoba 10.50% Mar 05, 2031	71,000	139,014	129,843
Province of Manitoba 2.45% Jun 02, 2025	278,000	277,113	276,096
Province of Manitoba 2.55% Jun 02, 2023	201,000	192,353	203,161
Province of Manitoba 2.55% Jun 02, 2026	275,000	279,932	273,479
Province of Manitoba 2.60% Jun 02, 2027	40,000	39,888	39,753
Province of Manitoba 2.85% Sep 05, 2046	313,000	292,616	300,921
Province of Manitoba 3.15% Sep 05, 2052	18,000	15,503	18,322
Province of Manitoba 3.25% Sep 05, 2029	16,000	15,253	16,652
Province of Manitoba 3.30% Jun 02, 2024	148,000	149,845	155,408
Province of Manitoba 3.35% Mar 05, 2043	120,000	117,718	126,240
Province of Manitoba 3.40% Sep 05, 2048	202,000	204,135	216,303
Province of Manitoba 3.85% Dec 01, 2021	69,000	74,793	73,413
Province of Manitoba 4.05% Sep 05, 2045	264,000	276,445	312,810
Province of Manitoba 4.10% Mar 05, 2041	77,000	80,867	90,456
Province of Manitoba 4.15% Jun 03, 2020	129,000	130,967	135,755
Province of Manitoba 4.40% Mar 05, 2042	130,000	129,659	159,870
Province of Manitoba 4.40% Sep 05, 2025	155,000	154,430	174,345
Province of Manitoba 4.60% Mar 05, 2038	178,000	187,276	220,583
Province of Manitoba 4.65% Mar 05, 2040	145,000	150,930	182,723
Province of Manitoba 4.70% Mar 05, 2050	100,000	101,146	132,873
Province of Manitoba 4.75% Feb 11, 2020	140,000	156,090	148,271
Province of Manitoba 5.70% Mar 05, 2037	75,000	84,647	104,411
Province of Manitoba 7.75% Dec 22, 2025	150,000	175,083	204,379
Province of New Brunswick 1.55% May 04, 2022	125,000	121,416	121,587
Province of New Brunswick 2.35% Aug 14, 2027	49,000	48,986	47,415
Province of New Brunswick 2.60% Aug 14, 2026	52,000	51,810	51,724
Province of New Brunswick 2.85% Jun 02, 2023	213,000	211,976	218,209
Province of New Brunswick 3.10% Aug 14, 2048	94,000	91,966	93,919
Province of New Brunswick 3.55% Jun 03, 2043	199,000	182,805	214,460
Province of New Brunswick 3.55% Jun 03, 2055	80,000	81,398	87,092
Province of New Brunswick 3.65% Jun 03, 2024	226,000	228,408	241,504
Province of New Brunswick 3.80% Aug 14, 2045	186,000	194,913	209,642
Province of New Brunswick 4.40% Jun 03, 2019	255,000	264,571	264,421
Province of New Brunswick 4.50% Jun 02, 2020	319,000	319,117	338,177
Province of New Brunswick 4.55% Mar 26, 2037	162,000	179,478	197,195
Province of New Brunswick 4.65% Sep 26, 2035	89,000	94,415	108,847
Province of New Brunswick 4.80% Jun 03, 2041	155,000	158,237	198,794
Province of New Brunswick 4.80% Sep 26, 2039	155,000	163,056	196,993
Province of New Brunswick 5.50% Jan 27, 2034	140,000	171,137	184,426
Province of New Brunswick 5.65% Dec 27, 2028	50,000	45,795	63,078
Province of Newfoundland and Labrador 1.95% Jun 02, 2022	134,000	133,661	132,126
Province of Newfoundland and Labrador 10.95% Apr 15, 2021	65,000	96,801	82,820
Province of Newfoundland and Labrador 2.30% Jun 02, 2025	79,000	77,577	76,941
Province of Newfoundland and Labrador 2.85% Jun 02, 2028	50,000	50,570	49,732
Province of Newfoundland and Labrador 3.00% Jun 02, 2026	102,000	103,619	103,691
Province of Newfoundland and Labrador 3.30% Oct 17, 2046	266,000	251,804	269,485
Province of Newfoundland and Labrador 3.70% Oct 17, 2048	112,000	116,400	122,325
Province of Newfoundland and Labrador 4.50% Apr 17, 2037	55,000	57,308	65,606
Province of Newfoundland and Labrador 4.65% Oct 17, 2040	87,000	101,027	107,288
Province of Newfoundland and Labrador 5.70% Oct 17, 2035	51,000	69,651	68,796
Province of Newfoundland and Labrador 6.15% Apr 17, 2028	35,000	33,447	44,950
Province of Newfoundland and Labrador 6.55% Oct 17, 2030	85,000	104,336	116,299
Province of Nova Scotia 2.10% Jun 01, 2027	33,000	32,981	31,509
Province of Nova Scotia 2.15% Jun 01, 2025	70,000	69,936	68,181
Province of Nova Scotia 3.45% Jun 01, 2045	32,000	33,177	34,647
Province of Nova Scotia 3.50% Jun 02, 2062	255,000	253,544	286,206
Province of Nova Scotia 4.10% Jun 01, 2021	81,000	85,110	86,431
Province of Nova Scotia 4.15% Nov 25, 2019	120,000	119,035	125,144
Province of Nova Scotia 4.40% Jun 01, 2042	122,000	132,935	151,403
Province of Nova Scotia 4.45% Oct 24, 2021	142,000	153,017	153,731
Province of Nova Scotia 4.50% Jun 01, 2037	135,000	147,358	165,738
Province of Nova Scotia 4.70% Jun 01, 2041	67,000	73,609	86,076
Province of Nova Scotia 4.90% Jun 01, 2035	55,000	55,465	69,797
Province of Nova Scotia 5.80% Jun 01, 2033	100,000	113,981	135,921

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

Scotia Canadian Bond Index Fund (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2017

Issuer	Face Value ($)	Average Cost ($)	Carrying Value ($)
BONDS AND DEBENTURES (cont'd)			
Provincial Bonds (cont'd)			
Province of Nova Scotia 6.60% Jun 01, 2027	80,000	97,257	106,365
Province of Nova Scotia 9.60% Jan 30, 2022	130,000	179,967	166,655
Province of Ontario 1.35% Mar 08, 2022	682,000	669,525	659,922
Province of Ontario 1.95% Jan 27, 2023	275,000	273,938	271,186
Province of Ontario 2.10% Sep 08, 2019	534,000	540,261	536,804
Province of Ontario 2.40% Jun 02, 2026	1,318,000	1,343,108	1,301,757
Province of Ontario 2.60% Jun 02, 2025	2,203,000	2,238,461	2,217,354
Province of Ontario 2.60% Jun 02, 2027	1,205,000	1,210,409	1,203,787
Province of Ontario 2.80% Jun 02, 2048	1,931,000	1,848,067	1,879,299
Province of Ontario 2.85% Jun 02, 2023	1,941,000	1,931,327	1,994,842
Province of Ontario 2.90% Dec 02, 2046	2,217,000	2,131,592	2,196,606
Province of Ontario 2.90% Jun 02, 2049	192,000	193,247	191,009
Province of Ontario 3.15% Jun 02, 2022	1,988,000	2,037,263	2,068,319
Province of Ontario 3.45% Jun 02, 2045	1,957,000	1,853,775	2,140,560
Province of Ontario 3.50% Jun 02, 2024	1,871,000	1,934,617	1,991,540
Province of Ontario 3.50% Jun 02, 2043	1,607,000	1,632,560	1,765,606
Province of Ontario 4.00% Jun 02, 2021	1,375,000	1,446,355	1,462,798
Province of Ontario 4.20% Jun 02, 2020	1,808,000	1,890,521	1,905,171
Province of Ontario 4.40% Jun 02, 2019	1,335,000	1,430,626	1,384,655
Province of Ontario 4.60% Jun 02, 2039	865,000	954,862	1,095,140
Province of Ontario 4.65% Jun 02, 2041	1,342,000	1,607,282	1,729,575
Province of Ontario 4.70% Jun 02, 2037	1,135,000	1,305,645	1,438,507
Province of Ontario 5.60% Jun 02, 2035	962,000	1,186,604	1,322,461
Province of Ontario 5.85% Mar 08, 2033	614,000	749,488	842,335
Province of Ontario 6.20% Jun 02, 2031	355,000	471,771	490,189
Province of Ontario 6.25% Aug 25, 2028	110,000	110,879	144,424
Province of Ontario 6.50% Mar 08, 2029	770,000	989,948	1,048,474
Province of Ontario 7.50% Feb 07, 2024	51,000	73,933	65,569
Province of Ontario 7.60% Jun 02, 2027	419,000	583,692	593,453
Province of Ontario 8.10% Sep 08, 2023	534,000	722,321	695,601
Province of Ontario 9.50% Jul 13, 2022	269,000	401,378	352,391
Province of Quebec 1.65% Mar 03, 2022	72,000	71,924	70,634
Province of Quebec 2.50% Sep 01, 2026	992,000	1,010,085	987,924
Province of Quebec 2.75% Sep 01, 2025	997,000	1,031,343	1,014,422
Province of Quebec 2.75% Sep 01, 2027	839,000	854,704	850,267
Province of Quebec 3.00% Sep 01, 2023	1,011,000	1,005,417	1,047,962
Province of Quebec 3.50% Dec 01, 2022	1,128,000	1,170,976	1,194,285
Province of Quebec 3.50% Dec 01, 2045	1,612,000	1,603,374	1,785,267
Province of Quebec 3.50% Dec 01, 2048	1,297,000	1,412,523	1,450,909
Province of Quebec 3.75% Sep 01, 2024	972,000	1,016,604	1,051,654
Province of Quebec 4.25% Dec 01, 2021	1,185,000	1,306,697	1,279,484
Province of Quebec 4.25% Dec 01, 2043	1,122,000	1,236,537	1,389,070
Province of Quebec 4.50% Dec 01, 2019	844,000	907,973	886,174
Province of Quebec 4.50% Dec 01, 2020	1,075,000	1,177,124	1,151,231
Province of Quebec 5.00% Dec 01, 2038	717,000	838,767	952,223
Province of Quebec 5.00% Dec 01, 2041	1,300,000	1,562,066	1,761,963
Province of Quebec 5.35% Jun 01, 2025	180,000	214,686	213,814
Province of Quebec 5.75% Dec 01, 2036	562,000	709,546	797,799
Province of Quebec 6.00% Oct 01, 2029	470,000	585,940	624,068
Province of Quebec 6.25% Jun 01, 2032	727,000	888,067	1,022,846
Province of Quebec 8.50% Apr 01, 2026	300,000	412,725	430,184
Province of Quebec 9.38% Jan 16, 2023	300,000	427,350	400,307
Province of Saskatchewan 1.95% Mar 01, 2019	117,000	117,259	117,440
Province of Saskatchewan 2.55% Jun 02, 2026	116,000	117,829	115,609
Province of Saskatchewan 2.65% Jun 02, 2027	85,000	85,443	85,063
Province of Saskatchewan 2.75% Dec 02, 2046	400,000	371,592	380,537
Province of Saskatchewan 3.20% Jun 03, 2024	80,000	86,238	83,745
Province of Saskatchewan 3.30% Jun 02, 2048	254,000	258,667	269,649
Province of Saskatchewan 3.40% Feb 03, 2042	155,000	156,100	165,567
Province of Saskatchewan 3.90% Jun 02, 2045	291,000	299,979	339,537
Province of Saskatchewan 4.75% Jun 01, 2040	160,000	167,487	205,975
Province of Saskatchewan 5.60% Sep 05, 2035	183,000	205,278	250,589
Province of Saskatchewan 5.75% Mar 05, 2029	81,000	105,684	104,029
Province of Saskatchewan 6.40% Sep 05, 2031	103,000	130,355	144,174
Province of Saskatchewan 9.60% Feb 04, 2022	286,000	452,197	367,916
Province of Saskatchewan 1.90% Jun 02, 2027	1,000	1,000	1,000
Province of Saskatchewan 2.75% Jun 02, 2029	1,000	1,000	1,000
Province of Saskatchewan 3.10% Jun 02, 2028	1,000	1,000	1,000
Province of Saskatchewan 4.75% Jun 01, 2041	1,000	1,000	1,000
Province of Saskatchewan 5.75% Mar 05, 2032	1,000	1,000	1,000
Province of Saskatchewan 5.80% Sep 05, 2033	1,000	1,000	1,000
Province of Saskatchewan 8.80% Jun 02, 2025	1,000	1,000	1,000
Province of Saskatchewan 9.45% Dec 01, 2021	1,000	1,000	1,000
Province of Saskatchewan 9.50% Jun 01, 2031	1,000	1,000	1,000
Province of Saskatchewan 9.55% May 31, 2025	1,000	1,000	1,000
Province of Saskatchewan 9.70% Sep 05, 2025	1,000	1,000	1,000
Province of Saskatchewan 9.75% Mar 05, 2021	1,000	1,000	1,000
Province of Saskatchewan 9.80% Jun 02, 2030	1,000	1,000	1,000
Province of Saskatchewan 10.00% Mar 05, 2020	1,000	1,000	1,000
Province of Saskatchewan 10.00% Sep 05, 2021	1,000	1,000	1,000
Province of Saskatchewan 10.25% Mar 05, 2026	1,000	1,000	1,000
Province of Saskatchewan 10.25% Sep 05, 2026	1,000	1,000	1,000
Province of Saskatchewan 10.50% Mar 05, 2024	1,000	1,000	1,000
Province of Saskatchewan 10.50% Sep 05, 2024	1,000	1,000	1,000
Province of Saskatchewan 10.75% Mar 05, 2022	1,000	1,000	1,000
Province of Saskatchewan 10.75% Sep 05, 2022	1,000	1,000	1,000
Province of Saskatchewan 11.00% Mar 05, 2023	1,000	1,000	1,000
Province of Saskatchewan 11.00% Sep 05, 2023	1,000	1,000	1,000
Province of Saskatchewan 11.25% Mar 05, 2027	1,000	1,000	1,000
Province of Saskatchewan 11.25% Sep 05, 2027	1,000	1,000	1,000
Province of Saskatchewan 11.50% Mar 05, 2028	1,000	1,000	1,000
Province of Saskatchewan 11.50% Sep 05, 2028	1,000	1,000	1,000
Province of Saskatchewan 11.75% Mar 05, 2029	1,000	1,000	1,000
Province of Saskatchewan 11.75% Sep 05, 2029	1,000	1,000	1,000
Province of Saskatchewan

Scotia Canadian Bond Index Fund (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	December 31, 2017 ($)	December 31, 2016 ($)
Less than 1 year	1,105,841	1,648,021
1-3 years	60,250,252	67,464,567
3-5 years	55,243,278	62,777,801
5-10 years	57,271,164	70,550,305
> 10 years	87,216,765	93,027,422
	261,087,300	295,468,116

As at December 31, 2017, 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 would have decreased or increased, respectively, by $4,917,329 or approximately 1.9% (December 31, 2016 – $5,477,495 or approximately 1.8%).

Currency risk

The Fund did not have significant currency risk exposure as at December 31, 2017 or December 31, 2016.

Price risk

The Fund did not have significant price risk exposure to equities, underlying funds, derivatives or commodities, if applicable, as at December 31, 2017 and December 31, 2016.

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.

	December 31, 2017		December 31, 2016	
Credit ratings	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	38.3	38.2	40.4	40.1
AA	17.6	17.6	10.9	10.9
A	31.3	31.0	37.5	37.3
BBB	12.4	12.4	10.9	10.7
BB	0.2	0.2	0.3	0.3
	100.0	99.6	100.0	99.3

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 (%)	
	December 31, 2017	December 31, 2016
Corporate Bonds	32.2	31.8
Federal Bonds	33.4	34.3
Mortgage-Backed Securities	0.2	0.2
Municipal Bonds	1.9	2.0
Provincial Bonds	31.7	31.0
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.

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

December 31, 2016	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Bonds and debentures	–	295,468,116	–	295,468,116
	–	295,468,116	–	295,468,116

Transfers between levels

During the periods ended December 31, 2017 and December 31, 2016, there were no significant transfers between Level 1 and Level 2.

Offsetting of financial assets and liabilities (note 2)

As at December 31, 2017 and December 31, 2016, 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 December 31, 2017 or December 31, 2016.

Scotia Canadian Bond Index Fund (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 December 31, 2017 or December 31, 2016, 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

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	December 31, 2017	December 31, 2016
ASSETS		
Current assets		
Investments		
Non-derivative financial assets	274,914,538	257,484,363
Cash	419,028	904,734
Subscriptions receivable	147,083	216,382
Accrued investment income and other	696,307	642,945
	276,176,956	259,248,424
LIABILITIES		
Current liabilities		
Payable for securities purchased	–	648,131
Redemptions payable	256,323	304,578
Accrued expenses	–	7,038
Distributions payable	991	1,252
	257,314	960,999
Net assets attributable to holders of redeemable units	275,919,642	258,287,425
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series A	273,700,002	256,898,966
Series D	773,259	220,697
Series F	1,446,381	1,167,762
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series A	28.50	26.77
Series D	11.39	10.72
Series F	28.22	26.52

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except average units)	2017	2016
INCOME		
Net gain (loss) on investments		
Dividends	7,157,408	6,748,668
Interest for distribution purposes	240,370	262,407
Net realized gain (loss) on non-derivative financial assets	5,549,360	24,213
Change in unrealized gain (loss) on non-derivative financial assets	10,258,446	38,413,109
Net gain (loss) on investments	23,205,584	45,448,397
Securities lending (note 11)	45,700	58,855
Net realized and unrealized foreign currency translation gain (loss)	608	38
Other income	3,361	6,575
Total income (loss), net	23,255,253	45,513,865
EXPENSES		
Management fees (note 5)	2,106,336	1,892,094
Fixed administration fees (note 6)	264,118	237,055
Independent Review Committee fees	1,135	1,184
Interest expense and bank overdraft charges	304	151
Foreign withholding taxes/tax reclaims	85	68
Other fund costs	–	40
Harmonized Sales Tax/Goods and Services Tax	261,229	235,116
Transaction costs	9,476	10,935
Total expenses	2,642,683	2,376,643
Increase (decrease) in net assets attributable to holders of redeemable units from operations	20,612,570	43,137,222
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A	20,447,212	42,916,688
Series D	56,673	30,009
Series F	108,685	190,525
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT†		
Series A	2.13	4.50
Series D	0.97	2.12
Series F	2.21	4.62
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series A	9,605,239	9,539,140
Series D	58,454	14,124
Series F	49,196	41,270

† 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 Canadian Index Fund (Continued)

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

For the periods ended December 31 (note 1),

(in dollars)	2017	2016
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series A	256,898,966	219,434,415
Series D	220,697	65,964
Series F	1,167,762	878,276
	258,287,425	220,378,655
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A	20,447,212	42,916,688
Series D	56,673	30,009
Series F	108,685	190,525
	20,612,570	43,137,222
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net investment income		
Series A	(3,912,079)	(4,042,280)
Series D	(13,524)	(4,465)
Series F	(27,457)	(23,680)
	(3,953,060)	(4,070,425)
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A	35,885,063	25,659,798
Series D	914,751	220,834
Series F	245,886	121,593
Reinvested distributions		
Series A	3,877,677	4,002,538
Series D	13,410	4,215
Series F	15,249	11,699
Payments on redemption		
Series A	(39,496,837)	(31,072,193)
Series D	(418,748)	(95,860)
Series F	(63,744)	(10,651)
	972,707	(1,158,027)
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A	16,801,036	37,464,551
Series D	552,562	154,733
Series F	278,619	289,486
	17,632,217	37,908,770
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series A	273,700,002	256,898,966
Series D	773,259	220,697
Series F	1,446,381	1,167,762
	275,919,642	258,287,425

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	20,612,570	43,137,222
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(5,549,360)	(24,213)
Unrealized foreign currency translation (gain) loss	(607)	(408)
Change in unrealized (gain) loss on non-derivative financial assets	(10,258,446)	(38,413,109)
Non-cash transactions	(15,576)	(66,128)
Purchases of portfolio investments	(20,422,738)	(12,849,154)
Proceeds from sale of portfolio investments	18,167,815	14,196,561
Accrued investment income and other	(53,362)	(25,306)
Accrued expenses and other payables	(7,038)	7,038
Net cash provided by (used in) operating activities	2,473,258	5,962,503
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	36,701,371	25,874,119
Amounts paid on redemption of redeemable units	(39,613,956)	(30,911,792)
Distributions to unitholders of redeemable units	(46,986)	(52,128)
Net cash provided by (used in) financing activities	(2,959,571)	(5,089,801)
Unrealized foreign currency translation gain (loss)	607	408
Net increase (decrease) in cash	(486,313)	872,702
Cash (bank overdraft), beginning of period	904,734	31,624
CASH (BANK OVERDRAFT), END OF PERIOD	419,028	904,734
Interest paid[1]	304	151
Interest received[1]	240,568	262,238
Dividends received, net of withholding taxes[1]	7,088,188	6,657,334

[1] Classified as operating items.

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

Scotia Canadian Index Fund (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2017

Issuer	Number of Shares	Average Cost ($)	Carrying Value ($)
EQUITIES – 99.7%			
Consumer Discretionary – 6.0%			
BRP Inc.	4,500	153,917	209,295
Canada Goose Holdings Inc.	4,300	147,565	170,753
Canadian Tire Corporation, Limited, Class A	7,850	301,646	1,286,615
Cineplex, Inc.	8,000	130,499	298,640
Cogeco Communication Inc.	2,790	105,795	241,279
Corus Entertainment Inc., Class B	14,300	252,513	167,310
Dollarama Inc.	12,600	234,014	1,978,822
Dorel Industries Inc., Class B	3,100	85,721	96,410
EnerCare Inc.	12,700	184,702	260,477
Gildan Activewear Inc.	26,696	300,697	1,084,125
Great Canadian Gaming Corporation	6,900	144,989	233,151
Hudson's Bay Company	12,910	237,276	145,625
Linamar Corporation	5,700	105,059	417,297
Magna International Inc.	41,724	883,225	2,972,418
Martinrea International Inc.	11,373	102,849	182,423
Quebecor Inc., Class B	19,400	155,613	459,780
Restaurant Brands International Inc.	29,247	1,272,044	2,259,916
Shaw Communications, Inc., Class B	53,126	941,449	1,524,185
Sleep Country Canada Holdings Inc.	4,400	137,414	146,960
Spin Master Corporation	2,900	129,681	156,658
Stars Group Inc., The	15,100	476,872	441,675
Thomson Reuters Corporation	32,310	1,276,996	1,770,265
Uni-Select Inc.	5,590	157,528	158,812
		7,918,064	16,662,891
Consumer Staples – 3.7%			
Alimentation Couche-Tard Inc., Class B	53,030	367,934	3,478,238
Cott Corporation	17,538	204,209	367,947
Empire Company Limited, Class A	19,900	364,254	487,351
George Weston Limited	5,800	375,314	633,128
Jean Coutu Group (PJC) Inc., The, Class A	9,705	126,091	236,996
Loblaw Companies Limited	24,272	1,111,930	1,655,836
Maple Leaf Foods Inc.	9,961	131,224	356,803
Metro Inc., Class A	28,152	246,585	1,133,118
North West Company Inc.	6,000	104,096	180,420
Premium Brands Holdings Corporation	3,200	166,223	330,112
Saputo Inc.	27,292	305,050	1,233,053
		3,502,910	10,093,002
Energy – 19.6%			
Advantage Oil & Gas Ltd.	23,463	307,782	126,700
AltaGas Ltd.	21,000	616,898	601,020
ARC Resources Ltd.	44,115	1,047,282	650,696
Baytex Energy Corporation	28,622	793,607	107,905
Birchcliff Energy Ltd.	27,900	276,764	122,760
Cameco Corporation	48,704	725,909	565,453
Canadian Natural Resources Ltd.	133,275	2,370,767	5,986,713
Cenovus Energy Inc.	126,528	2,159,026	1,452,541
CES Energy Solutions Corporation	29,900	174,530	195,247
Crescent Point Energy Corporation	66,171	2,123,981	633,918
Crew Energy Inc.	17,800	213,294	56,070
Enbridge Inc.	207,514	7,367,255	10,201,388
Enbridge Income Fund Holdings Inc.	17,004	475,836	506,889
EnCana Corporation	118,677	2,016,048	1,990,213
Enerflex Ltd.	10,965	72,760	168,203
Enerplus Corporation	29,930	1,238,504	368,438
Ensign Resource Service, Inc.	15,500	106,159	100,285
Freehold Royalties Ltd.	11,500	206,804	161,575
Gibson Energy Inc.	17,600	372,185	319,968
Gran Tierra Energy, Inc.	47,900	282,049	163,339
Husky Energy Inc.	37,801	662,315	670,968
Imperial Oil Ltd.	30,701	834,599	1,204,400
Inter Pipeline Ltd.	46,808	588,670	1,218,412
Kelt Exploration Ltd.	18,000	198,907	129,420
Keyera Corporation	23,340	379,439	826,703
Kinder Morgan Canada Ltd.	12,300	206,732	209,223

Issuer	Number of Shares	Average Cost ($)	Carrying Value ($)
EQUITIES (cont'd)			
Energy (cont'd)			
MEG Energy Corporation	28,600	1,039,501	147,004
Mullen Group Limited	11,800	250,497	185,732
NexGen Energy Ltd.	35,700	126,532	114,597
NuVista Energy Ltd.	19,800	132,060	158,796
Paramount Resources Ltd.	8,800	178,786	170,896
Parex Resources Inc.	18,900	235,838	343,224
Parkland Fuel Corporation	16,010	299,382	429,869
Pason Systems Inc.	9,400	107,239	170,986
Pembina Pipeline Corporation	61,631	1,633,408	2,804,827
Peyto Exploration & Development Corporation	20,500	439,767	308,115
PrairieSky Royalty Ltd.	25,398	763,971	814,260
Precision Drilling Corporation	38,000	549,128	144,780
Raging River Exploration Inc.	26,100	187,893	208,800
Secure Energy Services Inc.	20,000	215,880	175,200
Seven Generations Energy Ltd.	34,100	690,585	606,298
ShawCor Ltd.	8,400	168,474	230,328
Spartan Energy Corporation	20,200	180,450	145,238
Suncor Energy, Inc.	203,333	5,764,518	9,383,818
TORC Oil & Gas Ltd.	17,700	196,706	133,458
Tourmaline Oil Corporation	31,384	1,024,576	714,928
TransCanada Corporation	107,932	3,882,158	6,603,280
Trican Well Service Ltd.	41,800	163,334	170,544
Vermilion Energy, Inc.	15,200	576,552	694,336
Whitecap Resources Inc.	51,332	566,365	459,421
		45,191,702	54,057,182
Financials – 33.3%			
Alaris Royalty Corporation	4,400	144,688	90,948
Bank of Montreal	79,637	3,637,133	8,010,686
Bank of Nova Scotia, The	147,479	5,735,458	11,963,496
Brookfield Asset Management Inc., Class A	106,929	1,478,960	5,851,155
Canadian Imperial Bank of Commerce	54,318	3,266,232	6,656,128
Canadian Western Bank	11,000	174,181	431,750
Chartwell Seniors Housing Real Estate Investment Trust	25,500	218,987	414,630
CI Financial Corporation	33,800	786,533	1,006,226
ECN Capital Corporation	50,120	142,762	196,972
Element Financial Corporation	46,120	507,582	438,140
FirstService Corporation	3,963	35,945	348,467
Genworth MI Canada Inc.	5,097	134,523	221,720
Great-West Lifeco Inc.	34,372	696,082	1,206,457
Home Capital Group Inc.	7,300	124,252	126,363
IGM Financial, Inc.	10,436	273,624	460,749
Industrial Alliance Insurance and Financial Services Inc.	13,100	333,733	783,642
Intact Financial Corporation	17,042	769,409	1,789,240
Laurentian Bank of Canada	4,700	156,860	265,691
Manulife Financial Corporation	243,014	5,138,944	6,371,827
National Bank of Canada	41,734	819,054	2,617,556
Onex Corporation	9,961	237,110	918,305
Power Corporation of Canada	45,153	889,418	1,461,603
Power Financial Corporation	29,616	546,056	1,022,937
Royal Bank of Canada	178,699	6,906,450	18,343,452
Sun Life Financial Inc.	75,141	2,289,544	3,898,315
TMX Group Inc.	4,300	192,318	302,892
Toronto-Dominion Bank, The	226,607	6,245,949	16,689,606
		41,881,787	91,888,953
Health Care – 0.8%			
Aphria Inc.	15,600	224,445	291,720
Canopy Growth Corporation	20,700	223,185	615,618
Extendicare Inc. Cda Com	10,700	109,110	97,905
Knight Therapeutics Inc.	14,449	145,519	120,071
ProMetic Life Sciences Inc.	88,300	231,373	114,790
Valeant Pharmaceuticals International, Inc.	38,135	2,083,606	999,137
		3,017,238	2,239,241

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

Scotia Canadian Index Fund (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2017

Issuer	Number of Shares	Average Cost ($)	Carrying Value ($)
EQUITIES (cont'd)			
Industrials – 9.5%			
Aecon Group Inc.	7,300	139,443	145,562
Air Canada	33,800	111,303	874,744
ATS Automation Tooling Systems Inc.	10,100	138,501	157,055
Badger Daylighting Ltd.	4,900	140,419	133,182
Bombardier Inc., Class B	233,014	1,927,630	706,032
Boyd Group Income Fund	2,300	144,343	232,047
Brookfield Business Partners LP	4,776	158,473	206,753
CAE, Inc.	33,490	241,642	781,992
Canadian National Railway Company	91,930	1,986,007	9,528,545
Canadian Pacific Railway Limited	17,774	965,136	4,081,977
Chorus Aviation Inc.	14,600	136,036	140,890
Exchange Inc.ome Corporation	3,286	136,600	117,113
Finning International Inc.	21,040	256,861	667,389
Maxar Technologies Ltd.	6,973	319,067	564,255
Morneau Shepell, Inc.	6,600	122,779	147,180
New Flyer Industries Inc.	6,500	215,505	351,000
Ritchie Bros. Auctioneers Incorporated	13,100	277,507	493,084
Russel Metals Inc.	7,600	100,165	221,692
SNC-Lavalin Group Inc.	21,295	533,432	1,214,880
Stantec Inc.	13,600	223,387	478,176
TFI International Inc.	10,783	194,840	354,329
Toromont Industries Ltd.	9,165	125,346	504,992
Transcontinental Inc., Class A	7,400	76,699	183,816
Waste Connections Inc.	32,274	1,607,080	2,877,550
WestJet Airlines Ltd.	14,500	190,042	382,220
Westshore Terminals Investment Corporation	6,104	81,934	160,474
WSP Global Inc.	8,000	229,156	479,280
		10,779,333	26,186,209
Information Technology – 3.2%			
Celestica Inc.	15,999	275,081	210,867
CGI Group Inc., Class A	31,193	538,016	2,130,482
Computer Modelling Group Ltd.	9,000	114,017	86,400
Constellation Software Inc.	2,400	433,430	1,828,848
Descartes Systems Group Inc., The	9,800	139,299	350,252
Enghouse Systems Limited	2,400	124,217	147,576
Kinaxis Inc.	2,900	137,886	222,691
Mitel Networks Corporation	11,700	132,950	121,446
Open Text Corporation	32,780	367,995	1,465,594
Research In Motion Limited	58,868	1,991,001	826,507
Shopify Inc., Class A	10,600	1,216,747	1,347,366
Sierra Wireless Inc.	3,900	191,978	100,230
		5,662,617	8,838,259
Materials – 11.5%			
Agnico-Eagle Mines Limited	28,678	1,024,652	1,664,471
Agrium Inc.	16,963	695,330	2,452,511
Alacer Gold Corporation	39,682	289,446	88,491
Alamos Gold Inc.	47,006	465,233	384,979
B2Gold Corporation	116,620	369,791	452,486
Barrick Gold Corporation	143,141	4,477,417	2,602,303
Canfor Corporation	8,383	82,311	207,731
Cascades Inc.	7,900	131,041	107,598
CCL Industries Inc., Class B	17,750	120,655	1,030,920
Centerra Gold Inc.	27,082	257,862	174,408
Chemtrade Logistics Income Fund	11,400	236,888	221,160
Detour Gold Corporation	20,479	351,087	302,680
Eldorado Gold Corporation	91,128	828,515	165,853
Endeavour Mining Corporation	8,100	167,985	207,603
First Majestic Silver Corporation	21,510	278,598	182,405
First Quantum Minerals Ltd.	85,449	1,123,290	1,504,757
Fortuna Silver Mines Inc.	21,279	151,277	139,590
Franco-Nevada Corporation	22,819	946,613	2,292,397
Goldcorp, Inc.	107,306	2,544,379	1,720,115
Guyana Goldfields Inc.	22,600	208,884	114,808
HudBay Minerals, Inc.	29,990	347,538	333,789

Issuer	Number of Shares	Average Cost ($)	Carrying Value ($)
EQUITIES (cont'd)			
Materials (cont'd)			
IAMGOLD Corporation	55,232	458,646	404,851
Interfor Corporation	8,500	137,658	179,520
Intertape Polymer Group Inc.	6,800	107,449	146,132
Ivanhoe Mines Ltd., Class A	64,900	121,201	275,176
Kinross Gold Corporation	155,606	1,573,519	843,385
Kirkland Lake Gold Ltd.	22,536	207,811	434,269
Klondex Mines Ltd.	22,300	158,897	72,698
Labrador Iron Ore Royalty Corporation	7,300	95,484	198,560
Lucara Diamond Corporation	39,400	146,864	110,714
Lundin Mining Corporation	79,406	544,304	663,834
MAG Silver Corporation	8,900	148,875	138,128
Methanex Corporation	10,100	155,410	769,216
Nevsun Resources Ltd.	37,522	180,867	114,817
New Gold Inc.	73,598	420,444	303,960
Norbord Inc.	5,000	155,228	212,750
NovaGold Resources Inc.	27,400	203,930	135,356
OceanGold Corporation	79,435	250,888	256,575
Osisko Gold Royalties Ltd.	15,114	241,152	219,455
Pan American Silver Corporation	19,057	321,000	373,136
Potash Corporation of Saskatchewan Inc.	104,349	2,076,562	2,690,117
Pretium Resources Inc.	19,500	220,502	279,630
Sandstorm Gold Ltd.	18,800	134,561	118,064
SEMAFO Inc.	42,361	196,659	151,229
SSR Mining Inc.	15,500	312,308	171,585
Stella-Jones Inc.	5,410	245,395	273,205
Tahoe Resources Inc.	39,500	618,272	238,185
Teck Resources Ltd., Class B	62,264	1,236,213	2,046,618
Torex Gold Resources Inc.	10,290	202,902	122,760
Turquoise Hill Resources Ltd.	119,574	593,285	512,972
West Fraser Timber Co., Ltd.	7,426	167,835	576,035
Western Forest Products Inc.	47,600	114,683	116,620
Wheaton Precious Metals Corporation	54,337	877,516	1,510,025
Winpak Ltd.	3,700	176,555	173,160
Yamana Gold Inc.	113,722	1,119,019	445,790
		29,020,686	31,629,582
Real Estate – 2.8%			
Allied Properties Real Estate Investment Trust	11,439	253,292	481,353
Altus Group Ltd.	4,200	118,336	155,106
Artis Real Estate Investment Trust	18,506	198,733	260,935
Boardwalk Real Estate Investment Trust	4,600	54,927	198,214
Brookfield Property Partners LP	25,300	518,667	704,605
Canadian Apartment Properties Real Estate Investment Trust	17,100	217,064	638,172
Canadian Real Estate Investment Trust	9,200	206,449	425,960
Colliers International Group Inc.	4,063	87,616	308,260
Cominar Real Estate Investment Trust	21,400	314,238	308,160
Crombie Real Estate Investment Trust	10,600	130,976	146,280
Dream Global Real Estate Investment Trust	21,300	194,281	260,286
Dundee Real Estate Investment Trust	8,659	203,778	191,883
First Capital Realty, Inc.	20,100	344,349	416,472
Granite Real Estate Investment Trust	5,900	202,510	290,575
H&R Real Estate Investment Trust	35,669	652,315	761,890
Killam Apartment Real Estate Investment Trust	9,400	133,081	133,668
Northview Apartment Real Estate Investment Trust	5,680	145,081	141,943
Pure Industrial Real Estate Trust	34,675	171,436	234,750
RioCan Real Estate Investment Trust	39,936	727,467	972,841
Smart Real Estate Investment Trust	14,549	267,034	449,710
Tricon Capital Group Inc.	15,600	174,478	180,180
		5,316,108	7,661,243
Telecommunication Services – 4.7%			
BCE Inc.	110,637	3,994,422	6,680,262
Rogers Communications, Inc., Class B	43,872	1,084,579	2,810,002
TELUS Corporation	72,902	1,392,232	3,471,593
		6,471,233	12,961,857

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

Scotia Canadian Index Fund (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2017

Issuer	Number of Shares	Average Cost ($)	Carrying Value ($)
EQUITIES (cont'd)			
Utilities – 4.6%			
Algonquin Power & Utilities Corporation	51,976	513,245	730,783
ATCO Ltd., Class I	9,500	125,617	427,500
Boralex Inc.	6,800	141,481	159,800
Brookfield Infrastructure Partners LP	34,900	1,890,217	1,967,662
Brookfield Renew Energy Partners LP	15,100	471,355	661,531
Canadian Utilities Limited, Class A	15,300	243,633	572,373
Capital Power Corporation	12,890	316,023	315,676
Emera Inc.	26,260	753,520	1,233,695
Fairfax Financial Holdings Limited	3,405	1,292,294	2,279,103
Fortis Inc.	51,480	1,574,677	2,373,743
Hydro One Limited	36,100	859,407	808,640
Innergex Renewable Energy Inc.	12,100	126,369	174,240
Northland Power Inc.	13,700	198,850	319,895
Superior Plus Corporation	18,080	307,437	214,610
TransAlta Corporation	35,623	727,927	265,391
TransAlta Renewables Inc.	14,300	178,187	191,477
		9,720,239	12,696,119
Transaction Costs		(2,063,078)	
TOTAL INVESTMENT PORTFOLIO		166,418,839	274,914,538
OTHER ASSETS, LESS LIABILITIES – 0.3%			1,005,104
NET ASSETS – 100.0%			275,919,642

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

Scotia Canadian Index Fund (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 December 31, 2017 and December 31, 2016. 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. The Fund did not have significant currency risk exposure as at December 31, 2016.

	December 31, 2017			
Currency	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 of the Fund would have decreased or increased, respectively, by $3,658 or 0.0% of net assets (December 31, 2016 – nil 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 December 31, 2017, approximately 99.7% (December 31, 2016 – 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 of the Fund would have decreased or increased, respectively, by approximately $27,491,454 (December 31, 2016 – $25,748,436). 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 December 31, 2017 or December 31, 2016.

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 (%)	
	December 31, 2017	December 31, 2016
Consumer Discretionary	6.0	5.9
Consumer Staples	3.7	3.8
Energy	19.6	21.3
Financials	33.3	33.6
Health Care	0.8	0.5
Industrials	9.5	8.8
Information Technology	3.2	2.7
Materials	11.5	11.8
Real Estate	2.8	2.9
Telecommunication Services	4.7	4.8
Utilities	4.6	3.6

Fair Value Classification (note 2)

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

December 31, 2017	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Equities	274,914,538	–	–	274,914,538
	274,914,538	–	–	274,914,538

December 31, 2016	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Equities	257,484,363	–	–	257,484,363
	257,484,363	–	–	257,484,363

Transfers between levels

During the periods ended December 31, 2017 and December 31, 2016, there were no significant transfers between Level 1 and Level 2.

Offsetting of financial assets and liabilities (note 2)

As at December 31, 2017 and December 31, 2016, 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 December 31, 2017 or December 31, 2016.

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

As at December 31, 2017 or December 31, 2016, 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

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	December 31, 2017	December 31, 2016
ASSETS		
Current assets		
Investments		
Non-derivative financial assets	241,515,325	181,571,110
Cash	732,216	611,971
Receivable for securities sold	256,969	–
Subscriptions receivable	465,155	405,089
Accrued investment income and other	207,718	197,833
	243,177,383	182,786,003
LIABILITIES		
Current liabilities		
Management fee payable	–	4,434
Payable for securities purchased	84,783	–
Redemptions payable	286,227	200,547
Accrued expenses	–	943
Distributions payable	337	244
	371,347	206,168
Net assets attributable to holders of redeemable units	242,806,036	182,579,835
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series A	241,262,736	182,159,266
Series D	1,104,068	242,241
Series F	439,232	178,328
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series A	30.24	27.11
Series D	12.75	11.46
Series F	30.15	27.05

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except average units)	2017	2016
INCOME		
Net gain (loss) on investments		
Dividends	4,486,979	3,844,642
Interest for distribution purposes	5,134	2,740
Net realized gain (loss) on non-derivative financial assets	1,333,028	2,021,930
Change in unrealized gain (loss) on non-derivative financial assets	21,753,196	9,106,602
Net gain (loss) on investments	27,578,337	14,975,914
Securities lending (note 11)	1,406	1,489
Net realized and unrealized foreign currency translation gain (loss)	(16,390)	2,843
Other income	10,344	5,635
Total income (loss), net	27,573,697	14,985,881
EXPENSES		
Management fees (note 5)	1,704,380	1,297,962
Fixed administration fees (note 6)	362,610	275,961
Independent Review Committee fees	1,135	1,184
Interest expense and bank overdraft charges	528	349
Foreign withholding taxes/tax reclaims	674,034	518,819
Other fund costs	–	27
Harmonized Sales Tax/Goods and Services Tax	232,534	177,899
Transaction costs	4,697	3,142
Total expenses	2,979,918	2,275,343
Increase (decrease) in net assets attributable to holders of redeemable units from operations	24,593,779	12,710,538
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A	24,506,255	12,682,026
Series D	53,767	14,350
Series F	33,757	14,162
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT[†]		
Series A	3.29	1.96
Series D	1.47	1.79
Series F	3.41	2.82
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series A	7,452,049	6,460,263
Series D	36,469	8,010
Series F	9,896	5,018

[†] 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. Index Fund (Continued)

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

For the periods ended December 31 (note 1),

(in dollars)	2017	2016
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series A	182,159,266	155,392,483
Series D	242,241	18,299
Series F	178,328	73,660
	182,579,835	155,484,442
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A	24,506,255	12,682,026
Series D	53,767	14,350
Series F	33,757	14,162
	24,593,779	12,710,538
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net investment income		
Series A	(1,519,596)	(1,565,290)
Series D	(13,387)	(2,701)
Series F	(5,262)	(2,485)
	(1,538,245)	(1,570,476)
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A	69,657,143	39,710,086
Series D	947,112	236,783
Series F	395,768	101,049
Reinvested distributions		
Series A	1,499,085	1,536,422
Series D	12,893	2,421
Series F	4,786	1,715
Payments on redemption		
Series A	(35,039,417)	(25,596,461)
Series D	(138,558)	(26,911)
Series F	(168,145)	(9,773)
	37,170,667	15,955,331
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A	59,103,470	26,766,783
Series D	861,827	223,942
Series F	260,904	104,668
	60,226,201	27,095,393
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series A	241,262,736	182,159,266
Series D	1,104,068	242,241
Series F	439,232	178,328
	242,806,036	182,579,835

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	24,593,779	12,710,538
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(1,333,028)	(2,021,930)
Unrealized foreign currency translation (gain) loss	(1,945)	39,869
Change in unrealized (gain) loss on non-derivative financial assets	(21,753,196)	(9,106,602)
Non-cash transactions	(125,441)	(241,581)
Purchases of portfolio investments	(43,525,175)	(23,428,198)
Proceeds from sale of portfolio investments	6,620,439	7,578,797
Accrued investment income and other	(9,885)	(21,819)
Accrued expenses and other payables	(5,377)	5,377
Net cash provided by (used in) operating activities	(35,539,829)	(14,485,549)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	70,336,879	40,018,502
Amounts paid on redemption of redeemable units	(34,657,362)	(25,479,404)
Distributions to unitholders of redeemable units	(21,388)	(30,053)
Net cash provided by (used in) financing activities	35,658,129	14,509,045
Unrealized foreign currency translation gain (loss)	1,945	(39,869)
Net increase (decrease) in cash	118,300	23,496
Cash (bank overdraft), beginning of period	611,971	628,344
CASH (BANK OVERDRAFT), END OF PERIOD	732,216	611,971
Interest paid[1]	528	349
Interest received[1]	5,401	2,778
Dividends received, net of withholding taxes[1]	3,677,518	3,062,215

[1] Classified as operating items.

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

Scotia U.S. Index Fund (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2017

Issuer	Number of Shares	Average Cost ($)	Carrying Value ($)
EQUITIES – 99.5%			
Consumer Discretionary – 12.2%			
Advance Auto Parts Inc.	606	122,563	75,872
Amazon.com, Inc.	3,376	1,727,796	4,958,468
Aptiv PLC	2,228	138,524	237,367
AutoZone, Inc.	236	110,239	210,845
Best Buy Co., Inc.	2,220	99,402	190,901
BorgWarner, Inc.	1,631	74,923	104,652
CarMax, Inc.	1,557	72,291	125,402
Carnival Corporation	3,401	181,587	283,488
CBS Corporation, Class B	3,071	169,307	227,556
Charter Communications Inc., Class A	1,634	607,119	689,439
Chipotle Mexican Grill, Inc.	201	90,664	72,962
Comcast Corporation, Class A	39,472	1,012,090	1,985,400
D.R. Horton, Inc.	2,849	106,473	182,732
Darden Restaurants, Inc.	1,068	59,793	128,792
Discovery Communications, Inc.	1,293	48,728	36,342
Discovery Communications, Inc.	1,709	28,294	45,438
DISH Network Corporation	1,914	157,926	114,781
Dollar General Corporation	2,204	150,523	257,453
Dollar Tree Inc.	1,972	141,576	265,768
Expedia, Inc.	1,019	99,770	153,277
Foot Locker, Inc.	1,030	87,133	60,643
Ford Motor Company	32,929	572,877	516,532
GAP Inc., The	1,807	73,015	77,296
Garmin Ltd.	937	46,506	70,101
General Motors Company	10,773	439,258	554,588
Genuine Parts Company	1,202	91,725	143,427
Goodyear Tire & Rubber Company, The	2,063	72,313	83,713
H&R Block, Inc.	1,680	44,857	55,322
Hanesbrands Inc.	2,962	120,755	77,785
Harley-Davidson, Inc.	1,432	79,134	91,505
Hasbro, Inc.	970	64,660	110,725
Hilton Worldwide Holdings Inc.	1,709	150,351	171,407
Home Depot Inc., The	9,841	982,857	2,342,466
Interpublic Group of Companies, Inc., The	3,235	123,420	81,907
Kohl's Corporation	1,354	85,569	92,218
L Brands Inc.	2,084	118,797	157,614
Leggett & Platt, Incorporated	1,073	45,747	64,320
Lennar Corporation, Class A	1,672	103,702	132,796
LKQ Corporation	2,595	108,405	132,546
Lowe's Companies, Inc.	7,046	366,437	822,434
Macy's, Inc.	2,504	95,356	79,217
Marriott International Inc., Class A	2,618	190,723	446,207
Mattel, Inc.	2,779	86,970	53,679
McDonald's Corporation	6,718	679,271	1,452,203
MGM Resorts International	4,274	182,114	179,228
Michael Kors Holdings Limited	1,296	102,755	102,461
Mohawk Industries, Inc.	528	105,194	182,954
Netflix Inc.	3,661	316,910	882,605
Newell Brands Inc.	4,085	208,459	158,528
News Corporation, Class A	3,135	39,609	63,823
News Corporation, Class B	961	16,167	20,035
NIKE, Inc., Class B	11,043	433,949	867,502
Nordstrom, Inc.	1,003	44,015	59,683
Norwegian Cruise Line Holdings Ltd.	1,455	106,747	97,306
Omnicom Group Inc.	1,946	135,717	177,996
O'Reilly Automotive, Inc.	741	102,735	223,852
Polo Ralph Lauren Corporation	454	58,302	59,122
Priceline Group Inc., The	412	426,024	899,162
PulteGroup Inc.	2,267	41,294	94,667
PVH Corporation	637	79,533	109,769
Ross Stores, Inc.	3,273	119,820	329,873
Royal Caribbean Cruises Ltd.	1,423	145,313	213,171
Scripps Networks Interactive	781	54,291	83,746
Signet Jewelers Ltd.	542	86,175	38,494
Starbucks Corporation	11,990	454,658	864,797
Tapestry Inc.	2,396	98,897	133,094
Target Corporation	4,576	293,375	374,992
Tiffany & Company	863	64,176	112,666
Time Warner Inc.	6,591	646,980	757,157
TJX Companies, Inc., The	5,335	254,100	512,300
Tractor Supply Company	1,084	95,664	101,765
TripAdvisor Inc.	896	54,964	38,777
Twenty-First Century Fox Inc.	8,948	240,443	388,042
Twenty-First Century Fox Inc., Class B	3,725	138,786	159,621
Ulta Salon Cosmetics & Fragrance Inc.	478	132,833	134,268
Under Armour Inc., Class A	1,498	97,080	27,148
Under Armour Inc., Class C	1,438	5,178	24,056
VF Corporation	2,793	134,718	259,572
Viacom Inc., Class B	3,002	179,780	116,160
Walt Disney Company, The	12,760	1,054,985	1,722,882
Whirlpool Corporation	600	88,825	127,077
Wyndham Worldwide Corporation	846	63,912	123,111
Wynn Resorts Limited	677	76,459	143,343
Yum! Brands, Inc.	2,900	161,249	297,233
		17,171,611	29,479,624
Consumer Staples – 8.2%			
Altria Group, Inc.	16,105	707,908	1,444,361
Archer-Daniels-Midland Company	4,649	170,609	234,015
Brown-Forman Corporation, Class B	1,629	65,376	140,490
Campbell Soup Company	1,580	90,273	95,466
Church & Dwight Co., Inc.	2,047	122,071	128,979
Clorox Company, The	1,075	113,262	200,813
Coca-Cola Company, The	32,395	1,446,256	1,866,626
Colgate-Palmolive Company	7,408	459,827	701,966
ConAgra Foods, Inc.	3,454	139,313	163,408
Constellation Brands, Inc., Class A	1,443	160,008	414,230
Costco Wholesale Corporation	3,686	479,115	861,597
Coty Inc., Class A	3,890	118,009	97,172
CVS Health Corporation	8,574	591,773	780,688
Dr. Pepper Snapple Group, Inc.	1,503	95,723	183,213
Estee Lauder Companies Inc., The	1,904	131,667	304,261
General Mills, Inc.	4,871	243,505	362,707
Hershey Company, The	1,178	91,164	167,933
Hormel Foods Corporation	2,189	54,332	100,042
J.M. Smucker Company, The	958	100,361	149,480
Kellogg Company	2,102	142,151	179,461
Kimberly-Clark Corporation	2,977	325,643	451,126
Kraft Heinz Company, The	5,005	328,843	488,783
Kroger Company, The	7,426	197,345	256,008
McCormick & Company, Inc.	988	71,190	126,453
Molson Coors Brewing Company, Class B	1,560	129,460	160,792
Mondelez International, Inc.	12,586	435,431	676,531
Monster Beverage Corporation	3,506	162,987	278,678
PepsiCo, Inc.	11,988	1,106,260	1,805,487
Philip Morris International Inc.	13,122	1,062,314	1,741,107
Procter & Gamble Company, The	21,520	1,896,662	2,483,243
Sysco Corporation	4,041	161,034	308,211
Tyson Foods, Inc.	2,535	117,138	258,104
Walgreens Boots Alliance Inc.	7,353	524,786	670,620
Wal-Mart Stores, Inc.	12,370	972,715	1,534,132
		13,014,511	19,816,183
Energy – 6.0%			
Anadarko Petroleum Corporation	4,657	315,263	313,726
Andeavor	1,211	101,041	173,900
Apache Corporation	3,214	212,232	170,420
Baker Hughes, a GE company	3,650	206,184	145,039
Cabot Oil & Gas Corporation	3,799	95,708	136,456

Scotia U.S. Index Fund (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2017

Issuer	Number of Shares	Average Cost ($)	Carrying Value ($)
EQUITIES (cont'd)			
Energy (cont'd)			
Chesapeake Energy Corporation	7,822	120,902	38,902
Chevron Corporation	16,042	1,695,180	2,522,227
Cimarex Energy Company	777	116,092	119,062
Concho Resources Inc.	1,250	177,268	235,827
ConocoPhillips	10,075	547,796	694,535
Devon Energy Corporation	4,386	224,299	228,047
EOG Resources, Inc.	4,858	370,086	658,378
EQT Corporation	2,100	153,076	150,121
Exxon Mobil Corporation	35,774	3,169,607	3,757,834
FMC Technologies, Inc.	3,699	151,738	145,453
Halliburton Company	7,288	314,649	447,308
Helemerich & Payne, Inc.	904	58,081	73,388
Hess Corporation	2,297	143,126	136,942
Kinder Morgan Inc.	16,197	599,581	367,577
Marathon Oil Corporation	7,249	143,604	154,131
Marathon Petroleum Corporation	4,216	136,855	349,357
National-Oilwell Varco Inc.	3,124	158,534	141,322
Newfield Exploration Company	1,705	84,557	67,516
Noble Energy, Inc.	4,032	183,566	147,559
Occidental Petroleum Corporation	6,435	460,994	595,301
ONEOK, Inc.	3,197	168,005	214,608
Phillips 66 Company	3,620	206,954	459,865
Pioneer Natural Resources Company	1,415	202,917	307,172
Range Resources Corporation	1,932	91,511	41,394
Schlumberger Limited	11,719	942,484	991,841
Valero Energy Corporation	3,696	192,048	426,629
Williams Companies Inc., The	6,878	265,123	263,376
		12,009,061	14,675,213
Financials – 15.1%			
Affiliated Managers Group, Inc.	461	101,007	118,834
Aflac, Inc.	3,279	197,708	361,487
Allstate Corporation, The	3,010	180,977	395,832
American Express Company	6,143	444,893	766,178
American International Group, Inc.	7,571	638,639	566,513
Ameriprise Financial, Inc.	1,259	103,654	267,963
Aon PLC	2,136	176,168	359,470
Arthur J. Gallagher & Co.	1,514	99,055	120,323
Assurant, Inc.	451	31,553	57,117
Bank of America Corporation	81,748	2,051,144	3,030,746
Bank of New York Mellon Corporation, The	8,630	405,509	583,758
BB&T Corporation	6,648	299,818	415,124
Berkshire Hathaway Inc., Class B	16,247	2,300,922	4,044,610
BlackRock, Inc.	1,038	337,145	669,686
Brighthouse Financial Inc.	782	47,761	57,591
Capital One Financial Corporation	4,110	312,790	514,008
CBOE Holdings Inc.	957	106,304	149,745
Charles Schwab Corporation, The	10,025	344,962	646,770
Chubb Ltd.	3,930	485,326	721,254
Cincinnati Financial Corporation	1,254	78,175	118,070
Citigroup Inc.	22,334	1,818,611	2,087,151
Citizens Financial Group Inc.	4,225	139,978	222,754
CME Group Inc.	2,884	315,498	528,997
Comerica Incorporated	1,473	90,284	160,594
Crown Castle International Corporation	3,396	306,594	473,463
Discover Financial Services	3,098	128,619	299,279
E*Trade Financial Corporation	2,335	81,000	145,366
Everest Re Group Ltd.	351	117,444	97,536
Fifth Third Bancorp	6,104	186,845	232,587
First Horizon National Corporation	5	143	117
Franklin Resources, Inc.	2,770	120,711	150,739
Goldman Sachs Group, Inc., The	2,967	566,660	949,303
Hartford Financial Services Group Inc., The	3,049	147,402	215,510
Huntington Bancshares Incorporated	9,115	112,566	166,676
IntercontinentalExchange Inc.	4,959	272,349	439,449
Invesco Limited	3,395	111,852	155,799
JPMorgan Chase & Co.	29,293	2,041,971	3,934,233
KeyCorp.	9,175	159,465	232,417
Leucadia National Corporation	2,611	81,076	86,865
Lincoln National Corporation	1,827	105,491	176,381
Loews Corporation	2,264	95,357	142,253
M&T Bank Corporation	1,279	174,850	274,661
Marsh & McLennan Companies, Inc.	4,318	270,176	441,377
MetLife, Inc.	8,943	438,170	567,867
Moody's Corporation	1,382	83,921	256,200
Morgan Stanley	11,839	527,741	780,157
NASDAQ OMX Group, Inc., The	987	52,184	95,237
Navient Corporation	2,333	43,346	39,028
Northern Trust Corporation	1,812	153,674	227,319
People's United Financial Inc.	2,935	64,014	68,930
PNC Financial Services Group, Inc., The	4,000	426,558	724,857
Principal Financial Group, Inc.	2,242	108,582	198,678
Progressive Corporation, The	4,911	149,416	347,367
Prudential Financial, Inc.	3,569	283,332	515,377
Raymond James Financial Inc.	1,097	114,579	123,031
Regions Financial Corporation	10,087	154,415	218,908
S&P Global Inc.	2,156	184,253	458,689
State Street Corporation	3,131	243,693	383,825
SunTrust Banks Inc.	4,025	204,600	326,503
Synchrony Financial	6,218	221,841	301,513
T. Rowe Price Group Inc.	2,019	131,624	266,068
Torchmark Corporation	882	33,894	100,480
Travelers Companies, Inc., The	2,310	207,735	393,510
U.S. Bancorp	13,297	580,174	894,772
Unum Group	1,857	81,797	128,015
Wells Fargo & Company	37,473	2,028,994	2,855,278
Welltower Inc.	3,154	227,230	252,600
Willis Towers Watson PLC	1,138	198,181	215,369
XL Group Ltd.	2,120	115,134	93,614
Zions Bancorporation	1,732	68,095	110,567
		23,315,629	36,522,345
Health Care – 13.8%			
Abbott Laboratories	14,721	644,967	1,055,118
AbbVie Inc.	13,470	781,356	1,636,044
Aetna Inc.	2,790	230,707	632,081
Agilent Technologies, Inc.	2,700	176,452	227,091
Alexion Pharmaceuticals, Inc.	1,863	277,836	279,810
Align Technology Inc.	607	116,540	169,383
Allergan PLC	2,813	770,713	577,904
AmerisourceBergen Corporation	1,353	78,161	156,024
Amgen Inc.	6,126	793,143	1,337,928
Anthem, Inc.	2,193	254,843	619,721
Baxter International Inc.	4,199	187,905	340,881
Becton, Dickinson and Company	2,228	359,564	598,972
Biogen Inc.	1,790	384,032	716,166
Boston Scientific Corporation	11,479	245,829	357,385
Bristol-Myers Squibb Company	13,774	948,756	1,060,071
Cardinal Health, Inc.	2,630	198,828	202,376
Celgene Corporation	6,661	569,447	873,031
Centene Corporation	1,417	119,131	179,527
Cerner Corporation	2,667	142,836	225,722
CIGNA Corporation	2,104	207,085	536,649
Cooper Companies Inc., The	415	104,131	113,559
Danaher Corporation	5,185	316,723	604,430
DaVita, Inc.	1,253	64,324	113,696
DENTSPLY International Inc.	1,937	126,557	160,144
Edwards Lifesciences Corporation	1,753	123,222	248,142
Eli Lilly and Company	8,142	692,814	863,651
Envision Healthcare Corporation	1,038	88,990	45,053

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

Scotia U.S. Index Fund (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2017

Issuer	Number of Shares	Average Cost ($)	Carrying Value ($)
EQUITIES (cont'd)			
Health Care (cont'd)			
Express Scripts, Inc.	4,868	305,909	456,329
Gilead Sciences, Inc.	11,047	708,760	993,930
HCA Healthcare Inc.	2,400	229,219	264,764
Henry Schein Inc.	1,351	126,262	118,567
Hologic Inc.	2,361	111,332	126,762
Humana Inc.	1,219	164,452	379,782
Idexx Laboratories Inc.	743	120,133	145,924
Illumina Inc.	1,241	290,906	340,533
Incyte Corporation	1,498	258,382	178,182
Intuitive Surgical, Inc.	938	183,910	429,913
IQVIA Holdings Inc.	1,254	149,293	154,183
Johnson & Johnson	22,681	2,351,321	3,979,942
Laboratory Corporation of America Holdings	859	103,378	172,083
McKesson Corporation	1,745	241,531	341,772
Medtronic PLC	11,444	926,549	1,160,583
Merck & Co., Inc.	23,112	1,487,417	1,633,317
Mettler-Toledo International Inc.	214	117,311	166,504
Mylan NV	4,467	203,225	237,364
Patterson Companies Inc.	691	31,288	31,355
PerkinElmer Inc.	893	38,956	82,006
Perrigo Company PLC	1,125	160,135	123,148
Pfizer Inc.	50,345	1,860,832	2,290,134
Quest Diagnostics Incorporated	1,158	86,577	143,237
Regeneron Pharmaceuticals, Inc.	646	254,894	305,021
ResMed Inc.	1,205	117,605	128,167
Stryker Corporation	2,697	260,100	524,469
Thermo Fisher Scientific, Inc.	3,393	408,259	809,131
UnitedHealth Group Incorporated	8,185	844,916	2,266,233
Universal Health Services Inc., Class B	719	97,744	102,354
Varian Medical Systems Inc.	783	55,471	109,302
Vertex Pharmaceuticals Incorporated	2,110	227,872	397,122
Waters Corporation	676	77,232	164,016
Zimmer Biomet Holdings Inc.	1,682	171,491	254,907
Zoetis Inc.	4,140	195,643	374,567
		21,973,197	33,316,162
Industrials – 10.2%			
3M Company	5,043	727,264	1,490,720
Acuity Brands Inc.	360	109,665	79,574
Alaska Air Group Inc.	1,003	90,296	92,598
Allegion Public Limited Company	815	52,991	81,434
American Airlines Group Inc.	3,608	244,523	235,763
Ametek Inc.	1,952	112,486	177,662
AO Smith Corporation	1,249	86,559	96,125
Arconic Inc.	3,541	179,033	121,185
Boeing Company, The	4,730	624,447	1,751,889
C.H. Robinson Worldwide, Inc.	1,193	88,185	133,483
Caterpillar Inc.	5,033	419,600	996,057
Cintas Corporation	739	57,053	144,628
CSX Corporation	7,657	206,196	529,001
Cummins Inc.	1,332	154,579	295,494
Deere & Company	2,682	230,449	527,178
Delta Air Lines, Inc.	5,618	216,112	395,117
Dover Corporation	1,277	83,656	161,967
Eaton Corporation	3,752	230,710	372,307
Emerson Electric Company	5,392	303,347	471,929
Equifax Inc.	1,021	88,970	151,206
Expeditors International of Washington, Inc.	1,521	81,287	123,573
Fastenal Company	2,375	99,152	163,128
FedEx Corporation	2,089	302,611	654,688
Flowserve Corporation	1,070	50,864	56,615
Fluor Corporation	1,134	56,914	73,560
Fortive Corporation	2,533	101,820	230,160
Fortune Brands Home & Security Inc.	1,319	98,230	113,373
General Dynamics Corporation	2,343	282,474	598,668

Issuer	Number of Shares	Average Cost ($)	Carrying Value ($)
EQUITIES (cont'd)			
Industrials (cont'd)			
General Electric Company	73,278	2,586,037	1,605,924
Honeywell International Inc.	6,440	658,418	1,240,378
IHS Markit Ltd.	3,065	189,703	173,798
Illinois Tool Works Inc.	2,588	232,928	542,309
Ingersoll-Rand PLC	2,139	135,092	239,598
Iron Mountain Incorporated	2,210	82,464	104,721
Jacobs Engineering Group, Inc.	989	64,472	81,928
JB Hunt Transport Services Inc	721	76,265	104,115
Johnson Controls International PLC	7,865	424,797	376,438
Kansas City Southern	860	100,206	113,646
L-3 Communications Holdings, Inc.	654	84,992	162,506
Lockheed Martin Corporation	2,106	383,863	849,155
Masco Corporation	2,611	80,808	144,086
Nielsen Holdings PLC	2,855	139,805	130,516
Norfolk Southern Corporation	2,429	196,876	442,030
Northrop Grumman Corporation	1,475	193,982	568,537
PACCAR Inc.	2,922	148,519	260,846
Parker-Hannifin Corporation	1,107	111,063	277,473
Pentair Ltd.	1,347	77,633	119,468
Quanta Services, Inc.	1,209	38,370	59,384
Raytheon Company	2,425	250,038	572,109
Republic Services, Inc.	1,883	82,670	159,889
Robert Half International, Inc.	1,011	49,106	70,520
Rockwell Automation, Inc.	1,072	119,380	264,351
Rockwell Collins Inc.	1,359	117,385	231,472
Roper Technologies Inc.	850	126,756	276,487
Snap-on Incorporated	472	52,886	103,323
Southwest Airlines Company	4,645	153,169	381,814
Stanley Black & Decker Inc.	1,273	124,515	271,294
Stericycle, Inc.	729	74,940	62,248
Textron Inc.	2,171	92,197	154,296
TransDigm Group Inc.	397	137,429	136,924
Union Pacific Corporation	6,695	470,329	1,127,549
United Continental Holdings Inc.	2,182	170,284	184,702
United Parcel Service, Inc., Class B	5,788	623,622	866,121
United Rentals, Inc.	720	95,912	155,450
United Technologies Corporation	6,241	606,539	999,905
Verisk Analytics, Inc.	1,303	138,670	157,098
W.W. Grainger, Inc.	440	82,317	130,551
Waste Management, Inc.	3,360	195,655	364,172
WestRock Company	2,123	125,680	168,536
Xylem, Inc.	1,465	57,109	125,481
		15,332,354	24,880,230
Information Technology – 23.7%			
Accenture PLC, Class A	5,192	501,446	998,246
Activision Blizzard Inc.	6,357	329,991	505,533
Adobe Systems Incorporated	4,146	326,628	912,470
Advanced Micro Devices Inc.	6,720	120,324	86,760
Akamai Technologies, Inc.	1,416	77,929	115,664
Alliance Data Systems Corporation	392	114,713	124,792
Alphabet Inc., Class A	2,517	2,032,856	3,329,910
Alphabet Inc., Class C	2,549	1,198,675	3,349,836
Amphenol Corporation	2,538	116,258	279,861
Analog Devices Inc.	3,104	230,731	347,068
ANSYS Inc.	720	116,764	133,458
Apple Inc.	43,299	3,701,667	9,202,615
Applied Materials, Inc.	9,036	279,232	580,127
Autodesk, Inc.	1,822	112,143	239,878
Automatic Data Processing, Inc.	3,714	307,876	546,624
Broadcom Ltd.	3,438	699,247	1,109,241
CA, Inc.	2,583	117,945	107,960
Cadence Design Systems Inc.	2,382	112,149	125,107
Cisco Systems, Inc.	41,661	1,555,548	2,003,939
Citrix Systems, Inc.	1,231	91,170	136,049

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

Scotia U.S. Index Fund (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2017

Issuer	Number of Shares	Average Cost ($)	Carrying Value ($)
EQUITIES (cont'd)			
Information Technology (cont'd)			
Cognizant Technology Solutions Corporation	4,939	237,100	440,530
Corning Incorporated	7,479	259,602	300,479
CSRA, Inc.	1,388	53,720	52,156
DXC Technology Company	2,427	192,762	289,262
eBay Inc.	8,332	171,223	394,918
Electronic Arts Inc.	2,616	166,125	345,168
F5 Networks, Inc.	525	73,342	86,520
Facebook Inc.	20,132	2,219,859	4,461,585
Fidelity National Information Service, Inc.	2,794	182,625	330,161
Fiserv, Inc.	1,765	105,849	290,672
FLIR Systems, Inc.	1,122	41,481	65,693
Gartner Inc., Class A	761	112,124	117,700
Global Payments Inc.	1,362	134,205	171,464
Harris Corporation	993	80,362	176,653
Hewlett Packard Enterprise Company	13,899	161,612	250,665
HP Inc.	13,912	553,199	367,089
Intel Corporation	39,425	1,556,909	2,285,565
International Business Machines Corporation	7,276	1,241,797	1,401,944
Intuit Inc.	2,044	181,126	405,032
Juniper Networks, Inc.	3,120	85,456	111,675
KLA-Tencor Corporation	1,322	100,004	174,448
Lam Research Corporation	1,365	110,415	315,553
MasterCard, Inc., Class A	7,838	583,852	1,489,952
Microchip Technology Incorporated	1,996	123,679	220,296
Micron Technology, Inc.	9,776	287,095	504,859
Microsoft Corporation	65,013	3,516,218	6,984,341
Motorola Solutions, Inc.	1,361	132,599	154,417
NetApp, Inc.	2,285	103,346	158,754
NVIDIA Corporation	5,123	363,112	1,244,977
Oracle Corporation	25,744	1,004,678	1,528,655
Paychex, Inc.	2,676	138,432	228,803
PayPal Holdings Inc.	9,558	327,914	883,728
Qorvo Inc	1,031	101,318	86,236
QUALCOMM, Inc.	12,411	799,269	997,880
Red Hat, Inc.	1,478	88,851	222,933
Salesforce.com, Inc.	5,808	398,155	745,695
Seagate Technology PLC	2,396	96,306	125,903
Skyworks Solutions, Inc.	1,551	182,673	184,954
Symantec Corporation	5,122	160,339	180,503
Synopsys Inc.	1,275	121,303	136,493
Texas Instruments Incorporated	8,317	539,634	1,090,912
Total System Services, Inc.	1,405	55,587	139,558
Tyco Electronics Ltd.	2,933	161,573	350,086
VeriSign, Inc.	716	32,715	102,907
Visa Inc.	15,348	912,478	2,197,803
Western Digital Corporation	2,495	173,475	249,205
Western Union Company	3,854	86,674	92,013
Xerox Corporation	1,814	98,225	66,410
Xilinx Inc.	2,069	128,274	175,188
		30,881,963	57,613,531
Materials – 2.9%			
Air Products and Chemicals, Inc.	1,838	239,658	378,754
Albemarle Corporation	924	101,845	148,410
Avery Dennison Corporation	746	56,690	107,613
Ball Corporation	2,983	101,043	141,800
CF Industries Holdings, Inc.	1,891	76,239	101,029
DowDuPont Inc.	19,770	1,092,389	1,768,335
Eastman Chemical Company	1,183	76,727	137,638
Ecolab Inc.	2,197	213,726	370,232
FMC Corporation	1,092	60,102	129,821
Freeport-McMoRan Copper & Gold Inc.	11,182	247,285	266,265
International Flavors & Fragrances Inc.	654	63,160	125,348
International Paper Company	3,426	183,109	249,300
LyondellBasell Industries NV, Class A – ADR	2,738	212,674	379,353
Martin Marietta Materials Inc.	514	89,229	142,689
Monsanto Company	3,682	348,546	540,018
Mosaic Company, The	2,847	141,579	91,749
Newmont Mining Corporation	4,465	170,418	210,397
Nucor Corporation	2,690	151,568	214,797
Packaging Corporation of America	804	109,839	121,725
PPG Industries, Inc.	2,130	163,179	312,502
Praxair, Inc.	2,399	243,758	466,037
Sealed Air Corporation	1,588	70,349	98,323
Sherwin-Williams Company, The	691	142,952	355,845
Vulcan Materials Company	1,110	102,074	178,954
		4,458,138	7,036,934
Real Estate – 2.4%			
Alexandria Real Estate Equities, Inc.	781	114,392	128,091
American Tower Corporation	3,610	330,748	646,839
Apartment Investment & Management Company	1,274	48,848	69,937
AvalonBay Communities Inc.	1,148	203,326	257,227
Boston Properties Inc.	1,292	163,668	210,990
CB Richard Ellis Group, Inc.	2,525	84,161	137,343
Digital Realty Trust Inc.	1,701	221,906	243,324
Duke Realty Corporation	2,884	100,017	98,555
Equinix Inc.	657	253,256	373,965
Equity Residential Real Estate Investment Trust	3,055	204,897	244,672
Essex Property Trust, Inc.	553	133,318	167,635
Extra Space Storage Inc	1,039	123,750	114,112
Federal Realty Investment Trust	627	127,244	104,581
Four Corners Property Trust Inc.	1	26	32
GGP Inc.	5,190	142,413	152,459
HCP, Inc. Real Estate Investment Trust	3,984	147,221	130,492
Host Hotels & Resorts Inc.	6,194	139,929	154,414
Kimco Realty Corporation	3,442	91,916	78,459
Macerich Company, The	942	74,821	77,703
Mid-America Apartment Communities Inc.	966	117,196	122,000
ProLogis	4,486	231,666	363,448
Public Storage Real Estate Investment Trust	1,263	228,419	331,517
Realty Income Corporation	2,321	154,349	166,210
Regency Centers Corporation	1,207	108,484	104,868
Simon Property Group Inc.	2,617	417,745	564,457
SL Green Realty Corporation	819	130,993	103,815
UDR Inc.	2,179	101,260	105,414
Ventas Inc.	2,965	199,904	223,462
Vornado Realty Trust Real Estate Investment Trust	1,458	151,712	143,156
Weyerhaeuser Company	6,422	230,571	284,386
		4,778,156	5,903,563
Telecommunication Services – 2.1%			
AT&T Inc.	51,856	2,614,728	2,532,102
CenturyLink Inc.	8,156	408,716	170,856
SBA Communications Corporation, Class A	1,004	192,446	205,985
Verizon Communications Inc.	34,455	1,938,308	2,290,394
		5,154,198	5,199,337
Utilities – 2.9%			
AES Corporation, The	5,408	137,674	73,557
Alliant Energy Corporation	1,946	100,380	104,138
Ameren Corporation	2,054	108,560	152,172
American Electric Power Company, Inc.	4,129	246,203	381,506
American Water Works Co., Inc.	1,465	136,599	168,332
CentrePoint Energy, Inc.	3,660	97,704	130,360
CMS Energy Corporation	2,384	114,090	141,620
Consolidated Edison, Inc.	2,618	186,085	279,312
Dominion Resources, Inc.	5,385	374,967	548,212
DTE Energy Company	1,501	124,294	206,344
Duke Energy Corporation	5,927	479,656	626,093

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

Scotia U.S. Index Fund (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2017

Issuer	Number of Shares	Average Cost ($)	Carrying Value ($)
EQUITIES (cont'd)			
Utilities (cont'd)			
Edison International	2,734	171,967	217,143
Entergy Corporation	1,477	111,463	150,976
Eversource Energy	2,665	131,454	211,462
Exelon Corporation	8,147	349,657	403,237
FirstEnergy Corporation	3,709	177,211	142,632
NextEra Energy, Inc.	3,981	419,538	780,911
NiSource Inc.	2,914	96,842	93,945
NRG Energy, Inc.	2,523	65,080	90,243
PG&E Corporation	4,314	251,627	242,887
Pinnacle West Capital Corporation	920	63,642	98,420
PPL Corporation	5,679	202,375	220,744
Public Service Enterprise Group Incorporated	4,207	172,154	272,105
SCANA Corporation	1,182	70,489	59,053
Sempra Energy	2,135	202,496	286,690
Southern Company	8,505	432,248	513,671
WEC Energy Group Inc.	2,653	138,671	221,339
Xcel Energy, Inc.	4,222	163,941	255,099
		5,327,067	7,072,203
Transaction Costs		(15,438)	
TOTAL INVESTMENT PORTFOLIO		153,400,447	241,515,325
OTHER ASSETS, LESS LIABILITIES – 0.5%			1,290,711
NET ASSETS – 100.0%			242,806,036

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

Scotia U.S. Index Fund (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 December 31, 2017 and December 31, 2016. 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.

	December 31, 2017			
Currency	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

	December 31, 2016			
Currency	Gross currency exposure ($)	Currency contracts ($)	Net exposure ($)	Percentage of net assets (%)
US Dollar	181,676,451	–	181,676,451	99.5
	181,676,451	–	181,676,451	99.5

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 $24,201,241 or 10.0% of net assets (December 31, 2016 – $18,167,645 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 December 31, 2017, approximately 99.5% (December 31, 2016 – 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 of the Fund would have decreased or increased, respectively, by approximately $24,151,532 (December 31, 2016 – $18,157,111). 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 December 31, 2017 or December 31, 2016.

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 (%)	
	December 31, 2017	December 31, 2016
Consumer Discretionary	12.2	12.0
Consumer Staples	8.2	9.3
Energy	6.0	7.5
Financials	15.1	15.1
Health Care	13.8	13.3
Industrials	10.2	10.5
Information Technology	23.7	20.8
Materials	2.9	2.7
Real Estate	2.4	2.5
Telecommunication Services	2.1	2.6
Utilities	2.9	3.1

Fair Value Classification (note 2)

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

December 31, 2017	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Equities	241,515,325	–	–	241,515,325
	241,515,325	–	–	241,515,325

December 31, 2016	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Equities	181,571,110	–	–	181,571,110
	181,571,110	–	–	181,571,110

Transfers between levels

During the periods ended December 31, 2017 and December 31, 2016, there were no significant transfers between Level 1 and Level 2.

Offsetting of financial assets and liabilities (note 2)

As at December 31, 2017 and December 31, 2016, 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 December 31, 2017 or December 31, 2016.

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

As at December 31, 2017 or December 31, 2016, 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

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	December 31, 2017	December 31, 2016
ASSETS		
Current assets		
Investments		
Non-derivative financial assets	81,564,626	80,704,032
Unrealized gain on futures contracts	757,449	924,646
Cash*	177,404	640,650
Margin deposited on derivatives	10,422,950	8,854,697
Accrued investment income and other	–	334
	92,922,429	91,124,359
LIABILITIES		
Current liabilities		
Redemptions payable	23,090	88,201
Accrued expenses	–	2,675
Distributions payable	10,892	4,876
Unrealized loss on futures contracts	2,018,487	–
	2,052,469	95,752
Net assets attributable to holders of redeemable units	90,869,960	91,028,607
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series A	90,828,843	90,991,908
Series F	41,117	36,699
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series A	15.38	16.33
Series F	15.57	16.55

* $142,211 held by brokers as collateral for derivatives (December 31, 2016 – nil)

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except average units)	2017	2016
INCOME		
Net gain (loss) on investments		
Interest for distribution purposes	528,138	388,026
Net realized gain (loss) on futures contracts	13,535,309	8,270,573
Change in unrealized gain (loss) on futures contracts	(2,185,683)	(1,408,964)
Net gain (loss) on investments	11,877,764	7,249,635
Securities lending (note 11)	6,772	4,026
Net realized and unrealized foreign currency translation gain (loss)	(929,050)	(51,256)
Total income (loss), net	10,955,486	7,202,405
EXPENSES		
Management fees (note 5)	720,572	706,562
Fixed administration fees (note 6)	153,154	150,175
Independent Review Committee fees	1,135	1,184
Interest expense and bank overdraft charges	16,205	6,896
Other fund costs	–	15
Harmonized Sales Tax/Goods and Services Tax	94,016	92,559
Transaction costs	40,219	36,778
Total expenses	1,025,301	994,169
Increase (decrease) in net assets attributable to holders of redeemable units from operations	9,930,185	6,208,236
Increase (decrease) in net assets attributable to holders of redeemable units from operations per series		
Series A	9,925,767	6,205,724
Series F	4,418	2,512
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT†		
Series A	1.89	1.18
Series F	1.99	1.22
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series A	5,265,259	5,274,853
Series F	2,221	2,055

† 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 December 31 (note 1),

(in dollars)	2017	2016
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series A	90,991,908	96,323,815
Series F	36,699	37,953
	91,028,607	96,361,768
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A	9,925,767	6,205,724
Series F	4,418	2,512
	9,930,185	6,208,236
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net investment income		
Series A	(14,443,795)	(10,090,054)
Series F	(6,712)	(4,213)
	(14,450,507)	(10,094,267)
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A	(37)	(813)
Series F	–	500
Reinvested distributions		
Series A	14,415,012	10,065,311
Series F	6,712	4,213
Payments on redemption		
Series A	(10,060,012)	(11,512,075)
Series F	–	(4,266)
	4,361,675	(1,447,130)
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A	(163,065)	(5,331,907)
Series F	4,418	(1,254)
	(158,647)	(5,333,161)
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series A	90,828,843	90,991,908
Series F	41,117	36,699
	90,869,960	91,028,607

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	9,930,185	6,208,236
Adjustments for:		
Unrealized foreign currency translation (gain) loss	(149,714)	90,947
Change in unrealized (gain) loss on futures contracts	2,185,683	1,408,964
Purchases of portfolio investments	(795,610,004)	(748,497,583)
Proceeds from sale of portfolio investments	794,749,411	755,544,561
Margin deposited on derivatives	(1,568,253)	(2,939,498)
Accrued investment income and other	334	(158)
Accrued expenses and other payables	(2,675)	2,675
Net cash provided by (used in) operating activities	9,534,967	11,818,144
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	(37)	(313)
Amounts paid on redemption of redeemable units	(10,125,123)	(11,506,831)
Distributions to unitholders of redeemable units	(22,767)	(20,690)
Net cash provided by (used in) financing activities	(10,147,927)	(11,527,834)
Unrealized foreign currency translation gain (loss)	149,714	(90,947)
Net increase (decrease) in cash	(612,960)	290,310
Cash (bank overdraft), beginning of period	640,650	441,287
CASH (BANK OVERDRAFT), END OF PERIOD	177,404	640,650
Interest paid[1]	16,205	6,896
Interest received[1]	528,472	387,868

(1) Classified as operating items.

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

Scotia CanAm Index Fund (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2017

Issuer	Face Value ($)	Average Cost ($)	Carrying Value ($)
MONEY MARKET INSTRUMENTS – 89.8%			
Treasury Bills – 89.8%			
Government of Canada 0.00% Apr 05, 2018	6,250,000	6,232,500	6,232,857
Government of Canada 0.00% Feb 22, 2018	8,000,000	7,980,960	7,989,509
Government of Canada 0.00% Jan 11, 2018	32,400,000	32,348,220	32,390,124
Government of Canada 0.00% Jan 25, 2018	10,000,000	9,973,900	9,993,075
Government of Canada 0.00% Mar 08, 2018	25,000,000	24,941,000	24,959,061
		81,476,580	81,564,626
TOTAL INVESTMENT PORTFOLIO		81,476,580	81,564,626
Unrealized Gain (Loss) on Derivatives – (1.4%)			(1,261,038)
OTHER ASSETS, LESS LIABILITIES – 11.6%			10,566,372
NET ASSETS – 100.0%			90,869,960

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

Expiry Date	Number of Contracts	Futures Contracts	Counterparty	Credit Risk	Contractual Value Canadian ($)	Fair Value Canadian ($)	Appreciation/ (Depreciation) ($)
INDEX FUTURES CONTRACTS							
Mar. 2018	542	S&P 500 Composite Stock Index – E-Mini Futures	Goldman Sachs	A-1	90,320,116	91,077,565	757,449
							757,449
CURRENCY FUTURES CONTRACTS							
Mar. 2018	(820)	CME Canadian Dollar Currency Future	J.P. Morgan	A-1	(80,265,749)	(82,284,236)	(2,018,487)
							(2,018,487)

With respect to the above futures contracts, $6,076,000 of the January 11, 2018 Government of Canada Treasury Bills are held on margin.

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

Scotia CanAm Index Fund (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	December 31, 2017 ($)	December 31, 2016 ($)
Less than 1 year	81,564,626	80,704,032
1-3 years	–	–
3-5 years	–	–
5-10 years	–	–
> 10 years	–	–
	81,564,626	80,704,032

As at December 31, 2017, 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 would have decreased or increased, respectively, by $23,621 or approximately 0.0% (December 31, 2016 – $24,041 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.

	December 31, 2017			
Currency	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

	December 31, 2016			
Currency	Gross currency exposure ($)	Currency contracts ($)	Net exposure ($)	Percentage of net assets (%)
US Dollar	7,323,183	1,709,544	9,032,727	9.9
	7,323,183	1,709,544	9,032,727	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 of the Fund would have decreased or increased, respectively, by $902,015 or 1.0% of net assets (December 31, 2016 – $903,273 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 December 31, 2017, approximately 100.0% (December 31, 2016 – 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 of the Fund would have decreased or increased, respectively, by approximately $9,107,757 (December 31, 2016 – $9,087,435). 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.

	December 31, 2017		December 31, 2016	
Credit ratings	Percentage of total credit rated instruments (%)	Percentage of net assets (%)	Percentage of total credit rated instruments (%)	Percentage of net assets (%)
A-1+	100.0	89.8	100.0	88.7
	100.0	89.8	100.0	88.7

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 (%)	
	December 31, 2017	December 31, 2016
By Asset Type		
Treasury Bills	89.8	88.7
By Sector Type		
Consumer Discretionary	12.2	12.0
Consumer Staples	8.2	9.4
Energy	6.1	7.6
Financials	14.8	15.1
Health Care	13.8	13.4
Industrials	10.3	10.6
Information Technology	23.8	20.8
Materials	3.0	2.8
Real Estate	2.9	2.6
Telecommunication Services	2.1	2.7
Utilities	2.9	3.2

Scotia CanAm Index Fund (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.

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

December 31, 2016	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Money market instruments	–	80,704,032	–	80,704,032
Unrealized gain on futures contracts	924,646	–	–	924,646
	924,646	80,704,032	–	81,628,678

Transfers between levels

During the periods ended December 31, 2017 and December 31, 2016, there were no significant transfers between Level 1 and Level 2.

Offsetting of financial assets and liabilities (note 2)

As at December 31, 2017 and December 31, 2016, 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 December 31, 2017 or December 31, 2016.

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

As at December 31, 2017 or December 31, 2016, 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

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	December 31, 2017	December 31, 2016
ASSETS		
Current assets		
Investments		
Non-derivative financial assets	118,395,133	81,906,658
Unrealized gain on futures contracts	916,495	18,527
Cash	413,803	399,326
Margin deposited on derivatives	1,545,993	2,152,208
Subscriptions receivable	542,322	188,509
Accrued investment income and other	–	265
	121,813,746	84,665,493
LIABILITIES		
Current liabilities		
Redemptions payable	113,298	785,941
Accrued expenses	–	2,611
Distributions payable	11,927	2,029
	125,225	790,581
Net assets attributable to holders of redeemable units	121,688,521	83,874,912
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series A	120,371,820	83,582,625
Series D	1,125,609	176,854
Series F	191,092	115,433
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series A	7.55	7.79
Series D	9.98	10.01
Series F	8.98	9.27

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except average units)	2017	2016
INCOME		
Net gain (loss) on investments		
Interest for distribution purposes	844,780	207,346
Net realized gain (loss) on non-derivative financial assets	–	(23,930)
Net realized gain (loss) on futures contracts	25,776,501	4,195,406
Change in unrealized gain (loss) on non-derivative financial assets	(3,239,947)	(291,957)
Change in unrealized gain (loss) on futures contracts	897,968	323,672
Net gain (loss) on investments	24,279,302	4,410,537
Securities lending (note 11)	890	–
Net realized and unrealized foreign currency translation gain (loss)	(3,851,962)	(1,335,667)
Other income	7,338	7,051
Total income (loss), net	20,435,568	3,081,921
EXPENSES		
Management fees (note 5)	820,881	614,683
Fixed administration fees (note 6)	236,448	176,893
Independent Review Committee fees	1,135	1,184
Interest expense and bank overdraft charges	16,827	2
Other fund costs	–	13
Harmonized Sales Tax/Goods and Services Tax	112,804	84,663
Transaction costs	16,764	15,353
Total expenses	1,204,859	892,791
Increase (decrease) in net assets attributable to holders of redeemable units from operations	19,230,709	2,189,130
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A	19,140,909	2,167,017
Series D	51,660	19,678
Series F	38,140	2,435
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT†		
Series A	1.65	0.21
Series D	1.39	2.06
Series F	2.30	0.21
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series A	11,629,336	10,204,184
Series D	37,039	9,564
Series F	16,576	11,521

† 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 (Continued)

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

For the periods ended December 31 (note 1),

(in dollars)	2017	2016
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series A	83,582,625	77,853,361
Series D	176,854	6,294
Series F	115,433	112,034
	83,874,912	77,971,689
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A	19,140,909	2,167,017
Series D	51,660	19,678
Series F	38,140	2,435
	19,230,709	2,189,130
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net investment income		
Series A	(25,138,221)	(3,471,303)
Series D	(213,102)	(7,979)
Series F	(44,868)	(5,322)
	(25,396,191)	(3,484,604)
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A	40,017,378	22,370,491
Series D	1,076,683	278,896
Series F	127,314	55,483
Reinvested distributions		
Series A	24,591,638	3,372,261
Series D	187,282	2,981
Series F	25,928	2,837
Payments on redemption		
Series A	(21,822,509)	(18,709,202)
Series D	(153,768)	(123,016)
Series F	(70,855)	(52,034)
	43,979,091	7,198,697
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A	36,789,195	5,729,264
Series D	948,755	170,560
Series F	75,659	3,399
	37,813,609	5,903,223
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series A	120,371,820	83,582,625
Series D	1,125,609	176,854
Series F	191,092	115,433
	121,688,521	83,874,912

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	19,230,709	2,189,130
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	–	23,930
Unrealized foreign currency translation (gain) loss	(47,740)	35,159
Change in unrealized (gain) loss on non-derivative financial assets	3,239,947	291,957
Change in unrealized (gain) loss on futures contracts	(897,968)	(323,672)
Purchases of portfolio investments	(966,850,119)	(689,213,579)
Proceeds from sale of portfolio investments	927,121,697	680,626,068
Margin deposited on derivatives	606,215	1,854,510
Accrued investment income and other	265	(208)
Accrued expenses and other payables	(2,611)	2,611
Net cash provided by (used in) operating activities	(17,599,605)	(4,514,094)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	40,774,180	22,707,264
Amounts paid on redemption of redeemable units	(22,626,393)	(18,145,384)
Distributions to unitholders of redeemable units	(581,445)	(108,859)
Net cash provided by (used in) financing activities	17,566,342	4,453,021
Unrealized foreign currency translation gain (loss)	47,740	(35,159)
Net increase (decrease) in cash	(33,263)	(61,073)
Cash (bank overdraft), beginning of period	399,326	495,558
CASH (BANK OVERDRAFT), END OF PERIOD	413,803	399,326
Interest paid[1]	16,827	2
Interest received[1]	845,046	207,138

[1] Classified as operating items.

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

Scotia Nasdaq Index Fund (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2017

Issuer		Face Value ($)	Average Cost ($)	Carrying Value ($)
MONEY MARKET INSTRUMENTS – 97.3%				
Treasury Bills – 97.3%				
United States Treasury Bills 0.00% Feb 01, 2018	USD	4,750,000	6,069,878	5,959,255
United States Treasury Bills 0.00% Jan 02, 2018	USD	3,000,000	3,733,350	3,767,382
United States Treasury Bills 0.00% Jan 04, 2018	USD	39,000,000	50,049,864	48,972,259
United States Treasury Bills 0.00% Jan 25, 2018	USD	6,000,000	7,579,619	7,528,641
United States Treasury Bills 0.00% Mar 01, 2018	USD	2,750,000	3,532,139	3,446,403
United States Treasury Bills 0.00% Mar 08, 2018	USD	7,000,000	8,965,652	8,769,885
United States Treasury Bills 0.00% Mar 15, 2018	USD	23,500,000	30,086,674	29,433,781
United States Treasury Bills 0.00% Mar 22, 2018	USD	8,400,000	10,694,022	10,517,527
			120,711,198	118,395,133
TOTAL INVESTMENT PORTFOLIO			120,711,198	118,395,133
OTHER ASSETS, LESS LIABILITIES – 2.7%				3,293,388
NET ASSETS – 100.0%				121,688,521

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

Expiry Date	Number of Contracts	Futures Contracts	Counterparty	Credit Risk	Contractual Value Canadian ($)	Fair Value Canadian ($)	Appreciation/ (Depreciation) ($)
INDEX FUTURES CONTRACTS							
Mar. 2018	753	Nasdaq 100 Index E-Mini Futures	Goldman Sachs	A-1	120,297,932	121,214,427	916,495
							916,495

With respect to the above futures contracts, $1,094,000 of the January 4, 2018 U.S. Treasury Bills are held on margin.

Scotia Nasdaq Index Fund (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	December 31, 2017 ($)	December 31, 2016 ($)
Less than 1 year	118,395,133	81,906,658
1-3 years	–	–
3-5 years	–	–
5-10 years	–	–
> 10 years	–	–
	118,395,133	81,906,658

As at December 31, 2017, 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 would have decreased or increased, respectively, by $31,606 or approximately 0.0% (December 31, 2016 – $19,666 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.

	December 31, 2017			
Currency	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

	December 31, 2016			
Currency	Gross currency exposure ($)	Currency contracts ($)	Net exposure ($)	Percentage of net assets (%)
US Dollar	84,476,719	–	84,476,719	100.7
	84,476,719	–	84,476,719	100.7

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 $12,136,757 or 10.0% of net assets (December 31, 2016 – $8,447,672 or 10.1%). 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 December 31, 2017, approximately 99.6% (December 31, 2016 – 100.5%) 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 of the Fund would have decreased or increased, respectively, by approximately $12,121,443 (December 31, 2016 – $8,429,243). 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.

	December 31, 2017		December 31, 2016	
	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	97.3	100.0	97.7
	100.0	97.3	100.0	97.7

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 (%)	
	December 31, 2017	December 31, 2016
By Asset Type		
Treasury Bills	97.3	97.6
By Industry		
Consumer Discretionary	20.8	21.4
Consumer Staples	4.7	6.4
Health Care	10.2	11.4
Industrials	2.2	2.1
Information Technology	61.1	57.4
Telecommunication Services	0.9	1.3

Fair Value Classification (note 2)

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

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

Scotia Nasdaq Index Fund (Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

December 31, 2016	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Money market instruments	–	81,906,658	–	81,906,658
Unrealized gain on futures contracts	18,527	–	–	18,527
	18,527	81,906,658	–	81,925,185

Transfers between levels

During the periods ended December 31, 2017 and December 31, 2016, there were no significant transfers between Level 1 and Level 2.

Offsetting of financial assets and liabilities (note 2)

As at December 31, 2017 and December 31, 2016, 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 December 31, 2017 or December 31, 2016.

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

As at December 31, 2017 or December 31, 2016, 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

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	December 31, 2017	December 31, 2016
ASSETS		
Current assets		
Investments		
Non-derivative financial assets	32,464,099	25,053,017
Unrealized gain on futures contracts	846,309	396,276
Cash	–	354,208
Margin deposited on derivatives	3,597,732	2,392,681
Subscriptions receivable	23,354	32,265
Accrued investment income and other	–	1,827
	36,931,494	28,230,274
LIABILITIES		
Current liabilities		
Bank overdraft	535,442	–
Redemptions payable	10,425	11,755
Accrued expenses	–	955
Distributions payable	640	–
Unrealized loss on futures contracts	807,514	
	1,354,021	12,710
Net assets attributable to holders of redeemable units	35,577,473	28,217,564
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series A	35,404,639	28,200,543
Series D	149,913	16,482
Series F	22,921	539
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series A	10.71	10.14
Series D	10.27	9.77
Series F	10.68	10.18

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except average units)	2017	2016
INCOME		
Net gain (loss) on investments		
Interest for distribution purposes	242,491	176,616
Net realized gain (loss) on non-derivative financial assets	–	(4,780)
Net realized gain (loss) on futures contracts	4,980,332	(540,291)
Change in unrealized gain (loss) on futures contracts	(357,481)	(386,662)
Net gain (loss) on investments	4,865,342	(755,117)
Securities lending (note 11)	397	105
Net realized and unrealized foreign currency translation gain (loss)	(176,408)	(38,221)
Other income	164	135
Total income (loss), net	4,689,495	(793,098)
EXPENSES		
Management fees (note 5)	251,573	217,930
Fixed administration fees (note 6)	100,687	87,180
Independent Review Committee fees	1,135	1,184
Interest expense and bank overdraft charges	5,086	4,226
Other fund costs	–	5
Harmonized Sales Tax/Goods and Services Tax	37,542	32,594
Transaction costs	16,716	18,839
Total expenses	412,739	361,958
Increase (decrease) in net assets attributable to holders of redeemable units from operations	4,276,756	(1,155,056)
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A	4,269,544	(1,155,606)
Series D	6,801	511
Series F	411	39
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT†		
Series A	1.50	(0.41)
Series D	1.13	0.46
Series F	1.14	0.74
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series A	2,852,007	2,795,799
Series D	6,027	1,107
Series F	360	53

† 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 International Index Fund (Continued)

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

For the periods ended December 31 (note 1),

(in dollars)	2017	2016
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series A	28,200,543	29,504,362
Series D	16,482	4,644
Series F	539	–
	28,217,564	29,509,006
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A	4,269,544	(1,155,606)
Series D	6,801	511
Series F	411	39
	4,276,756	(1,155,056)
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net investment income		
Series A	(2,859,504)	–
Series D	(12,964)	–
Series F	(2,067)	–
	(2,874,535)	–
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A	7,933,096	4,084,163
Series D	132,800	11,827
Series F	21,971	500
Reinvested distributions		
Series A	2,835,635	–
Series D	12,964	–
Series F	2,067	–
Payments on redemption		
Series A	(4,974,675)	(4,232,376)
Series D	(6,170)	(500)
	5,957,688	(136,386)
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A	7,204,096	(1,303,819)
Series D	133,431	11,838
Series F	22,382	539
	7,359,909	(1,291,442)
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series A	35,404,639	28,200,543
Series D	149,913	16,482
Series F	22,921	539
	35,577,473	28,217,564

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	4,276,756	(1,155,056)
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	–	4,780
Unrealized foreign currency translation (gain) loss	(44,217)	37,729
Change in unrealized (gain) loss on futures contracts	357,481	386,662
Purchases of portfolio investments	(196,485,825)	(161,531,687)
Proceeds from sale of portfolio investments	189,074,743	161,228,924
Margin deposited on derivatives	(1,205,051)	1,118,254
Accrued investment income and other	1,827	(1,500)
Accrued expenses and other payables	(955)	955
Net cash provided by (used in) operating activities	(4,025,241)	89,061
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	8,065,583	4,076,477
Amounts paid on redemption of redeemable units	(4,950,980)	(4,222,282)
Distributions to unitholders of redeemable units	(23,229)	–
Net cash provided by (used in) financing activities	3,091,374	(145,805)
Unrealized foreign currency translation gain (loss)	44,217	(37,729)
Net increase (decrease) in cash	(933,867)	(56,744)
Cash (bank overdraft), beginning of period	354,208	448,681
CASH (BANK OVERDRAFT), END OF PERIOD	(535,442)	354,208
Interest paid[1]	5,086	4,226
Interest received[1]	244,319	175,115

[1] Classified as operating items.

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

Scotia International Index Fund (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2017

Issuer	Face Value ($)	Average Cost ($)	Carrying Value ($)
Bankers' Acceptances – 42.4%			
Bank of Montreal 1.23% Jan 15, 2018	1,000,000	998,920	999,460
Bank of Montreal 1.24% Jan 17, 2018	900,000	898,227	899,450
Bank of Montreal 1.28% Jan 22, 2018	250,000	249,728	249,798
Bank of Montreal 1.33% Jan 29, 2018	250,000	249,718	249,727
Canadian Imperial Bank of Commerce 0.00% Jan 22, 2018	750,000	749,183	749,394
Canadian Imperial Bank of Commerce 1.29% Jan 04, 2018	1,500,000	1,495,725	1,499,733
Canadian Imperial Bank of Commerce 1.30% Mar 07, 2018	750,000	747,630	748,216
HSBC Bank of Canada 0.00% Feb 01, 2018	800,000	798,517	799,038
HSBC Bank of Canada 1.33% Jan 05, 2018	300,000	299,052	299,935
National Bank of Canada 1.23% Jan 05, 2018	500,000	498,990	499,899
National Bank of Canada 1.28% Feb 22, 2018	850,000	847,476	848,397
National Bank of Canada 1.33% Jan 22, 2018	1,750,000	1,748,408	1,748,535
Royal Bank of Canada 1.30% Feb 01, 2018	1,750,000	1,744,593	1,747,949
Royal Bank of Canada 1.33% Jan 31, 2018	1,000,000	998,760	998,833
Toronto-Dominion Bank, The 1.27% Jan 03, 2018	750,000	747,578	749,896
Toronto-Dominion Bank, The 1.30% Jan 26, 2018	1,000,000	998,930	999,037
Toronto-Dominion Bank, The 1.34% Jan 29, 2018	1,000,000	998,860	998,897
		15,070,295	15,086,194
Bearers' Deposit Notes – 3.8%			
Fédération des caisses Desjardins du Québec 1.23% Jan 16, 2018	750,000	749,168	749,572
Fédération des caisses Desjardins du Québec 1.32% Feb 20, 2018	600,000	598,638	598,876
		1,347,806	1,348,448
Commercial Paper – 14.2%			
Financiere CDP Inc. 1.03% Feb 01, 2018	1,250,000	1,247,750	1,248,840
Honda Canada Finance Inc. 1.24% Jan 02, 2018	500,000	499,600	499,949
Commercial Paper (cont'd)			
Honda Canada Finance Inc. 1.29% Jan 04, 2018	500,000	497,750	499,912
Nestle Capital Canada Ltd. 1.12% Jan 30, 2018	300,000	299,358	299,716
Nestle Capital Canada Ltd. 1.21% Jan 24, 2018	650,000	648,174	649,463
Ontario Teachers Financial Trust 1.19% Jan 17, 2018	850,000	845,808	849,472
PSP Capital Inc. 1.02% Jan 19, 2018	250,000	249,693	249,861
PSP Capital Inc. 1.06% Feb 14, 2018	500,000	498,670	499,335
Toyota Credit Canada Inc. 0.83% Jan 17, 2018	250,000	248,790	249,853
		5,035,593	5,046,401
Treasury Bills – 30.9%			
Government of Canada 0.00% Apr 05, 2018	1,000,000	997,200	997,257
Government of Canada 0.00% Feb 22, 2018	1,000,000	997,620	998,689
Government of Canada 0.00% Jan 11, 2018	1,000,000	997,300	999,669
Government of Canada 0.00% Jan 25, 2018	1,000,000	997,390	999,308
Government of Canada 0.00% Mar 08, 2018	6,000,000	5,985,840	5,990,175
Government of Canada 0.00% Mar 22, 2018	1,000,000	997,560	997,958
		10,972,910	10,983,056
TOTAL INVESTMENT PORTFOLIO		32,426,604	32,464,099
Unrealized Gain (Loss) on Derivatives – 0.1%			38,795
OTHER ASSETS, LESS LIABILITIES – 8.6%			3,074,579
NET ASSETS – 100.0%			35,577,473

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

Expiry Date	Number of Contracts	Futures Contracts	Counterparty	Credit Risk	Contractual Value ($)	Fair Value ($)	Appreciation/ (Depreciation) ($)
INDEX FUTURES CONTRACTS							
Mar. 2018	277	mini MSCI EAFE Index Futures	Goldman Sachs	A-1	34,733,636	35,579,944	846,309
							846,309
CURRENCY FUTURES CONTRACTS							
Mar. 2018	(328)	CME Canadian Dollar Currency Future	J.P. Morgan	A-1	(32,106,180)	(32,913,694)	(807,514)
							(807,514)

With respect to the above future contracts, $1,250,000 of the March 8, 2018 Government of Canada Treasury Bills is held on margin.

Scotia International Index Fund (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 (earlier of maturity date or interest reset date) of the Fund's portfolio, excluding underlying funds, preferred shares, cash and overdrafts, as applicable.

Interest rate exposure	December 31, 2017 ($)	December 31, 2016 ($)
Less than 1 year	32,464,099	25,053,017
1-3 years	–	–
3-5 years	–	–
5-10 years	–	–
> 10 years	–	–
	32,464,099	25,053,017

As at December 31, 2017, 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 would have decreased or increased, respectively, by $4,699 or approximately 0.0% (December 31, 2016 – $2,782 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.

	December 31, 2017			
Currency	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

	December 31, 2016			
Currency	Gross currency exposure ($)	Currency contracts ($)	Net exposure ($)	Percentage of net assets (%)
US Dollar	1,997,558	535,143	2,532,701	9.0
	1,997,558	535,143	2,532,701	9.0

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 $266,403 or 0.8% of net assets (December 31, 2016 – $253,270 or 0.9%). 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 December 31, 2017, approximately 100.0% (December 31, 2016 – 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 of the Fund would have decreased or increased, respectively, by approximately $3,557,995 (December 31, 2016 – $2,802,496). 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.

	December 31, 2017		December 31, 2016	
	Percentage of total credit rated instruments (%)	Percentage of net assets (%)	Percentage of total credit rated instruments (%)	Percentage of net assets (%)
Credit ratings				
A-1+	62.8	57.3	64.5	57.3
A-1	37.2	34.0	35.5	31.5
	100.0	91.3	100.0	88.8

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 (%)	
	December 31, 2017	December 31, 2016
By Asset Type		
Bankers' Acceptances	42.4	34.4
Bearers' Deposit Notes	3.8	5.0
Commercial Paper	14.2	26.4
Treasury Bills	30.9	23
By Country		
Australia	7.0	7.4
Austria	0.3	0.2
Belgium	1.1	1.2
Denmark	1.8	1.7
Finland	0.9	1.0
France	10.4	9.8
Germany	9.8	9.3
Hong Kong	3.4	3.3
Ireland	0.2	0.5
Israel	0.4	0.5
Italy	2.3	2.0
Japan	24.2	24.3
Luxembourg	0.0	0.1
Netherlands	3.5	3.4
New Zealand	0.2	0.2
Norway	0.7	0.7
Portugal	0.1	0.2
Singapore	1.5	1.2
Spain	3.2	3.1
Sweden	2.7	2.9
Switzerland	8.1	8.7
United Kingdom	18.2	18.4

Scotia International Index Fund (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.

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

December 31, 2016	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Money market instruments	–	25,053,017	–	25,053,017
Unrealized gain on futures contracts	396,276	–	–	396,276
	396,276	25,053,017	–	25,449,293

Transfers between levels

During the periods ended December 31, 2017 and December 31, 2016, there were no significant transfers between Level 1 and Level 2.

Offsetting of financial assets and liabilities (note 2)

As at December 31, 2017 and December 31, 2016, 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 December 31, 2017 or December 31, 2016.

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

As at December 31, 2017 or December 31, 2016, 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

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	December 31, 2017	December 31, 2016
ASSETS		
Current assets		
Investments		
Non-derivative financial assets	159,151,842	127,849,532
Cash	1,098,044	644,067
Subscriptions receivable	154,934	292,571
Accrued investment income and other	746	267
	160,405,566	128,786,437
LIABILITIES		
Current liabilities		
Payable for securities purchased	319,000	–
Redemptions payable	137,149	107,009
Accrued expenses	–	6,661
Distributions payable	4,114	8,941
	460,263	122,611
Net assets attributable to holders of redeemable units	159,945,303	128,663,826
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series A	159,945,303	128,663,826
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series A	10.84	10.65

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except average units)	2017	2016
INCOME		
Net gain (loss) on investments		
Dividends	1,228,593	926,721
Interest for distribution purposes	2,717,569	2,566,649
Net realized gain (loss) on non-derivative financial assets	1,914,507	2,369,914
Change in unrealized gain (loss) on non-derivative financial assets	1,190,022	(799,157)
Net gain (loss) on investments	7,050,691	5,064,127
Other income	3,405	2,493
Total income (loss), net	7,054,096	5,066,620
EXPENSES		
Management fees (note 5)	2,140,879	1,790,279
Fixed administration fees (note 6)	74,490	173,253
Independent Review Committee fees	1,135	1,184
Foreign withholding taxes/tax reclaims	49,387	39,232
Other fund costs	–	19
Harmonized Sales Tax/Goods and Services Tax	249,894	223,974
Total expenses	2,515,785	2,227,941
Increase (decrease) in net assets attributable to holders of redeemable units from operations	4,538,311	2,838,679
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A	4,538,311	2,838,679
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT†		
Series A	0.34	0.26
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series A	13,212,493	10,744,072

† 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 December 31 (note 1),

(in dollars)	2017	2016
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series A	128,663,826	100,154,436
	128,663,826	100,154,436
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A	4,538,311	2,838,679
	4,538,311	2,838,679
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net investment income		
Series A	(1,433,324)	(1,291,328)
From net realized gains on investments		
Series A	(941,448)	(2,020,374)
	(2,374,772)	(3,311,702)
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A	54,519,395	44,171,139
Reinvested distributions		
Series A	2,362,122	3,311,702
Payments on redemption		
Series A	(27,763,579)	(18,500,428)
	29,117,938	28,982,413
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A	31,281,477	28,509,390
	31,281,477	28,509,390
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series A	159,945,303	128,663,826
	159,945,303	128,663,826

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	4,538,311	2,838,679
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(1,914,507)	(2,369,914)
Change in unrealized (gain) loss on non-derivative financial assets	(1,190,022)	799,157
Non-cash transactions	(3,890,778)	(3,450,646)
Purchases of portfolio investments	(24,949,903)	(31,532,400)
Proceeds from sale of portfolio investments	961,900	7,998,566
Accrued investment income and other	(479)	(25)
Accrued expenses and other payables	(6,661)	6,661
Net cash provided by (used in) operating activities	(26,452,139)	(25,709,922)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	54,657,032	44,121,196
Amounts paid on redemption of redeemable units	(27,733,439)	(18,437,119)
Distributions to unitholders of redeemable units	(17,477)	(34,028)
Net cash provided by (used in) financing activities	26,906,116	25,650,049
Net increase (decrease) in cash	453,977	(59,873)
Cash (bank overdraft), beginning of period	644,067	703,940
CASH (BANK OVERDRAFT), END OF PERIOD	1,098,044	644,067
Interest received(1)	5,518	3,466

(1) Classified as operating items.

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

Scotia Selected Income Portfolio (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2017

Issuer	Number of Units	Average Cost ($)	Carrying Value ($)
CANADIAN EQUITY FUNDS – 12.4%			
Dynamic Dividend Advantage Fund Series O	513,396	3,984,114	4,107,165
Dynamic Small Business Fund Series O	159,381	2,613,692	2,900,731
Scotia Canadian Dividend Fund Series I	203,354	10,684,005	12,752,546
		17,281,811	19,760,442
FIXED INCOME FUNDS – 73.8%			
Dynamic Aurion Total Return Bond Fund Series O	2,991,350	29,658,719	29,404,974
Dynamic Canadian Bond Fund Series O	6,888,961	36,950,939	35,547,037
Scotia Canadian Income Fund Series I	2,203,792	29,843,782	29,542,269
Scotia Private Canadian Corporate Bond Pool Series I	2,214,362	23,884,819	23,639,205
		120,338,259	118,133,485
FOREIGN EQUITY FUNDS – 13.3%			
Scotia Global Dividend Fund Series I	907,863	15,030,538	14,721,265
Scotia Global Growth Fund Series I	82,048	4,460,037	6,536,650
		19,490,575	21,257,915
TOTAL INVESTMENT PORTFOLIO		157,110,645	159,151,842
OTHER ASSETS, LESS LIABILITIES – 0.5%			793,461
NET ASSETS – 100.0%			159,945,303

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

Scotia Selected Income Portfolio (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 December 31, 2017, approximately 99.5% (December 31, 2016 – 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 of the Fund would have decreased or increased, respectively, by approximately $15,915,184 (December 31, 2016 – $12,784,953). 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 exposures 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:

	Percentage of net assets (%)	
	December 31, 2017	December 31, 2016
Canadian Equity Funds	12.4	12.2
Fixed Income Funds	73.8	74.0
Foreign Equity Funds	13.3	13.2

Fair Value Classification (note 2)

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

December 31, 2017	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Underlying funds	159,151,842	–	–	159,151,842
	159,151,842	–	–	159,151,842

December 31, 2016	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Underlying funds	127,849,532	–	–	127,849,532
	127,849,532	–	–	127,849,532

Transfers between levels

During the periods ended December 31, 2017 and December 31, 2016, there were no significant transfers between Level 1 and Level 2.

Offsetting of financial assets and liabilities (note 2)

As at December 31, 2017 and December 31, 2016, 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.

	December 31, 2017	
Underlying Fund	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 Aurion 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	

Scotia Selected Income Portfolio (Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

	December 31, 2016	
Underlying Fund	Carrying value of the Underlying Fund ($)	Ownership percentage in Underlying Fund (%)
Scotia Global Dividend Fund Series I	11,831,005	1.8
Dynamic Canadian Bond Fund Series O	28,530,379	1.8
Dynamic Aurion Total Return Bond Fund Series O	23,737,636	1.1
Scotia Global Growth Fund Series I	5,186,655	0.6
Scotia Canadian Income Fund Series I	23,777,153	0.4
Dynamic Dividend Advantage Fund Series O	3,310,422	0.3
Scotia Private Canadian Corporate Bond Pool Series I	19,045,837	0.3
Dynamic Small Business Fund Series O	2,303,180	0.2
Scotia Canadian Dividend Fund Series I	10,127,265	0.1
	127,849,532	

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

As at December 31, 2017 or December 31, 2016, 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

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	December 31, 2017	December 31, 2016
ASSETS		
Current assets		
Investments		
Non-derivative financial assets	1,076,705,835	991,488,874
Cash	5,307,264	4,605,370
Subscriptions receivable	925,173	1,798,554
Accrued investment income and other	4,098	1,919
	1,082,942,370	997,894,717
LIABILITIES		
Current liabilities		
Redemptions payable	834,332	748,963
Accrued expenses	–	50,241
Distributions payable	46,370	82,048
	880,702	881,252
Net assets attributable to holders of redeemable units	1,082,061,668	997,013,465
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series A	1,081,551,190	996,331,235
Advisor Series	87,632	390,756
Series F	422,846	291,474
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series A	13.61	13.19
Advisor Series	13.88	13.21
Series F	13.24	12.98

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except average units)	2017	2016
INCOME		
Net gain (loss) on investments		
Dividends	10,503,613	9,611,689
Interest for distribution purposes	16,662,629	15,215,864
Net realized gain (loss) on non-derivative financial assets	18,207,905	31,502,789
Change in unrealized gain (loss) on non-derivative financial assets	19,417,289	(9,163,898)
Net gain (loss) on investments	64,791,436	47,166,444
Other income	10,391	14,169
Total income (loss), net	64,801,827	47,180,613
EXPENSES		
Management fees (note 5)	16,695,526	15,279,579
Fixed administration fees and operating expense (note 6)	522,714	490,988
Independent Review Committee fees	1,135	1,184
Foreign withholding taxes/tax reclaims	430,553	391,327
Other fund costs	–	163
Harmonized Sales Tax/Goods and Services Tax	1,983,426	1,803,596
Total expenses	19,633,354	17,966,837
Expenses absorbed by the Manager	(866)	(13,632)
Net expenses	19,632,488	17,953,205
Increase (decrease) in net assets attributable to holders of redeemable units from operations	45,169,339	29,227,408
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A	45,146,423	29,207,200
Advisor Series	11,026	18,704
Series F	11,890	1,504
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT†		
Series A	0.58	0.41
Advisor Series	0.97	0.37
Series F	0.54	0.23
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series A	77,277,925	71,361,924
Advisor Series	11,371	50,757
Series F	21,832	6,462

† 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 (Continued)

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

For the periods ended December 31 (note 1),

(in dollars)	2017	2016
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series A	996,331,235	904,785,199
Advisor Series	390,756	876,948
Series F	291,474	30,066
	997,013,465	905,692,213
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A	45,146,423	29,207,200
Advisor Series	11,026	18,704
Series F	11,890	1,504
	45,169,339	29,227,408
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net investment income		
Series A	(7,502,785)	(7,103,441)
Series F	(8,598)	(6,728)
From net realized gains on investments		
Series A	(5,687,596)	(22,629,082)
Advisor Series	(458)	(8,925)
Series F	(2,255)	(6,689)
	(13,201,692)	(29,754,865)
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A	196,889,361	186,881,533
Series F	163,197	262,421
Reinvested distributions		
Series A	13,142,459	30,494,146
Advisor Series	110	7,448
Series F	9,444	10,900
Payments on redemption		
Series A	(156,767,907)	(125,304,320)
Advisor Series	(313,802)	(503,419)
Series F	(42,306)	–
	53,080,556	91,848,709
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A	85,219,955	91,546,036
Advisor Series	(303,124)	(486,192)
Series F	131,372	261,408
	85,048,203	91,321,252
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series A	1,081,551,190	996,331,235
Advisor Series	87,632	390,756
Series F	422,846	291,474
	1,082,061,668	997,013,465

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	45,169,339	29,227,408
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(18,207,905)	(31,502,789)
Change in unrealized (gain) loss on non-derivative financial assets	(19,417,289)	9,163,898
Non-cash transactions	(26,704,047)	(24,411,706)
Purchases of portfolio investments	(41,705,489)	(132,807,101)
Proceeds from sale of portfolio investments	20,817,770	89,666,758
Accrued investment income and other	(2,179)	(36)
Accrued expenses and other payables	(50,241)	50,241
Net cash provided by (used in) operating activities	(40,100,041)	(60,613,327)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	197,762,741	186,082,354
Amounts paid on redemption of redeemable units	(156,875,449)	(125,498,120)
Distributions to unitholders of redeemable units	(85,357)	(65,303)
Net cash provided by (used in) financing activities	40,801,935	60,518,931
Net increase (decrease) in cash	701,894	(94,396)
Cash (bank overdraft), beginning of period	4,605,370	4,699,766
CASH (BANK OVERDRAFT), END OF PERIOD	5,307,264	4,605,370
Interest received[1]	29,462	24,485

[1] Classified as operating items.

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

Scotia Selected Balanced Income Portfolio (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2017

Issuer	Number of Units	Average Cost ($)	Carrying Value ($)
CANADIAN EQUITY FUNDS – 17.8%			
Dynamic Dividend Advantage Fund Series O	5,944,415	46,806,519	47,555,317
Dynamic Small Business Fund Series O	2,178,662	34,572,770	39,651,650
Scotia Canadian Dividend Fund Series I	1,678,752	73,713,120	105,276,209
		155,092,409	192,483,176
FIXED INCOME FUNDS – 63.2%			
Dynamic Aurion Total Return Bond Fund Series O	20,986,260	205,424,438	206,294,933
Dynamic Canadian Bond Fund Series O	32,964,609	175,166,096	170,097,383
Scotia Canadian Income Fund Series I	12,786,957	170,349,116	171,411,714
Scotia Private Canadian Corporate Bond Pool Series I	12,784,747	137,749,057	136,482,287
		688,688,707	684,286,317
FOREIGN EQUITY FUNDS – 18.5%			
Scotia Global Dividend Fund Series I	6,589,627	98,917,521	106,852,776
Scotia Global Growth Fund Series I	783,593	34,209,689	62,428,019
Scotia Global Opportunities Fund Series I	1,335,969	17,940,385	19,520,506
Scotia Global Small Cap Fund Series I	857,095	9,811,957	11,135,041
		160,879,552	199,936,342
TOTAL INVESTMENT PORTFOLIO		1,004,660,668	1,076,705,835
OTHER ASSETS, LESS LIABILITIES – 0.5%			5,355,833
NET ASSETS – 100.0%			1,082,061,668

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

Scotia Selected Balanced Income Portfolio (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 December 31, 2017, approximately 99.5% (December 31, 2016 – 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 of the Fund would have decreased or increased, respectively, by approximately $107,670,584 (December 31, 2016 – $99,148,887). 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 (%)	
	December 31, 2017	December 31, 2016
Canadian Equity Funds	17.8	17.5
Fixed Income Funds	63.2	63.5
Foreign Equity Funds	18.5	18.4

Fair Value Classification (note 2)

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

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

December 31, 2016	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Underlying funds	991,488,874	–	–	991,488,874
	991,488,874	–	–	991,488,874

Transfers between levels

During the periods ended December 31, 2017 and December 31, 2016, there were no significant transfers between Level 1 and Level 2.

Offsetting of financial assets and liabilities (note 2)

As at December 31, 2017 and December 31, 2016, 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.

	December 31, 2017	
Underlying Fund	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 Aurion 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	

Scotia Selected Balanced Income Portfolio (Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

	December 31, 2016	
Underlying Fund	Carrying value of the Underlying Fund ($)	Ownership percentage in Underlying Fund (%)
Scotia Global Dividend Fund Series I	99,556,205	14.9
Dynamic Canadian Bond Fund Series O	159,142,029	9.9
Scotia Global Small Cap Fund Series I	10,161,986	9.5
Dynamic Aurion Total Return Bond Fund Series O	189,034,198	8.4
Scotia Global Opportunities Fund Series I	17,707,314	7.2
Scotia Global Growth Fund Series I	55,757,942	6.1
Dynamic Dividend Advantage Fund Series O	43,859,292	4.5
Dynamic Small Business Fund Series O	35,626,184	3.6
Scotia Canadian Income Fund Series I	158,385,247	2.5
Scotia Private Canadian Corporate Bond Pool Series I	127,220,368	2.3
Scotia Canadian Dividend Fund Series I	95,038,109	1.2
	991,488,874	

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

As at December 31, 2017 or December 31, 2016, 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

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	December 31, 2017	December 31, 2016
ASSETS		
Current assets		
Investments		
Non-derivative financial assets	1,744,309,721	1,552,396,084
Cash	9,099,393	7,688,962
Subscriptions receivable	1,799,332	2,307,134
Accrued investment income and other	9,786	2,676
	1,755,218,232	1,562,394,856
LIABILITIES		
Current liabilities		
Payable for securities purchased	860,000	–
Redemptions payable	764,804	1,355,343
Accrued expenses	–	85,415
Distributions payable	14,510	91,220
	1,639,314	1,531,978
Net assets attributable to holders of redeemable units	1,753,578,918	1,560,862,878
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series A	1,753,059,249	1,560,509,450
Advisor Series	121,106	120,913
Series F	398,563	232,515
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series A	16.14	15.08
Advisor Series	15.86	14.79
Series F	15.86	14.99

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except average units)	2017	2016
INCOME		
Net gain (loss) on investments		
Dividends	22,578,548	18,736,120
Interest for distribution purposes	16,857,642	17,965,471
Net realized gain (loss) on non-derivative financial assets	31,224,987	87,128,800
Change in unrealized gain (loss) on non-derivative financial assets	83,707,925	(28,569,226)
Net gain (loss) on investments	154,369,102	95,261,165
Other income	16,149	15,621
Total income (loss), net	154,385,251	95,276,786
EXPENSES		
Management fees (note 5)	28,243,153	26,259,983
Fixed administration fees and operating expense (note 6)	831,024	764,007
Independent Review Committee fees	1,135	1,184
Foreign withholding taxes/tax reclaims	975,330	857,872
Other fund costs	–	257
Harmonized Sales Tax/Goods and Services Tax	3,256,187	3,009,733
Total expenses	33,306,829	30,893,036
Expenses absorbed by the Manager	(810)	(13,752)
Net expenses	33,306,019	30,879,284
Increase (decrease) in net assets attributable to holders of redeemable units from operations	121,079,232	64,397,502
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A	121,049,673	64,384,365
Advisor Series	9,123	4,967
Series F	20,436	8,170
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT†		
Series A	1.14	0.66
Advisor Series	1.17	0.62
Series F	1.10	0.77
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series A	105,814,188	98,134,462
Advisor Series	7,775	8,034
Series F	18,543	10,590

† 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 (Continued)

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

For the periods ended December 31 (note 1),

(in dollars)	2017	2016
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series A	1,560,509,450	1,456,283,387
Advisor Series	120,913	122,834
Series F	232,515	–
	1,560,862,878	1,456,406,221
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A	121,049,673	64,384,365
Advisor Series	9,123	4,967
Series F	20,436	8,170
	121,079,232	64,397,502
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net investment income		
Series A	(6,244,726)	(6,412,705)
Advisor Series	(371)	(371)
Series F	(6,309)	(4,336)
From net realized gains on investments		
Series A	(3,215,163)	(62,845,012)
Advisor Series	(223)	(4,875)
Series F	(722)	(9,645)
	(9,467,514)	(69,276,944)
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A	275,776,985	218,369,071
Series F	269,228	312,640
Reinvested distributions		
Series A	9,446,189	70,259,346
Advisor Series	593	5,247
Series F	6,463	7,225
Payments on redemption		
Series A	(204,263,159)	(179,529,002)
Advisor Series	(8,929)	(6,889)
Series F	(123,048)	(81,539)
	81,104,322	109,336,099
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A	192,549,799	104,226,063
Advisor Series	193	(1,921)
Series F	166,048	232,515
	192,716,040	104,456,657
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series A	1,753,059,249	1,560,509,450
Advisor Series	121,106	120,913
Series F	398,563	232,515
	1,753,578,918	1,560,862,878

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	121,079,232	64,397,502
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(31,224,987)	(87,128,800)
Change in unrealized (gain) loss on non-derivative financial assets	(83,707,925)	28,569,226
Non-cash transactions	(38,398,978)	(35,810,914)
Purchases of portfolio investments	(64,033,496)	(485,425,834)
Proceeds from sale of portfolio investments	26,311,749	477,411,091
Accrued investment income and other	(7,110)	167
Accrued expenses and other payables	(85,415)	85,415
Net cash provided by (used in) operating activities	(70,066,930)	(37,902,147)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	276,317,401	217,580,733
Amounts paid on redemption of redeemable units	(204,749,061)	(178,776,857)
Distributions to unitholders of redeemable units	(90,979)	(21,590)
Net cash provided by (used in) financing activities	71,477,361	38,782,286
Net increase (decrease) in cash	1,410,431	880,139
Cash (bank overdraft), beginning of period	7,688,962	6,808,823
CASH (BANK OVERDRAFT), END OF PERIOD	9,099,393	7,688,962
Interest received[1]	54,774	32,970

[1] Classified as operating items.

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

Scotia Selected Balanced Growth Portfolio (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2017

Issuer	Number of Units	Average Cost ($)	Carrying Value ($)
CANADIAN EQUITY FUNDS – 25.2%			
Dynamic Dividend Advantage Fund Series O	16,448,239	131,050,796	131,585,912
Dynamic Small Business Fund Series O	4,846,924	71,725,517	88,214,015
Scotia Canadian Dividend Fund Series I	3,191,800	130,408,206	200,160,968
Scotia Canadian Growth Fund Series I	249,386	21,594,813	21,968,507
		354,779,332	441,929,402
FIXED INCOME FUNDS – 43.2%			
Dynamic Aurion Total Return Bond Fund Series O	26,931,679	263,176,688	264,738,407
Dynamic Canadian Bond Fund Series O	21,999,375	116,492,967	113,516,775
Dynamic High Yield Bond Fund Series O	12,377,539	37,955,453	38,122,821
Scotia Canadian Income Fund Series I	14,109,352	186,552,839	189,138,679
Scotia Private Canadian Corporate Bond Pool Series I	14,175,958	155,244,695	151,334,021
		759,422,642	756,850,703
FOREIGN EQUITY FUNDS – 31.1%			
Dynamic Power Global Growth Class Series O	1,320,369	27,258,792	38,317,102
Scotia Global Dividend Fund Series I	10,915,220	156,924,176	176,993,570
Scotia Global Growth Fund Series I	2,336,728	101,987,771	186,164,525
Scotia Global Opportunities Fund Series I	7,394,527	91,648,449	108,045,129
Scotia Global Small Cap Fund Series I	2,771,736	27,101,532	36,009,290
		404,920,720	545,529,616
TOTAL INVESTMENT PORTFOLIO		1,519,122,694	1,744,309,721
OTHER ASSETS, LESS LIABILITIES – 0.5%			9,269,197
NET ASSETS – 100.0%			1,753,578,918

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

Scotia Selected Balanced Growth Portfolio (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 December 31, 2017, approximately 99.5% (December 31, 2016 – 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 of the Fund would have decreased or increased, respectively, by approximately $174,430,972 (December 31, 2016 – $155,239,608). 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 (%)	
	December 31, 2017	December 31, 2016
Canadian Equity Funds	25.2	25.2
Fixed Income Funds	43.2	44.1
Foreign Equity Funds	31.1	30.2

Fair Value Classification (note 2)

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

December 31, 2017	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Underlying funds	1,744,309,721	–	–	1,744,309,721
	1,744,309,721	–	–	1,744,309,721

December 31, 2016	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Underlying funds	1,552,396,084	–	–	1,552,396,084
	1,552,396,084	–	–	1,552,396,084

Transfers between levels

During the periods ended December 31, 2017 and December 31, 2016, there were no significant transfers between Level 1 and Level 2.

Offsetting of financial assets and liabilities (note 2)

As at December 31, 2017 and December 31, 2016, 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.

	December 31, 2017	
Underlying Fund	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 Aurion 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	

Scotia Selected Balanced Growth Portfolio (Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

	December 31, 2016	
Underlying Fund	Carrying value of the Underlying Fund ($)	Ownership percentage in Underlying Fund (%)
Scotia Global Opportunities Fund Series I	94,033,107	38.0
Scotia Global Small Cap Fund Series I	32,085,847	30.0
Scotia Global Dividend Fund Series I	157,574,061	23.5
Scotia Global Growth Fund Series I	159,620,648	17.5
Dynamic Dividend Advantage Fund Series O	118,381,776	12.2
Dynamic Aurion Total Return Bond Fund Series O	240,261,371	10.7
Dynamic Small Business Fund Series O	78,875,562	7.9
Dynamic High Yield Bond Fund Series O	34,742,227	7.6
Dynamic Canadian Bond Fund Series O	103,243,737	6.4
Scotia Canadian Growth Fund Series I	20,012,969	5.1
Dynamic Power Global Growth Class Series O	27,659,796	3.1
Scotia Canadian Income Fund Series I	171,220,383	2.7
Scotia Private Canadian Corporate Bond Pool Series I	137,844,255	2.5
Scotia Canadian Dividend Fund Series I	176,840,345	2.2
	1,552,396,084	

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

As at December 31, 2017 or December 31, 2016, 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

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	December 31, 2017	December 31, 2016
ASSETS		
Current assets		
Investments		
Non-derivative financial assets	1,288,470,453	1,108,140,271
Cash	6,531,344	5,626,170
Subscriptions receivable	1,677,286	1,700,788
Accrued investment income and other	7,669	1,991
	1,296,686,752	1,115,469,220
LIABILITIES		
Current liabilities		
Payable for securities purchased	999,682	–
Redemptions payable	579,065	642,130
Accrued expenses	–	65,794
Distributions payable	–	38,837
	1,578,747	746,761
Net assets attributable to holders of redeemable units	1,295,108,005	1,114,722,459
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series A	1,294,267,580	1,114,455,069
Advisor Series	41,966	37,965
Series F	798,459	229,425
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series A	19.59	17.74
Advisor Series	18.46	16.70
Series F	20.91	18.71

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except average units)	2017	2016
INCOME		
Net gain (loss) on investments		
Dividends	17,598,232	14,531,205
Interest for distribution purposes	5,738,660	6,857,483
Net realized gain (loss) on non-derivative financial assets	28,975,166	66,698,070
Change in unrealized gain (loss) on non-derivative financial assets	92,148,062	(11,787,621)
Net gain (loss) on investments	144,460,120	76,299,137
Other income	16,995	15,976
Total income (loss), net	144,477,115	76,315,113
EXPENSES		
Management fees (note 5)	21,728,152	20,050,766
Fixed administration fees and operating expense (note 6)	603,554	541,396
Independent Review Committee fees	1,135	1,184
Foreign withholding taxes/tax reclaims	888,334	749,400
Other fund costs	–	179
Harmonized Sales Tax/Goods and Services Tax	2,391,530	2,194,288
Total expenses	25,612,705	23,537,213
Expenses absorbed by the Manager	(660)	(13,708)
Net expenses	25,612,045	23,523,505
Increase (decrease) in net assets attributable to holders of redeemable units from operations	118,865,070	52,791,608
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A	118,814,506	52,776,426
Advisor Series	4,001	1,702
Series F	46,563	13,480
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT†		
Series A	1.85	0.88
Advisor Series	1.76	0.76
Series F	2.19	1.12
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series A	64,388,934	59,774,960
Advisor Series	2,273	2,237
Series F	21,301	12,088

† 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 (Continued)

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

For the periods ended December 31 (note 1),

(in dollars)	2017	2016
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series A	1,114,455,069	1,020,596,091
Advisor Series	37,965	38,692
Series F	229,425	220,801
	1,114,722,459	1,020,855,584
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A	118,814,506	52,776,426
Advisor Series	4,001	1,702
Series F	46,563	13,480
	118,865,070	52,791,608
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net realized gains on investments		
Series A	–	(40,594,024)
Advisor Series	–	(1,383)
Series F	–	(8,531)
	–	(40,603,938)
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A	211,131,797	163,608,842
Series F	670,108	89,946
Reinvested distributions		
Series A	–	41,853,485
Advisor Series	–	1,383
Series F	–	8,000
Payments on redemption		
Series A	(150,133,792)	(123,785,751)
Advisor Series	–	(2,429)
Series F	(147,637)	(94,271)
	61,520,476	81,679,205
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A	179,812,511	93,858,978
Advisor Series	4,001	(727)
Series F	569,034	8,624
	180,385,546	93,866,875
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series A	1,294,267,580	1,114,455,069
Advisor Series	41,966	37,965
Series F	798,459	229,425
	1,295,108,005	1,114,722,459

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	118,865,070	52,791,608
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(28,975,166)	(66,698,070)
Change in unrealized (gain) loss on non-derivative financial assets	(92,148,062)	11,787,621
Non-cash transactions	(22,403,910)	(20,614,648)
Purchases of portfolio investments	(58,979,857)	(415,924,444)
Proceeds from sale of portfolio investments	23,176,494	399,637,278
Accrued investment income and other	(5,678)	4
Accrued expenses and other payables	(65,794)	65,794
Net cash provided by (used in) operating activities	(60,536,903)	(38,954,857)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	211,215,299	163,292,305
Amounts paid on redemption of redeemable units	(149,734,385)	(123,658,060)
Distributions to unitholders of redeemable units	(38,837)	(12,060)
Net cash provided by (used in) financing activities	61,442,077	39,622,185
Net increase (decrease) in cash	905,174	667,328
Cash (bank overdraft), beginning of period	5,626,170	4,958,842
CASH (BANK OVERDRAFT), END OF PERIOD	6,531,344	5,626,170
Interest received[1]	38,971	24,643

[1] Classified as operating items.

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

Scotia Selected Growth Portfolio (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2017

Issuer	Number of Units	Average Cost ($)	Carrying Value ($)
CANADIAN EQUITY FUNDS – 34.6%			
Dynamic Small Business Fund Series O	6,147,861	90,874,058	111,891,073
Dynamic Value Fund of Canada Series O	9,842,611	106,342,760	111,713,635
Scotia Canadian Dividend Fund Series I	2,507,928	106,398,918	157,274,691
Scotia Canadian Growth Fund Series I	759,111	55,526,459	66,870,493
		359,142,195	447,749,892
FIXED INCOME FUNDS – 23.8%			
Dynamic Aurion Total Return Bond Fund Series O	15,657,960	154,757,966	153,917,749
Dynamic High Yield Bond Fund Series O	10,085,934	32,506,464	31,064,676
Scotia Canadian Income Fund Series I	4,596,582	61,078,478	61,618,105
Scotia Private Canadian Corporate Bond Pool Series I	5,777,262	63,119,353	61,674,584
		311,462,261	308,275,114
FOREIGN EQUITY FUNDS – 41.1%			
Dynamic Power Global Growth Class Series O	2,177,498	44,532,275	63,191,005
Scotia Global Dividend Fund Series I	9,244,116	144,680,855	149,896,110
Scotia Global Growth Fund Series I	2,036,799	89,512,999	162,269,529
Scotia Global Opportunities Fund Series I	7,168,000	81,789,182	104,735,239
Scotia Global Small Cap Fund Series I	4,029,801	39,692,640	52,353,564
		400,207,951	532,445,447
TOTAL INVESTMENT PORTFOLIO		1,070,812,407	1,288,470,453
OTHER ASSETS, LESS LIABILITIES – 0.5%			6,637,552
NET ASSETS – 100.0%			1,295,108,005

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

Scotia Selected Growth Portfolio (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 December 31, 2017, approximately 99.5% (December 31, 2016 – 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 of the Fund would have decreased or increased, respectively, by approximately $128,847,045 (December 31, 2016 – $110,814,027). 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 (%)	
	December 31, 2017	December 31, 2016
Canadian Equity Funds	34.6	35.4
Fixed Income Funds	23.8	24.2
Foreign Equity Funds	41.1	39.8

Fair Value Classification (note 2)

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

December 31, 2017	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Underlying funds	1,288,470,453	–	–	1,288,470,453
	1,288,470,453	–	–	1,288,470,453

December 31, 2016	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Underlying funds	1,108,140,271	–	–	1,108,140,271
	1,108,140,271	–	–	1,108,140,271

Transfers between levels

During the periods ended December 31, 2017 and December 31, 2016, there were no significant transfers between Level 1 and Level 2.

Offsetting of financial assets and liabilities (note 2)

As at December 31, 2017 and December 31, 2016, 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.

	December 31, 2017	
Underlying Fund	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 Aurion 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	

Scotia Selected Growth Portfolio (Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

	December 31, 2016	
Underlying Fund	Carrying value of the Underlying Fund ($)	Ownership percentage in Underlying Fund (%)
Scotia Global Small Cap Fund Series I	45,781,009	42.8
Scotia Global Opportunities Fund Series I	88,467,391	35.7
Scotia Global Dividend Fund Series I	128,187,215	19.1
Scotia Canadian Growth Fund Series I	58,940,846	14.9
Scotia Global Growth Fund Series I	134,965,029	14.8
Dynamic Small Business Fund Series O	97,650,574	9.8
Dynamic High Yield Bond Fund Series O	27,571,241	6.0
Dynamic Aurion Total Return Bond Fund Series O	134,290,471	6.0
Dynamic Value Fund of Canada Series O	98,567,642	5.5
Dynamic Power Global Growth Class Series O	46,395,955	5.2
Scotia Canadian Dividend Fund Series I	138,992,573	1.7
Scotia Private Canadian Corporate Bond Pool Series I	53,791,826	1.0
Scotia Canadian Income Fund Series I	54,538,499	0.9
	1,108,140,271	

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

As at December 31, 2017 or December 31, 2016, 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

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	December 31, 2017	December 31, 2016
ASSETS		
Current assets		
Investments		
Non-derivative financial assets	346,290,383	282,449,539
Cash	2,112,369	979,211
Subscriptions receivable	729,926	685,428
Accrued investment income and other	1,546	446
	349,134,224	284,114,624
LIABILITIES		
Current liabilities		
Payable for securities purchased	610,000	–
Redemptions payable	171,467	213,479
Accrued expenses	–	18,588
Distributions payable	–	3,788
	781,467	235,855
Net assets attributable to holders of redeemable units	348,352,757	283,878,769
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series A	347,470,901	283,289,407
Advisor Series	429,703	388,302
Series F	452,153	201,060
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series A	21.75	19.28
Advisor Series	21.60	19.18
Series F	22.52	19.74

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except average units)	2017	2016
INCOME		
Net gain (loss) on investments		
Dividends	4,600,804	3,422,825
Interest for distribution purposes	484,342	739,498
Net realized gain (loss) on non-derivative financial assets	7,732,758	18,122,156
Change in unrealized gain (loss) on non-derivative financial assets	31,886,683	(4,245,563)
Net gain (loss) on investments	44,704,587	18,038,916
Other income	7,524	5,435
Total income (loss), net	44,712,111	18,044,351
EXPENSES		
Management fees (note 5)	6,020,799	5,590,160
Fixed administration fees and operating expense (note 6)	223,031	199,971
Independent Review Committee fees	1,135	1,181
Foreign withholding taxes/tax reclaims	268,321	216,762
Other fund costs	–	45
Harmonized Sales Tax/Goods and Services Tax	648,295	596,009
Total expenses	7,161,581	6,604,128
Expenses absorbed by the Manager	(28)	(13,298)
Net expenses	7,161,553	6,590,830
Increase (decrease) in net assets attributable to holders of redeemable units from operations	37,550,558	11,453,521
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A	37,462,222	11,431,683
Advisor Series	48,691	14,525
Series F	39,645	7,313
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT[†]		
Series A	2.45	0.81
Advisor Series	2.42	0.71
Series F	2.45	1.51
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series A	15,320,275	14,031,309
Advisor Series	20,141	20,477
Series F	16,168	4,838

[†] 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 Maximum Growth Portfolio (Continued)

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

For the periods ended December 31 (note 1),

(in dollars)	2017	2016
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series A	283,289,407	254,490,690
Advisor Series	388,302	398,989
Series F	201,060	12,058
	283,878,769	254,901,737
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A	37,462,222	11,431,683
Advisor Series	48,691	14,525
Series F	39,645	7,313
	37,550,558	11,453,521
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net realized gains on investments		
Series A	–	(7,355,612)
Advisor Series	–	(10,261)
Series F	–	(6,383)
	–	(7,372,256)
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A	67,893,830	52,683,766
Series F	349,544	183,316
Reinvested distributions		
Series A	–	7,436,881
Advisor Series	–	10,261
Series F	–	6,383
Payments on redemption		
Series A	(41,174,558)	(35,398,001)
Advisor Series	(7,290)	(25,212)
Series F	(138,096)	(1,627)
	26,923,430	24,895,767
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A	64,181,494	28,798,717
Advisor Series	41,401	(10,687)
Series F	251,093	189,002
	64,473,988	28,977,032
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series A	347,470,901	283,289,407
Advisor Series	429,703	388,302
Series F	452,153	201,060
	348,352,757	283,878,769

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	37,550,558	11,453,521
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(7,732,758)	(18,122,156)
Change in unrealized (gain) loss on non-derivative financial assets	(31,886,683)	4,245,563
Non-cash transactions	(4,804,737)	(3,938,350)
Purchases of portfolio investments	(25,112,587)	(108,344,437)
Proceeds from sale of portfolio investments	6,305,922	97,061,663
Accrued investment income and other	(1,100)	53
Accrued expenses and other payables	(18,588)	18,588
Net cash provided by (used in) operating activities	(25,699,973)	(17,625,555)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	67,851,131	52,351,280
Amounts paid on redemption of redeemable units	(41,014,212)	(35,118,457)
Distributions to unitholders of redeemable units	(3,788)	(368)
Net cash provided by (used in) financing activities	26,833,131	17,232,455
Net increase (decrease) in cash	1,133,158	(393,100)
Cash (bank overdraft), beginning of period	979,211	1,372,311
CASH (BANK OVERDRAFT), END OF PERIOD	2,112,369	979,211
Interest received[1]	10,987	7,264

[1] Classified as operating items.

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

Scotia Selected Maximum Growth Portfolio (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2017

Issuer	Number of Units	Average Cost ($)	Carrying Value ($)
CANADIAN EQUITY FUNDS – 39.2%			
Dynamic Small Business Fund Series O	1,878,409	28,475,318	34,187,044
Dynamic Value Fund of Canada Series O	3,616,434	39,895,493	41,046,524
Scotia Canadian Dividend Fund Series I	545,119	24,898,034	34,184,975
Scotia Canadian Growth Fund Series I	309,431	23,091,880	27,257,900
		116,360,725	136,676,443
FIXED INCOME FUNDS – 9.6%			
Dynamic Aurion Total Return Bond Fund Series O	2,043,967	20,361,887	20,092,196
Dynamic High Yield Bond Fund Series O	1,639,290	5,287,674	5,049,014
Scotia Private Canadian Corporate Bond Pool Series I	785,483	8,594,178	8,385,348
		34,243,739	33,526,558
FOREIGN EQUITY FUNDS – 50.6%			
Dynamic Power Global Growth Class Series O	967,740	19,937,159	28,083,804
Scotia Global Dividend Fund Series I	2,249,088	35,628,064	36,469,640
Scotia Global Growth Fund Series I	658,659	30,137,584	52,474,669
Scotia Global Opportunities Fund Series I	2,854,715	32,951,709	41,711,675
Scotia Global Small Cap Fund Series I	1,335,293	13,161,723	17,347,594
		131,816,239	176,087,382
TOTAL INVESTMENT PORTFOLIO		282,420,703	346,290,383
OTHER ASSETS, LESS LIABILITIES – 0.6%			2,062,374
NET ASSETS – 100.0%			348,352,757

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

Scotia Selected Maximum Growth Portfolio (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 December 31, 2017, approximately 99.4% (December 31, 2016 – 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 of the Fund would have decreased or increased, respectively, by approximately $34,629,038 (December 31, 2016 – $28,244,954). 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 (%)	
	December 31, 2017	December 31, 2016
Canadian Equity Funds	39.2	40.5
Fixed Income Funds	9.6	9.8
Foreign Equity Funds	50.6	49.2

Fair Value Classification (note 2)

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

December 31, 2017	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Underlying funds	346,290,383	–	–	346,290,383
	346,290,383	–	–	346,290,383

December 31, 2016	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Underlying funds	282,449,539	–	–	282,449,539
	282,449,539	–	–	282,449,539

Transfers between levels

During the periods ended December 31, 2017 and December 31, 2016, there were no significant transfers between Level 1 and Level 2.

Offsetting of financial assets and liabilities (note 2)

As at December 31, 2017 and December 31, 2016, 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.

	December 31, 2017	
Underlying Fund	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 Aurion 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
	346,290,383	

Scotia Selected Maximum Growth Portfolio (Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

	December 31, 2016	
Underlying Fund	**Carrying value of the Underlying Fund ($)**	**Ownership percentage in Underlying Fund (%)**
Scotia Global Opportunities Fund Series I	33,990,535	13.7
Scotia Global Small Cap Fund Series I	14,432,071	13.5
Scotia Canadian Growth Fund Series I	23,323,031	5.9
Scotia Global Growth Fund Series I	42,681,751	4.7
Scotia Global Dividend Fund Series I	28,957,217	4.3
Dynamic Small Business Fund Series O	28,413,278	2.8
Dynamic Power Global Growth Class Series O	19,624,224	2.2
Dynamic Value Fund of Canada Series O	34,201,706	1.9
Dynamic High Yield Bond Fund Series O	4,228,996	0.9
Dynamic Aurion Total Return Bond Fund Series O	16,615,043	0.7
Scotia Canadian Dividend Fund Series I	29,022,277	0.4
Scotia Private Canadian Corporate Bond Pool Series I	6,959,410	0.1
	282,449,539	

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

As at December 31, 2017 or December 31, 2016, 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

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	December 31, 2017	December 31, 2016
ASSETS		
Current assets		
Investments		
Non-derivative financial assets	772,630,369	755,498,964
Cash	997,553	3,347,999
Receivable for securities sold	518,400	–
Subscriptions receivable	376,605	826,963
Accrued investment income and other	3,203	1,480
	774,526,130	759,675,406
LIABILITIES		
Current liabilities		
Redemptions payable	637,351	533,858
Accrued expenses	–	42,666
Distributions payable	7,796	210,564
	645,147	787,088
Net assets attributable to holders of redeemable units	773,880,983	758,888,318
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series A	771,861,918	757,883,846
Series T	2,019,065	1,004,472
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series A	11.22	10.93
Series T	15.20	15.11

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except average units)	2017	2016
INCOME		
Net gain (loss) on investments		
Dividends	9,571,568	12,299,039
Interest for distribution purposes	11,727,179	9,486,360
Net realized gain (loss) on non-derivative financial assets	8,332,499	19,490,842
Change in unrealized gain (loss) on non-derivative financial assets	13,735,811	1,378,858
Net gain (loss) on investments	43,367,057	42,655,099
Other income	11,172	5,493
Total income (loss), net	43,378,229	42,660,592
EXPENSES		
Management fees (note 5)	13,434,786	13,316,538
Fixed administration fees (note 6)	383,584	369,904
Independent Review Committee fees	1,135	1,184
Foreign withholding taxes/tax reclaims	141,975	208,030
Other fund costs	–	127
Harmonized Sales Tax/Goods and Services Tax	1,519,672	1,497,301
Total expenses	15,481,152	15,393,084
Increase (decrease) in net assets attributable to holders of redeemable units from operations	27,897,077	27,267,508
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A	27,848,944	27,265,744
Series T	48,133	1,764
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT†		
Series A	0.40	0.41
Series T	0.50	0.06
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series A	69,045,286	67,037,424
Series T	96,590	28,259

† 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 December 31 (note 1),

(in dollars)	2017	2016
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series A	757,883,846	719,460,449
Series T	1,004,472	–
	758,888,318	719,460,449
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A	27,848,944	27,265,744
Series T	48,133	1,764
	27,897,077	27,267,508
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net investment income		
Series A	(5,672,155)	(6,529,264)
Series T	(23,578)	(2,330)
From net realized gains on investments		
Series A	(1,868,101)	(16,663,175)
Series T	(4,603)	(6,073)
From return of capital		
Series T	(16,623)	(2,090)
	(7,585,060)	(23,202,932)
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A	119,117,421	124,215,845
Series T	1,188,592	1,022,166
Reinvested distributions		
Series A	7,446,984	23,363,960
Series T	33,504	6,775
Payments on redemption		
Series A	(132,895,021)	(113,229,713)
Series T	(210,832)	(15,740)
	(5,319,352)	35,363,293
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A	13,978,072	38,423,397
Series T	1,014,593	1,004,472
	14,992,665	39,427,869
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series A	771,861,918	757,883,846
Series T	2,019,065	1,004,472
	773,880,983	758,888,318

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	27,897,077	27,267,508
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(8,332,499)	(19,490,842)
Change in unrealized (gain) loss on non-derivative financial assets	(13,735,811)	(1,378,858)
Non-cash transactions	(21,140,919)	(21,561,553)
Purchases of portfolio investments	(62,237,454)	(191,150,725)
Proceeds from sale of portfolio investments	87,796,878	195,971,386
Accrued investment income and other	(1,723)	(717)
Accrued expenses and other payables	(42,666)	42,666
Net cash provided by (used in) operating activities	10,202,883	(10,301,135)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	120,725,026	124,830,384
Amounts paid on redemption of redeemable units	(132,971,015)	(112,726,360)
Distributions to unitholders of redeemable units	(307,340)	(363,482)
Net cash provided by (used in) financing activities	(12,553,329)	11,740,542
Net increase (decrease) in cash	(2,350,446)	1,439,407
Cash (bank overdraft), beginning of period	3,347,999	1,908,592
CASH (BANK OVERDRAFT), END OF PERIOD	997,553	3,347,999
Interest received[1]	14,131	15,097

[1] Classified as operating items.

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

Scotia Partners Income Portfolio (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2017

Issuer	Number of Units	Average Cost ($)	Carrying Value ($)
CANADIAN EQUITY FUNDS – 12.1%			
CI Cambridge Canadian Equity Corporate Class, Class I	440,154	8,408,616	9,731,794
Dynamic Dividend Advantage Fund Series O	1,198,602	9,295,787	9,588,815
Dynamic Small Business Fund Series O	967,709	14,702,657	17,612,300
Scotia Canadian Dividend Fund Series I	745,335	40,005,930	46,740,703
Scotia Private Canadian All Cap Equity Pool Series I	912,367	9,206,900	9,825,824
		81,619,890	93,499,436
FIXED INCOME FUNDS – 67.4%			
Dynamic Aurion Total Return Bond Fund Series O	20,770,335	204,516,197	204,172,393
Dynamic Canadian Bond Fund Series O	16,665,858	87,993,673	85,995,829
PIMCO Monthly Income Fund (Canada) Series I	6,107,310	85,830,926	87,709,523
Scotia Private Canadian Corporate Bond Pool Series I	13,492,410	144,963,160	144,036,873
		523,303,956	521,914,618
FOREIGN EQUITY FUNDS – 20.3%			
AGF Global Dividend Fund Series O	524,898	11,794,506	15,258,772
Dynamic Global Infrastructure Fund Series O	756,769	11,706,276	15,422,961
Mackenzie Ivy Foreign Equity Fund Series O	2,073,861	23,646,669	26,360,431
Mawer International Equity Fund Class O	388,433	20,470,491	23,078,262
Mawer U.S. Equity Fund Series O	425,105	17,105,174	18,778,907
Scotia Private Global Credit Pool Series I	5,864,717	58,241,377	58,316,982
		142,964,493	157,216,315
TOTAL INVESTMENT PORTFOLIO		747,888,339	772,630,369
OTHER ASSETS, LESS LIABILITIES – 0.2%			1,250,614
NET ASSETS – 100.0%			773,880,983

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

Scotia Partners Income Portfolio (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 December 31, 2017, approximately 99.8% (December 31, 2016 – 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 of the Fund would have decreased or increased, respectively, by approximately $77,263,037 (December 31, 2016 – $75,549,896). 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 (%)	
	December 31, 2017	December 31, 2016
Canadian Equity Funds	12.1	12.1
Fixed Income Funds	67.4	74.4
Foreign Equity Funds	20.3	13.1

Fair Value Classification (note 2)

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

December 31, 2017	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Underlying funds	772,630,369	–	–	772,630,369
	772,630,369	–	–	772,630,369

December 31, 2016	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Underlying funds	755,498,964	–	–	755,498,964
	755,498,964	–	–	755,498,964

Transfers between levels

During the periods ended December 31, 2017 and December 31, 2016, there were no significant transfers between Level 1 and Level 2.

Offsetting of financial assets and liabilities (note 2)

As at December 31, 2017 and December 31, 2016, the Fund did not enter into any agreement whereby the financial instruments were eligible for offset.

Scotia Partners Income Portfolio (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.

	December 31, 2017	
Underlying Fund	Carrying value of the Underlying Fund ($)	Ownership percentage in Underlying Fund (%)
Scotia Private Global Credit Pool Series I	58,316,982	13.8
Dynamic Aurion 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	

	December 31, 2016	
Underlying Fund	Carrying value of the Underlying Fund ($)	Ownership percentage in Underlying Fund (%)
Dynamic Aurion Total Return Bond Fund Series O	196,745,747	8.8
Dynamic Canadian Bond Fund Series O	84,613,977	5.2
PIMCO Investment Grade Credit Fund (Canada), Class I	56,697,498	4.9
Scotia Private Canadian All Cap Equity Pool Series I	9,423,048	3.0
Scotia Private Canadian Corporate Bond Pool Series I	140,922,445	2.6
Dynamic Small Business Fund Series O	17,267,652	1.7
Dynamic Global Infrastructure Fund Series O	15,376,157	1.6
Dynamic Dividend Advantage Fund Series O	9,661,418	1.0
PIMCO Monthly Income Fund (Canada) Class I	85,637,879	0.9
Mawer U.S. Equity Fund Class O	18,746,814	0.8
AGF Global Dividend Fund Series O	15,698,136	0.7
Scotia Canadian Dividend Fund Series I	45,903,284	0.6
Mackenzie Ivy Foreign Equity Fund Series O	26,309,483	0.6
Mawer International Equity Fund Class O	22,958,190	0.6
CI Cambridge Canadian Equity Corporate Class I	9,537,236	0.2
	755,498,964	

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

As at December 31, 2017 or December 31, 2016, 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 Income Portfolio

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	December 31, 2017	December 31, 2016
ASSETS		
Current assets		
Investments		
Non-derivative financial assets	1,327,593,055	1,275,506,995
Cash	1,940,493	5,566,279
Receivable for securities sold	388,375	–
Subscriptions receivable	849,681	1,220,264
Accrued investment income and other	1,635	3,040
	1,330,773,239	1,282,296,578
LIABILITIES		
Current liabilities		
Redemptions payable	740,851	1,182,851
Accrued expenses	–	73,993
Distributions payable	40,378	124,174
	781,229	1,381,018
Net assets attributable to holders of redeemable units	1,329,992,010	1,280,915,560
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series A	1,327,290,906	1,279,928,076
Series F	428,295	197,467
Series T	2,272,809	790,017
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series A	14.17	13.69
Series F	14.05	13.81
Series T	15.00	14.88

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except average units)	2017	2016
INCOME		
Net gain (loss) on investments		
Dividends	15,350,704	13,397,300
Interest for distribution purposes	20,741,671	16,764,464
Net realized gain (loss) on non-derivative financial assets	19,610,750	39,245,974
Change in unrealized gain (loss) on non-derivative financial assets	28,352,194	8,761,810
Net gain (loss) on investments	84,055,319	78,169,548
Other income	15,578	14,437
Total income (loss), net	84,070,897	78,183,985
EXPENSES		
Management fees (note 5)	24,365,282	22,689,249
Fixed administration fees (note 6)	658,581	613,334
Independent Review Committee fees	1,135	1,184
Foreign withholding taxes/tax reclaims	287,014	465,511
Other fund costs	–	209
Harmonized Sales Tax/Goods and Services Tax	2,778,246	2,575,320
Total expenses	28,090,258	26,344,807
Expenses absorbed by the Manager	–	(167)
Net expenses	28,090,258	26,344,640
Increase (decrease) in net assets attributable to holders of redeemable units from operations	55,980,639	51,839,345
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A	55,900,570	51,803,805
Series F	5,915	27,351
Series T	74,154	8,189
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT†		
Series A	0.59	0.58
Series F	0.38	0.91
Series T	0.72	0.27
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series A	93,974,424	88,817,834
Series F	15,755	30,196
Series T	102,994	30,371

† 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 (Continued)

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

For the periods ended December 31 (note 1),

(in dollars)	2017	2016
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series A	1,279,928,076	1,158,907,877
Series F	197,467	505,117
Series T	790,017	–
	1,280,915,560	1,159,412,994
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A	55,900,570	51,803,805
Series F	5,915	27,351
Series T	74,154	8,189
	55,980,639	51,839,345
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net investment income		
Series A	(7,804,356)	(4,331,319)
Series F	(9,307)	(361)
Series T	(29,276)	(9,484)
From net realized gains on investments		
Series A	(3,224,605)	(29,975,571)
Series F	(1,031)	(4,670)
Series T	(5,508)	(15,982)
From return of capital		
Series T	(29,044)	–
	(11,103,127)	(34,337,387)
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A	195,953,768	240,847,516
Series F	299,373	130,519
Series T	1,698,073	862,187
Reinvested distributions		
Series A	10,989,860	35,202,195
Series F	8,870	3,605
Series T	30,061	8,645
Payments on redemption		
Series A	(204,452,407)	(172,526,427)
Series F	(72,992)	(464,094)
Series T	(255,668)	(63,538)
	4,198,938	104,000,608
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A	47,362,830	121,020,199
Series F	230,828	(307,650)
Series T	1,482,792	790,017
	49,076,450	121,502,566
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END 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
	1,329,992,010	1,280,915,560

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	55,980,639	51,839,345
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(19,610,750)	(39,245,974)
Change in unrealized (gain) loss on non-derivative financial assets	(28,352,194)	(8,761,810)
Non-cash transactions	(35,780,281)	(29,663,299)
Purchases of portfolio investments	(104,212,336)	(299,219,803)
Proceeds from sale of portfolio investments	135,481,125	256,247,145
Accrued investment income and other	1,405	(622)
Accrued expenses and other payables	(73,993)	73,993
Net cash provided by (used in) operating activities	3,433,615	(68,731,025)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	197,979,257	241,350,278
Amounts paid on redemption of redeemable units	(204,880,526)	(172,485,657)
Distributions to unitholders of redeemable units	(158,132)	(150,490)
Net cash provided by (used in) financing activities	(7,059,401)	68,714,131
Net increase (decrease) in cash	(3,625,786)	(16,894)
Cash (bank overdraft), beginning of period	5,566,279	5,583,173
CASH (BANK OVERDRAFT), END OF PERIOD	1,940,493	5,566,279
Interest received[1]	26,485	32,332

[1] Classified as operating items.

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

Scotia Partners Balanced Income Portfolio (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2017

Issuer	Number of Units	Average Cost ($)	Carrying Value ($)
CANADIAN EQUITY FUNDS – 17.2%			
CI Cambridge Canadian Equity Corporate Class, Class I	1,510,517	27,012,696	33,397,538
Dynamic Dividend Advantage Fund Series O	4,646,702	35,416,674	37,173,614
Dynamic Small Business Fund Series O	2,426,450	37,293,871	44,161,384
Scotia Canadian Dividend Fund Series I	1,443,682	63,729,143	90,534,749
Scotia Private Canadian All Cap Equity Pool Series I	2,186,011	22,073,280	23,542,468
		185,525,664	228,809,753
FIXED INCOME FUNDS – 58.2%			
Dynamic Aurion Total Return Bond Fund Series O	17,520,746	172,684,630	172,228,935
Dynamic Canadian Bond Fund Series O	16,505,957	87,032,248	85,170,738
PIMCO Monthly Income Fund (Canada) Series I	9,101,971	129,386,062	130,717,045
Scotia Canadian Income Fund Series I	12,878,900	174,593,224	172,644,234
Scotia Private Canadian Corporate Bond Pool Series I	19,958,084	212,082,047	213,060,525
		775,778,211	773,821,477
FOREIGN EQUITY FUNDS – 24.4%			
AGF Global Dividend Fund Series O	1,247,296	29,217,237	36,258,904
Dynamic Global Infrastructure Fund Series O	1,141,962	18,766,189	23,273,179
Mackenzie Ivy Foreign Equity Fund Series O	4,656,745	54,457,102	59,190,956
Mackenzie US Mid Cap Growth Class Series O	434,574	10,715,650	19,724,615
Mawer International Equity Fund Class O	1,059,217	52,387,601	62,932,002
Mawer U.S. Equity Fund Series O	810,556	23,005,314	35,806,155
Scotia Private Global Credit Pool Series I	8,827,299	87,662,168	87,776,014
		276,211,261	324,961,825
TOTAL INVESTMENT PORTFOLIO		1,237,515,136	1,327,593,055
OTHER ASSETS, LESS LIABILITIES – 0.2%			2,398,955
NET ASSETS – 100.0%			1,329,992,010

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

Scotia Partners Balanced Income Portfolio (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 December 31, 2017, approximately 99.8% (December 31, 2016 – 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 of the Fund would have decreased or increased, respectively, by approximately $132,759,306 (December 31, 2016 – $127,550,700). 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 (%)	
	December 31, 2017	December 31, 2016
Canadian Equity Funds	17.2	17.1
Fixed Income Funds	58.2	64.5
Foreign Equity Funds	24.4	18.0

Fair Value Classification (note 2)

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

December 31, 2017	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Underlying funds	1,327,593,055	–	–	1,327,593,055
	1,327,593,055	–	–	1,327,593,055

December 31, 2016	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Underlying funds	1,275,506,995	–	–	1,275,506,995
	1,275,506,995	–	–	1,275,506,995

Transfers between levels

During the periods ended December 31, 2017 and December 31, 2016, there were no significant transfers between Level 1 and Level 2.

Offsetting of financial assets and liabilities (note 2)

As at December 31, 2017 and December 31, 2016, the Fund did not enter into any agreement whereby the financial instruments were eligible for offset.

Scotia Partners Balanced Income Portfolio (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.

	December 31, 2017	
Underlying Fund	Carrying value of the Underlying Fund ($)	Ownership percentage in Underlying Fund (%)
Scotia Private Global Credit Pool Series I	87,776,014	20.7
Dynamic Aurion 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	

	December 31, 2016	
Underlying Fund	Carrying value of the Underlying Fund ($)	Ownership percentage in Underlying Fund (%)
Dynamic Aurion Total Return Bond Fund Series O	164,682,406	7.3
PIMCO Investment Grade Credit Fund (Canada), Class I	82,838,148	7.2
Scotia Private Canadian All Cap Equity Pool Series I	22,181,289	7.2
Dynamic Canadian Bond Fund Series O	82,438,387	5.1
Dynamic Small Business Fund Series O	42,221,077	4.2
Scotia Private Canadian Corporate Bond Pool Series I	205,828,424	3.8
Dynamic Dividend Advantage Fund Series O	36,280,649	3.7
Scotia Canadian Income Fund Series I	164,809,478	2.6
Dynamic Global Infrastructure Fund Series O	22,638,964	2.4
AGF Global Dividend Fund Series O	36,162,607	1.6
Mawer International Equity Fund Class O	61,108,341	1.6
Mawer U.S. Equity Fund Class O	34,672,940	1.5
PIMCO Monthly Income Fund (Canada) Class I	124,783,851	1.4
Mackenzie Ivy Foreign Equity Fund Series O	56,813,406	1.3
Mackenzie US Mid Cap Growth Class Series O	19,196,755	1.3
Scotia Canadian Dividend Fund Series I	86,821,923	1.1
CI Cambridge Canadian Equity Corporate Class I	32,028,350	0.7
	1,275,506,995	

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

As at December 31, 2017 or December 31, 2016, 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

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	December 31, 2017	December 31, 2016
ASSETS		
Current assets		
Investments		
Non-derivative financial assets	2,987,123,491	2,796,645,158
Cash	3,260,192	9,086,344
Receivable for securities sold	2,652,300	–
Subscriptions receivable	1,935,629	2,515,313
Accrued investment income and other	4,458	3,858
	2,994,976,070	2,808,250,673
LIABILITIES		
Current liabilities		
Redemptions payable	2,024,690	2,199,221
Accrued expenses	–	173,785
Distributions payable	19,838	264,950
	2,044,528	2,637,956
Net assets attributable to holders of redeemable units	2,992,931,542	2,805,612,717
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
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
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series A	17.30	16.12
Series F	18.31	17.37
Series T	15.72	15.37

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except average units)	2017	2016
INCOME		
Net gain (loss) on investments		
Dividends	40,335,981	26,557,145
Interest for distribution purposes	29,612,208	32,482,431
Net realized gain (loss) on non-derivative financial assets	51,183,611	167,809,423
Change in unrealized gain (loss) on non-derivative financial assets	150,832,122	(24,784,537)
Net gain (loss) on investments	271,963,922	202,064,462
Other income	25,821	25,022
Total income (loss), net	271,989,743	202,089,484
EXPENSES		
Management fees (note 5)	56,682,908	54,207,495
Fixed administration fees (note 6)	1,162,340	1,084,302
Independent Review Committee fees	1,135	1,184
Foreign withholding taxes/tax reclaims	1,359,168	1,809,894
Other fund costs	–	463
Harmonized Sales Tax/Goods and Services Tax	6,369,596	6,057,252
Total expenses	65,575,147	63,160,590
Increase (decrease) in net assets attributable to holders of redeemable units from operations	206,414,596	138,928,894
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A	206,146,913	138,844,661
Series F	104,035	49,113
Series T	163,648	35,120
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT†		
Series A	1.19	0.83
Series F	1.20	1.12
Series T	0.97	0.97
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series A	173,665,387	166,332,987
Series F	87,043	43,716
Series T	169,317	36,254

† 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 (Continued)

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

For the periods ended December 31 (note 1),

(in dollars)	2017	2016
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series A	2,802,966,150	2,639,485,586
Series F	1,152,696	520,815
Series T	1,493,871	–
	2,805,612,717	2,640,006,401
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A	206,146,913	138,844,661
Series F	104,035	49,113
Series T	163,648	35,120
	206,414,596	138,928,894
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net investment income		
Series A	(1,462,414)	–
Series F	(35,788)	–
Series T	(26,081)	–
From net realized gains on investments		
Series A	–	(118,763,308)
Series F	–	(40,164)
Series T	–	(18,981)
From return of capital		
Series T	(106,864)	(8,015)
	(1,631,147)	(118,830,468)
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A	335,217,128	345,774,237
Series F	1,819,669	772,805
Series T	2,998,196	1,672,145
Reinvested distributions		
Series A	1,455,639	120,021,112
Series F	30,372	27,789
Series T	42,163	8,253
Payments on redemption		
Series A	(357,531,819)	(322,396,138)
Series F	(824,199)	(177,662)
Series T	(671,773)	(194,651)
	(17,464,624)	145,507,890
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A	183,825,447	163,480,564
Series F	1,094,089	631,881
Series T	2,399,289	1,493,871
	187,318,825	165,606,316
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END 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
	2,992,931,542	2,805,612,717

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	206,414,596	138,928,894
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(51,183,611)	(167,809,423)
Change in unrealized (gain) loss on non-derivative financial assets	(150,832,122)	24,784,537
Non-cash transactions	(68,537,732)	(57,174,880)
Purchases of portfolio investments	(149,501,963)	(730,380,531)
Proceeds from sale of portfolio investments	226,924,794	763,795,084
Accrued investment income and other	(600)	1,072
Accrued expenses and other payables	(173,785)	173,785
Net cash provided by (used in) operating activities	13,109,577	(27,681,462)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	338,918,506	347,086,378
Amounts paid on redemption of redeemable units	(357,506,150)	(321,147,566)
Distributions to unitholders of redeemable units	(348,085)	(75,583)
Net cash provided by (used in) financing activities	(18,935,729)	25,863,229
Net increase (decrease) in cash	(5,826,152)	(1,818,233)
Cash (bank overdraft), beginning of period	9,086,344	10,904,577
CASH (BANK OVERDRAFT), END OF PERIOD	3,260,192	9,086,344
Interest received[1]	50,689	55,875

[1] Classified as operating items.

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

Scotia Partners Balanced Growth Portfolio (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2017

Issuer	Number of Units	Average Cost ($)	Carrying Value ($)
CANADIAN EQUITY FUNDS – 28.5%			
CI Cambridge Canadian Equity Corporate Class, Class I	4,721,588	69,230,590	104,394,300
Dynamic Small Business Fund Series O	6,719,497	102,965,102	122,294,842
Dynamic Value Fund of Canada Series O	7,728,466	92,319,986	87,718,088
Scotia Canadian Dividend Fund Series I	4,819,036	203,541,979	302,206,582
Scotia Private Canadian All Cap Equity Pool Series I	9,958,276	100,272,479	107,246,654
Scotia Private Fundamental Canadian Equity Pool Series I	12,271,185	122,697,920	128,328,373
		691,028,056	852,188,839
FIXED INCOME FUNDS – 35.1%			
Dynamic Aurion Total Return Bond Fund Series O	20,978,886	207,349,870	206,222,454
PIMCO Monthly Income Fund (Canada) Series I	12,571,964	183,339,414	180,551,001
Scotia Canadian Income Fund Series I	28,113,213	379,094,385	376,863,237
Scotia Private Canadian Corporate Bond Pool Series I	26,998,475	283,955,069	288,219,522
		1,053,738,738	1,051,856,214
FOREIGN EQUITY FUNDS – 36.2%			
AGF Global Dividend Fund Series O	4,910,307	109,426,167	142,742,616
Dynamic Global Equity Fund Series O	9,506,638	107,849,746	143,930,493
Dynamic Global Infrastructure Fund Series O	4,716,971	84,097,769	96,131,862
Mackenzie Emerging Markets Class Series O	1,264,173	34,876,849	45,440,582
Mackenzie Ivy Foreign Equity Fund Series O	3,442,938	36,847,527	43,762,499
Mackenzie US Mid Cap Growth Class Series O	2,152,120	43,043,577	97,681,266
Mawer International Equity Fund Class O	2,562,731	115,983,367	152,261,337
Mawer U.S. Equity Fund Series O	3,248,749	88,356,166	143,512,829
Scotia Global Growth Fund Series I	1,224,408	60,304,805	97,547,232
Scotia Private Global Credit Pool Series I	12,074,753	119,912,076	120,067,722
		800,698,049	1,083,078,438
TOTAL INVESTMENT PORTFOLIO		2,545,464,843	2,987,123,491
OTHER ASSETS, LESS LIABILITIES – 0.2%			5,808,051
NET ASSETS – 100.0%			2,992,931,542

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

Scotia Partners Balanced Growth Portfolio (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 December 31, 2017, approximately 99.8% (December 31, 2016 – 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 of the Fund would have decreased or increased, respectively, by approximately $298,712,349 (December 31, 2016 – $279,664,516). 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 (%)	
	December 31, 2017	December 31, 2016
Canadian Equity Funds	28.5	28.1
Fixed Income Funds	35.1	39.6
Foreign Equity Funds	36.2	32.0

Fair Value Classification (note 2)

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

December 31, 2017	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Underlying funds	2,987,123,491	–	–	2,987,123,491
	2,987,123,491	–	–	2,987,123,491

December 31, 2016	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Underlying funds	2,796,645,158	–	–	2,796,645,158
	2,796,645,158	–	–	2,796,645,158

Transfers between levels

During the periods ended December 31, 2017 and December 31, 2016, there were no significant transfers between Level 1 and Level 2.

Offsetting of financial assets and liabilities (note 2)

As at December 31, 2017 and December 31, 2016, the Fund did not enter into any agreement whereby the financial instruments were eligible for offset.

Scotia Partners Balanced Growth Portfolio (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.

	December 31, 2017	
Underlying Fund	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 Aurion 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	

	December 31, 2016	
Underlying Fund	Carrying value of the Underlying Fund ($)	Ownership percentage in Underlying Fund (%)
Scotia Private Fundamental Canadian Equity Pool Series I	118,931,602	45.9
Scotia Private Canadian All Cap Equity Pool Series I	97,563,687	31.5
Dynamic Global Equity Fund Series O	133,794,935	21.2
Dynamic Small Business Fund Series O	113,288,866	11.4
Scotia Global Growth Fund Series I	90,605,742	10.0
Dynamic Global Infrastructure Fund Series O	92,700,776	9.9
PIMCO Investment Grade Credit Fund (Canada), Class I	111,822,441	9.7
Dynamic Aurion Total Return Bond Fund Series O	194,155,922	8.7
Mackenzie US Mid Cap Growth Class Series O	88,820,783	6.0
AGF Global Dividend Fund Series O	136,492,492	6.0
Scotia Canadian Income Fund Series I	358,446,530	5.7
Mawer U.S. Equity Fund Class O	131,388,846	5.6
Scotia Private Canadian Corporate Bond Pool Series I	275,181,515	5.0
Dynamic Value Fund of Canada Series O	86,400,462	4.8
Mackenzie Emerging Markets Class Series O	42,496,827	4.5
Mawer International Equity Fund Class O	141,200,608	3.8
Scotia Canadian Dividend Fund Series I	275,140,294	3.4
CI Cambridge Canadian Equity Corporate Class I	98,405,233	2.1
PIMCO Monthly Income Fund (Canada) Class I	168,352,983	1.8
Mackenzie Ivy Foreign Equity Fund Series O	41,454,614	0.9
	2,796,645,158	

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

As at December 31, 2017 or December 31, 2016, 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

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	December 31, 2017	December 31, 2016
ASSETS		
Current assets		
Investments		
Non-derivative financial assets	3,514,670,368	3,267,484,478
Cash	4,420,755	6,169,970
Receivable for securities sold	2,822,500	–
Subscriptions receivable	1,788,532	3,425,583
Accrued investment income and other	11,862	7,822
	3,523,714,017	3,277,087,853
LIABILITIES		
Current liabilities		
Redemptions payable	2,269,819	2,676,405
Accrued expenses	–	216,825
Distributions payable	393	95,223
	2,270,212	2,988,453
Net assets attributable to holders of redeemable units	3,521,443,805	3,274,099,400
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series A	3,517,109,444	3,270,878,145
Series F	3,653,526	2,912,642
Series T	680,835	308,613
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series A	22.15	20.20
Series F	24.63	22.21
Series T	15.82	15.18

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except average units)	2017	2016
INCOME		
Net gain (loss) on investments		
Dividends	45,048,074	54,647,684
Interest for distribution purposes	22,010,746	3,708,388
Net realized gain (loss) on non-derivative financial assets	81,805,061	196,331,361
Change in unrealized gain (loss) on non-derivative financial assets	246,702,154	8,615,117
Net gain (loss) on investments	395,566,035	263,302,550
Other income	21,661	22,336
Total income (loss), net	395,587,696	263,324,886
EXPENSES		
Management fees (note 5)	69,830,844	68,039,437
Fixed administration fees (note 6)	1,361,600	1,266,381
Independent Review Committee fees	1,135	1,184
Foreign withholding taxes/tax reclaims	2,240,366	3,297,545
Other fund costs	–	541
Harmonized Sales Tax/Goods and Services Tax	7,510,827	7,261,535
Total expenses	80,944,772	79,866,623
Increase (decrease) in net assets attributable to holders of redeemable units from operations	314,642,924	183,458,263
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A	314,267,046	183,251,400
Series F	332,920	201,581
Series T	42,958	5,282
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT†		
Series A	1.96	1.15
Series F	2.43	1.55
Series T	1.32	0.58
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series A	160,576,561	159,394,178
Series F	136,874	130,266
Series T	32,496	9,133

† 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 Growth Portfolio (Continued)

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

For the periods ended December 31 (note 1),

(in dollars)	2017	2016
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series A	3,270,878,145	3,139,079,192
Series F	2,912,642	2,724,438
Series T	308,613	–
	3,274,099,400	3,141,803,630
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A	314,267,046	183,251,400
Series F	332,920	201,581
Series T	42,958	5,282
	314,642,924	183,458,263
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net realized gains on investments		
Series A	–	(88,732,067)
Series F	–	(109,522)
Series T	–	(13,867)
From return of capital		
Series T	(25,221)	–
	(25,221)	(88,855,456)
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A	343,495,304	331,133,816
Series F	868,056	747,873
Series T	470,204	318,863
Reinvested distributions		
Series A	(2,736)	91,888,332
Series F	–	120,482
Series T	22,898	13,335
Payments on redemption		
Series A	(411,528,315)	(385,742,528)
Series F	(460,092)	(772,210)
Series T	(138,617)	(15,000)
	(67,273,298)	37,692,963
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A	246,231,299	131,798,953
Series F	740,884	188,204
Series T	372,222	308,613
	247,344,405	132,295,770
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END 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
	3,521,443,805	3,274,099,400

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	314,642,924	183,458,263
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(81,805,061)	(196,331,361)
Change in unrealized (gain) loss on non-derivative financial assets	(246,702,154)	(8,615,117)
Non-cash transactions	(64,755,456)	(54,987,749)
Purchases of portfolio investments	(114,910,774)	(741,519,699)
Proceeds from sale of portfolio investments	258,165,055	872,890,129
Accrued investment income and other	(4,040)	(4,505)
Accrued expenses and other payables	(216,825)	216,825
Net cash provided by (used in) operating activities	64,413,669	55,106,786
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	345,851,287	330,240,025
Amounts paid on redemption of redeemable units	(411,914,282)	(384,834,740)
Distributions to unitholders of redeemable units	(99,889)	(63,658)
Net cash provided by (used in) financing activities	(66,162,884)	(54,658,373)
Net increase (decrease) in cash	(1,749,215)	448,413
Cash (bank overdraft), beginning of period	6,169,970	5,721,557
CASH (BANK OVERDRAFT), END OF PERIOD	4,420,755	6,169,970
Interest received[1]	58,958	66,271

[1] Classified as operating items.

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

Scotia Partners Growth Portfolio (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2017

Issuer	Number of Units	Average Cost ($)	Carrying Value ($)
CANADIAN EQUITY FUNDS – 33.2%			
CI Cambridge Canadian Equity Corporate Class, Class I	11,783,134	151,659,464	260,525,101
Dynamic Small Business Fund Series O	9,864,105	162,701,987	179,526,712
Dynamic Value Fund of Canada Series O	15,051,935	150,982,757	170,839,466
Scotia Canadian Dividend Fund Series I	4,755,579	204,145,352	298,227,095
Scotia Private Canadian All Cap Equity Pool Series I	13,358,443	134,400,740	143,865,092
Scotia Private Fundamental Canadian Equity Pool Series I	11,018,582	110,198,275	115,229,026
		914,088,575	1,168,212,492
FIXED INCOME FUNDS – 21.8%			
Dynamic Aurion Total Return Bond Fund Series O	13,193,338	129,811,663	129,690,512
PIMCO Monthly Income Fund (Canada) Series I	9,100,306	132,831,248	130,693,134
Scotia Canadian Income Fund Series I	22,196,072	298,477,303	297,542,782
Scotia Private Canadian Corporate Bond Pool Series I	19,747,700	209,603,141	210,814,601
		770,723,355	768,741,029
FOREIGN EQUITY FUNDS – 44.8%			
Dynamic Global Equity Fund Series O	15,289,202	177,504,878	231,478,513
Dynamic Global Infrastructure Fund Series O	3,359,291	60,279,322	68,462,344
Invesco International Growth Fund Series I	14,765,199	103,080,906	149,660,056
Mackenzie Emerging Markets Class Series O	3,742,765	102,513,236	134,533,307
Mackenzie US Mid Cap Growth Class Series O	3,517,422	79,984,305	159,650,143
Mawer International Equity Fund Class O	3,764,636	167,664,066	223,670,968
Mawer U.S. Equity Fund Series O	4,779,040	132,800,632	211,113,138
Scotia Global Growth Fund Series I	2,793,638	148,966,939	222,566,028
Scotia Private Global Credit Pool Series I	8,771,490	87,107,969	87,221,067
Trimark Global Endeavour Fund Series I	2,240,024	46,325,578	89,361,283
		1,106,227,831	1,577,716,847
TOTAL INVESTMENT PORTFOLIO		2,791,039,761	3,514,670,368
OTHER ASSETS, LESS LIABILITIES – 0.2%			6,773,437
NET ASSETS – 100.0%			3,521,443,805

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

Scotia Partners Growth Portfolio (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 December 31, 2017, approximately 99.8% (December 31, 2016 – 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 of the Fund would have decreased or increased, respectively, by approximately $351,467,037 (December 31, 2016 – $326,748,448). 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 exposures 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:

	Percentage of net assets (%)	
	December 31, 2017	December 31, 2016
Canadian Equity Funds	33.2	33.0
Fixed Income Funds	21.8	24.8
Foreign Equity Funds	44.8	42.0

Fair Value Classification (note 2)

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

December 31, 2017	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Underlying funds	3,514,670,368	–	–	3,514,670,368
	3,514,670,368	–	–	3,514,670,368

December 31, 2016	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Underlying funds	3,267,484,478	–	–	3,267,484,478
	3,267,484,478	–	–	3,267,484,478

Transfers between levels

During the periods ended December 31, 2017 and December 31, 2016, there were no significant transfers between Level 1 and Level 2.

Offsetting of financial assets and liabilities (note 2)

As at December 31, 2017 and December 31, 2016, the Fund did not enter into any agreement whereby the financial instruments were eligible for offset.

Scotia Partners Growth Portfolio (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.

	December 31, 2017	
Underlying Fund	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 Aurion 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	

	December 31, 2016	
Underlying Fund	Carrying value of the Underlying Fund ($)	Ownership percentage in Underlying Fund (%)
Scotia Private Canadian All Cap Equity Pool Series I	130,769,625	42.2
Scotia Private Fundamental Canadian Equity Pool Series I	106,052,273	40.9
Dynamic Global Equity Fund Series O	212,852,117	33.8
Invesco International Growth Fund Series I	137,229,003	33.2
Scotia Global Growth Fund Series I	205,059,862	22.5
Dynamic Small Business Fund Series O	163,662,827	16.4
Mackenzie Emerging Markets Class Series O	124,209,253	13.2
Mackenzie US Mid Cap Growth Class Series O	145,870,817	9.8
Dynamic Value Fund of Canada Series O	165,368,182	9.2
Mawer U.S. Equity Fund Class O	195,072,664	8.3
Dynamic Global Infrastructure Fund Series O	66,365,493	7.1
PIMCO Investment Grade Credit Fund (Canada), Class I	81,711,087	7.1
Trimark Global Endeavour Fund Series I	81,796,548	5.8
Mawer International Equity Fund Class O	206,731,157	5.5
Dynamic Aurion Total Return Bond Fund Series O	122,040,021	5.4
CI Cambridge Canadian Equity Corporate Class I	245,497,263	5.3
Scotia Canadian Income Fund Series I	282,104,289	4.5
Scotia Private Canadian Corporate Bond Pool Series I	202,268,645	3.7
Scotia Canadian Dividend Fund Series I	270,471,430	3.4
PIMCO Monthly Income Fund (Canada) Class I	122,351,922	1.3
	3,267,484,478	

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

As at December 31, 2017 or December 31, 2016, 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

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	December 31, 2017	December 31, 2016
ASSETS		
Current assets		
Investments		
Non-derivative financial assets	936,486,892	839,948,747
Cash	1,935,226	2,712,946
Receivable for securities sold	261,000	–
Subscriptions receivable	774,713	970,496
Accrued investment income and other	1,892	2,143
	939,459,723	843,634,332
LIABILITIES		
Current liabilities		
Redemptions payable	714,378	927,471
Accrued expenses	–	60,909
Distributions payable	156	6,825
	714,534	995,205
Net assets attributable to holders of redeemable units	938,745,189	842,639,127
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series A	937,384,237	841,779,584
Series F	1,173,042	738,966
Series T	187,910	120,577
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series A	24.90	22.45
Series F	27.85	24.84
Series T	16.94	16.03

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except average units)	2017	2016
INCOME		
Net gain (loss) on investments		
Dividends	12,136,418	6,247,144
Interest for distribution purposes	2,561,989	2,973,709
Net realized gain (loss) on non-derivative financial assets	20,847,574	56,625,248
Change in unrealized gain (loss) on non-derivative financial assets	79,245,033	5,992,144
Net gain (loss) on investments	114,791,014	71,838,245
Other income	9,962	6,666
Total income (loss), net	114,800,976	71,844,911
EXPENSES		
Management fees (note 5)	19,209,891	18,861,127
Fixed administration fees (note 6)	446,006	401,428
Independent Review Committee fees	1,135	1,184
Foreign withholding taxes/tax reclaims	714,843	879,704
Other fund costs	–	137
Harmonized Sales Tax/Goods and Services Tax	1,967,987	1,923,750
Total expenses	22,339,862	22,067,330
Increase (decrease) in net assets attributable to holders of redeemable units from operations	92,461,114	49,777,581
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A	92,336,921	49,727,667
Series F	106,506	45,038
Series T	17,687	4,876
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT†		
Series A	2.45	1.34
Series F	2.80	1.81
Series T	1.60	1.40
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series A	37,648,052	37,200,791
Series F	38,003	24,848
Series T	11,040	3,487

† 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 Maximum Growth Portfolio (Continued)

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

For the periods ended December 31 (note 1),

(in dollars)	2017	2016
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series A	841,779,584	787,091,534
Series F	738,966	519,650
Series T	120,577	–
	842,639,127	787,611,184
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A	92,336,921	49,727,667
Series F	106,506	45,038
Series T	17,687	4,876
	92,461,114	49,777,581
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net realized gains on investments		
Series A	–	(9,692,309)
Series F	–	(17,707)
Series T	–	(2,528)
From return of capital		
Series T	(8,396)	–
	(8,396)	(9,712,544)
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A	118,574,944	108,745,923
Series F	835,766	278,085
Series T	103,392	127,008
Reinvested distributions		
Series A	(295)	9,686,090
Series F	–	17,236
Series T	5,185	1,221
Payments on redemption		
Series A	(115,306,917)	(103,779,321)
Series F	(508,196)	(103,336)
Series T	(50,535)	(10,000)
	3,653,344	14,962,906
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A	95,604,653	54,688,050
Series F	434,076	219,316
Series T	67,333	120,577
	96,106,062	55,027,943
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series A	937,384,237	841,779,584
Series F	1,173,042	738,966
Series T	187,910	120,577
	938,745,189	842,639,127

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	92,461,114	49,777,581
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(20,847,574)	(56,625,248)
Change in unrealized (gain) loss on non-derivative financial assets	(79,245,033)	(5,992,144)
Non-cash transactions	(13,964,859)	(8,322,361)
Purchases of portfolio investments	(39,619,288)	(251,321,315)
Proceeds from sale of portfolio investments	56,877,608	267,847,666
Accrued investment income and other	251	(1,016)
Accrued expenses and other payables	(60,909)	60,909
Net cash provided by (used in) operating activities	(4,398,690)	(4,575,928)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	118,906,546	108,709,150
Amounts paid on redemption of redeemable units	(115,275,401)	(103,080,793)
Distributions to unitholders of redeemable units	(10,175)	(1,172)
Net cash provided by (used in) financing activities	3,620,970	5,627,185
Net increase (decrease) in cash	(777,720)	1,051,257
Cash (bank overdraft), beginning of period	2,712,946	1,661,689
CASH (BANK OVERDRAFT), END OF PERIOD	1,935,226	2,712,946
Interest received[1]	18,956	17,773

[1] Classified as operating items.

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

Scotia Partners Maximum Growth Portfolio (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2017

Issuer	Number of Units	Average Cost ($)	Carrying Value ($)
CANADIAN EQUITY FUNDS – 39.7%			
CI Cambridge Canadian Equity Corporate Class, Class I	4,934,386	70,912,741	109,099,277
Dynamic Small Business Fund Series O	3,080,194	51,057,911	56,059,535
Dynamic Value Fund of Canada Series O	4,786,512	49,233,865	54,326,906
Scotia Canadian Dividend Fund Series I	918,081	40,801,870	57,573,751
Scotia Private Canadian All Cap Equity Pool Series I	5,344,131	54,117,924	57,554,152
Scotia Private Fundamental Canadian Equity Pool Series I	3,596,132	36,183,107	37,607,264
		302,307,418	372,220,885
FIXED INCOME FUNDS – 7.2%			
Scotia Canadian Income Fund Series I	3,358,741	45,321,435	45,024,594
Scotia Private Canadian Corporate Bond Pool Series I	2,083,894	22,526,873	22,246,403
		67,848,308	67,270,997
FOREIGN EQUITY FUNDS – 52.9%			
Dynamic Global Equity Fund Series O	4,733,478	54,039,879	71,664,857
Dynamic Global Infrastructure Fund Series O	1,123,881	19,848,073	22,904,692
Invesco International Growth Fund Series I	4,663,357	33,360,615	47,267,784
Mackenzie Emerging Markets Class Series O	1,203,742	33,095,050	43,268,378
Mackenzie US Mid Cap Growth Class Series O	1,070,740	27,518,115	48,599,167
Mawer International Equity Fund Class O	1,204,203	54,592,765	71,546,157
Mawer U.S. Equity Fund Series O	1,546,985	43,956,996	68,337,771
Scotia Global Growth Fund Series I	895,803	49,831,205	71,367,653
Scotia Private Global Credit Pool Series I	2,335,240	23,190,814	23,220,930
Trimark Global Endeavour Fund Series I	722,373	16,081,579	28,817,621
		355,515,091	496,995,010
TOTAL INVESTMENT PORTFOLIO		725,670,817	936,486,892
OTHER ASSETS, LESS LIABILITIES – 0.2%			2,258,297
NET ASSETS – 100.0%			938,745,189

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

Scotia Partners Maximum Growth Portfolio (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 December 31, 2017, approximately 99.8% (December 31, 2016 – 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 of the Fund would have decreased or increased, respectively, by approximately $93,648,689 (December 31, 2016 – $83,994,875). 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 (%)	
	December 31, 2017	December 31, 2016
Canadian Equity Funds	39.7	40.0
Fixed Income Funds	7.2	9.9
Foreign Equity Funds	52.9	49.8

Fair Value Classification (note 2)

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

December 31, 2017	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Underlying funds	936,486,892	–	–	936,486,892
	936,486,892	–	–	936,486,892

December 31, 2016	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Underlying funds	839,948,747	–	–	839,948,747
	839,948,747	–	–	839,948,747

Transfers between levels

During the periods ended December 31, 2017 and December 31, 2016, there were no significant transfers between Level 1 and Level 2.

Offsetting of financial assets and liabilities (note 2)

As at December 31, 2017 and December 31, 2016, the Fund did not enter into any agreement whereby the financial instruments were eligible for offset.

Scotia Partners Maximum Growth Portfolio (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.

	December 31, 2017	
Underlying Fund	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	

	December 31, 2016	
Underlying Fund	Carrying value of the Underlying Fund ($)	Ownership percentage in Underlying Fund (%)
Scotia Private Canadian All Cap Equity Pool Series I	49,523,721	16.0
Scotia Private Fundamental Canadian Equity Pool Series I	33,496,588	12.9
Invesco International Growth Fund Series I	42,670,335	10.3
Dynamic Global Equity Fund Series O	62,939,196	10.0
Scotia Global Growth Fund Series I	62,653,844	6.9
Dynamic Small Business Fund Series O	50,374,343	5.0
Mackenzie Emerging Markets Class Series O	38,282,306	4.1
Dynamic Value Fund of Canada Series O	51,971,341	2.9
Mackenzie US Mid Cap Growth Class Series O	43,167,220	2.9
Mawer U.S. Equity Fund Class O	60,215,606	2.6
Dynamic Global Infrastructure Fund Series O	21,375,847	2.3
CI Cambridge Canadian Equity Corporate Class I	101,143,725	2.2
PIMCO Investment Grade Credit Fund (Canada), Class I	21,026,661	1.8
Trimark Global Endeavour Fund Series I	25,418,497	1.8
Mawer International Equity Fund Class O	62,811,244	1.7
Scotia Canadian Income Fund Series I	41,378,655	0.7
Scotia Canadian Dividend Fund Series I	50,881,192	0.6
Scotia Private Canadian Corporate Bond Pool Series I	20,618,426	0.4
	839,948,747	

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

As at December 31, 2017 or December 31, 2016, 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

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	December 31, 2017	December 31, 2016
ASSETS		
Current assets		
Investments		
Non-derivative financial assets	1,873,804,756	1,991,437,872
Cash	191,291	5,736,913
Receivable for securities sold	3,775,250	–
Subscriptions receivable	400,610	975,153
Accrued investment income and other	1,266	2,781
	1,878,173,173	1,998,152,719
LIABILITIES		
Current liabilities		
Redemptions payable	2,721,376	2,351,839
Accrued expenses	–	98,686
Distributions payable	782,515	901,679
	3,503,891	3,352,204
Net assets attributable to holders of redeemable units	1,874,669,282	1,994,800,515
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series A	1,614,302,633	1,704,394,906
Series T	260,366,649	290,405,609
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series A	13.19	13.00
Series T	16.18	16.22

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except average units)	2017	2016
INCOME		
Net gain (loss) on investments		
Dividends	15,190,981	16,510,987
Interest for distribution purposes	39,082,117	45,261,060
Net realized gain (loss) on non-derivative financial assets	30,288,223	16,815,060
Change in unrealized gain (loss) on non-derivative financial assets	4,537,685	14,724,504
Net gain (loss) on investments	89,099,006	93,311,611
Other income	19,658	30,563
Total income (loss), net	89,118,664	93,342,174
EXPENSES		
Management fees (note 5)	30,939,552	31,571,490
Fixed administration fees (note 6)	580,117	591,966
Independent Review Committee fees	1,135	1,184
Interest expense and bank overdraft charges	117	–
Foreign withholding taxes/tax reclaims	217,291	211,276
Other fund costs	268,184	284,803
Harmonized Sales Tax/Goods and Services Tax	3,393,371	3,449,453
Total expenses	35,399,767	36,110,172
Increase (decrease) in net assets attributable to holders of redeemable units from operations	53,718,897	57,232,002
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A	45,953,443	56,389,269
Series T	7,765,454	842,733
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT†		
Series A	0.36	0.44
Series T	0.46	0.05
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series A	126,031,591	129,342,088
Series T	17,023,339	17,618,232

† 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.

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

Scotia INNOVA Income Portfolio (Continued)

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

For the periods ended December 31 (note 1),

(in dollars)	2017	2016
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series A	1,704,394,906	1,677,414,436
Series T	290,405,609	287,802,139
	1,994,800,515	1,965,216,575
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A	45,953,443	56,389,269
Series T	7,765,454	842,733
	53,718,897	57,232,002
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net investment income		
Series A	(15,437,758)	(21,081,413)
Series T	(2,380,704)	(3,651,737)
From net realized gains on investments		
Series A	(5,481,607)	(1,889,500)
Series T	(887,162)	(322,932)
From return of capital		
Series T	(5,042,290)	(4,679,845)
	(29,229,521)	(31,625,427)
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A	175,961,913	226,513,422
Series T	30,135,155	50,537,851
Reinvested distributions		
Series A	20,527,341	23,275,349
Series T	3,302,479	3,373,267
Payments on redemption		
Series A	(311,615,605)	(256,226,657)
Series T	(62,931,892)	(43,495,867)
	(144,620,609)	3,977,365
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A	(90,092,273)	26,980,470
Series T	(30,038,960)	2,603,470
	(120,131,233)	29,583,940
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series A	1,614,302,633	1,704,394,906
Series T	260,366,649	290,405,609
	1,874,669,282	1,994,800,515

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	53,718,897	57,232,002
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(30,288,223)	(16,815,060)
Change in unrealized (gain) loss on non-derivative financial assets	(4,537,685)	(14,724,504)
Non-cash transactions	(54,031,898)	(61,523,916)
Purchases of portfolio investments	(231,816)	(44,946,167)
Proceeds from sale of portfolio investments	202,947,488	113,418,538
Accrued investment income and other	1,515	(1,223)
Accrued expenses and other payables	(98,686)	98,686
Net cash provided by (used in) operating activities	167,479,592	32,738,356
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	203,841,610	274,951,975
Amounts paid on redemption of redeemable units	(371,347,959)	(296,471,722)
Distributions to unitholders of redeemable units	(5,518,865)	(6,712,799)
Net cash provided by (used in) financing activities	(173,025,214)	(28,232,546)
Net increase (decrease) in cash	(5,545,622)	4,505,810
Cash (bank overdraft), beginning of period	5,736,913	1,231,103
CASH (BANK OVERDRAFT), END OF PERIOD	191,291	5,736,913
Interest paid[1]	117	–
Interest received[1]	25,425	35,632

[1] Classified as operating items.

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

Scotia INNOVA Income Portfolio (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2017

Issuer	Number of Units	Average Cost ($)	Carrying Value ($)
CANADIAN EQUITY FUNDS – 9.9%			
1832 AM Canadian Dividend LP Series I	2,648,065	26,661,325	28,102,061
Scotia Canadian Dividend Fund Series I	1,939,992	79,729,908	121,658,841
Scotia Private Canadian Equity Pool Series I	1,187,259	13,733,659	16,426,083
Scotia Private Canadian Small Cap Pool Series I	450,813	12,041,591	18,778,312
		132,166,483	184,965,297
FIXED INCOME FUNDS – 75.2%			
1832 AM North American Preferred Share LP Series I	2,289,665	26,169,556	28,262,714
Scotia Canadian Income Fund Series I	26,604,476	358,057,353	356,638,319
Scotia Floating Rate Income Fund Series I	21,377,568	213,506,071	211,994,929
Scotia Private American Core-Plus Bond Pool Series I	11,836,876	109,481,379	112,600,650
Scotia Private Canadian Corporate Bond Pool Series I	27,282,176	292,188,759	291,248,143
Scotia Private High Yield Income Pool Series I	6,255,745	58,267,423	56,286,690
Scotia Private Short-Mid Government Bond Pool Series I	13,718,994	147,200,454	140,817,243
Scotia Total Return Bond LP Series I	17,518,455	211,402,512	211,316,369
		1,416,273,507	1,409,165,057
FOREIGN EQUITY FUNDS – 14.9%			
1832 AM Global Completion LP Series I	2,438,584	29,955,955	37,238,398
Scotia Global Low Volatility Equity LP Series I	4,678,136	61,168,720	74,790,303
Scotia Private International Equity Pool Series I	2,700,859	28,023,152	37,279,418
Scotia Private Options Income Pool Series I	5,407,849	54,531,751	56,037,212
Scotia U.S. Low Volatility Equity LP Series I	4,942,947	69,357,440	74,329,071
		243,037,018	279,674,402
TOTAL INVESTMENT PORTFOLIO		1,791,477,008	1,873,804,756
OTHER ASSETS, LESS LIABILITIES – 0.0%			864,526
NET ASSETS – 100.0%			1,874,669,282

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

Scotia INNOVA Income Portfolio (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 December 31, 2017, approximately 100.0% (December 31, 2016 – 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 of the Fund would have decreased or increased, respectively, by approximately $187,380,476 (December 31, 2016 – $199,143,787). 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 (%)	
	December 31, 2017	December 31, 2016
Canadian Equity Funds	9.9	11.8
Fixed Income Funds	75.2	72.7
Foreign Equity Funds	14.9	15.3

Fair Value Classification (note 2)

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

December 31, 2017	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Underlying funds	1,873,804,756	–	–	1,873,804,756
	1,873,804,756	–	–	1,873,804,756

December 31, 2016	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Underlying funds	1,991,437,872	–	–	1,991,437,872
	1,991,437,872	–	–	1,991,437,872

Transfers between levels

During the periods ended December 31, 2017 and December 31, 2016, there were no significant transfers between Level 1 and Level 2.

Offsetting of financial assets and liabilities (note 2)

As at December 31, 2017 and December 31, 2016, the Fund did not enter into any agreement whereby the financial instruments were eligible for offset.

Scotia INNOVA Income Portfolio (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.

	December 31, 2017	
Underlying Fund	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	

	December 31, 2016	
Underlying Fund	Carrying value of the Underlying Fund ($)	Ownership percentage in Underlying Fund (%)
Scotia Total Return Bond LP Series I	220,618,829	24.7
Scotia Floating Rate Income Fund Series I	226,232,590	18.5
Scotia Private American Core-Plus Bond Pool Series I	117,854,685	14.6
1832 AM North American Preferred Share LP Series I	31,290,102	12.4
Scotia Private Short-Mid Government Bond Pool Series I	147,657,700	11.5
1832 AM Global Completion LP Series I	40,196,924	9.3
Scotia U.S. Low Volatility Equity LP Series I	81,938,315	8.6
Scotia Global Low Volatility Equity LP Series I	81,183,976	8.5
Scotia Private Options Income Pool Series I	60,042,875	7.5
Scotia Canadian Income Fund Series I	369,618,621	5.9
Scotia Private Canadian Corporate Bond Pool Series I	307,663,738	5.6
1832 AM Canadian Dividend LP Series I	31,001,641	5.4
Scotia Private High Yield Income Pool Series I	61,230,483	4.9
Scotia Private International Equity Pool Series I	41,202,035	3.7
Scotia Private Canadian Equity Pool Series I	20,465,990	3.3
Scotia Private Canadian Small Cap Pool Series I	20,664,058	3.1
Scotia Canadian Dividend Fund Series I	132,575,310	1.6
	1,991,437,872	

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

As at December 31, 2017 or December 31, 2016, 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

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	December 31, 2017	December 31, 2016
ASSETS		
Current assets		
Investments		
Non-derivative financial assets	2,871,066,602	2,826,141,846
Cash	3,128,142	12,680,516
Receivable for securities sold	1,534,250	–
Subscriptions receivable	1,996,597	2,383,918
Accrued investment income and other	2,338	5,535
	2,877,727,929	2,841,211,815
LIABILITIES		
Current liabilities		
Redemptions payable	2,261,390	2,691,266
Accrued expenses	–	149,031
Distributions payable	1,167,628	1,265,613
	3,429,018	4,105,910
Net assets attributable to holders of redeemable units	2,874,298,911	2,837,105,905
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series A	2,492,776,440	2,432,646,292
Series T	381,522,471	404,459,613
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series A	14.59	14.16
Series T	16.09	16.03

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except average units)	2017	2016
INCOME		
Net gain (loss) on investments		
Dividends	33,285,679	33,223,128
Interest for distribution purposes	46,867,714	50,714,962
Net realized gain (loss) on non-derivative financial assets	40,654,222	23,558,503
Change in unrealized gain (loss) on non-derivative financial assets	45,024,169	39,698,952
Net gain (loss) on investments	165,831,784	147,195,545
Other income	28,679	10,611
Total income (loss), net	165,860,463	147,206,156
EXPENSES		
Management fees (note 5)	48,943,609	46,531,800
Fixed administration fees (note 6)	863,711	823,247
Independent Review Committee fees	1,135	1,184
Interest expense and bank overdraft charges	934	–
Foreign withholding taxes/tax reclaims	644,786	616,486
Other fund costs	594,525	574,524
Harmonized Sales Tax/Goods and Services Tax	5,397,850	5,136,352
Total expenses	56,446,550	53,683,593
Increase (decrease) in net assets attributable to holders of redeemable units from operations	109,413,913	93,522,563
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A	91,987,619	80,262,502
Series T	17,426,294	13,260,061
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT†		
Series A	0.53	0.48
Series T	0.70	0.54
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series A	172,114,567	167,059,991
Series T	25,071,438	24,544,090

† 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 December 31 (note 1),

(in dollars)	2017	2016
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series A	2,432,646,292	2,273,248,403
Series T	404,459,613	384,484,047
	2,837,105,905	2,657,732,450
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A	91,987,619	80,262,502
Series T	17,426,294	13,260,061
	109,413,913	93,522,563
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net investment income		
Series A	(18,839,298)	(24,692,706)
Series T	(2,424,462)	(3,999,662)
From return of capital		
Series T	(13,797,534)	(11,958,301)
	(35,061,294)	(40,650,669)
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A	376,238,870	410,816,739
Series T	65,179,648	96,721,632
Reinvested distributions		
Series A	18,587,175	25,955,639
Series T	5,015,555	4,849,979
Payments on redemption		
Series A	(407,844,218)	(332,944,285)
Series T	(94,336,643)	(78,898,143)
	(37,159,613)	126,501,561
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A	60,130,148	159,397,889
Series T	(22,937,142)	19,975,566
	37,193,006	179,373,455
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series A	2,492,776,440	2,432,646,292
Series T	381,522,471	404,459,613
	2,874,298,911	2,837,105,905

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	109,413,913	93,522,563
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(40,654,222)	(23,558,503)
Change in unrealized (gain) loss on non-derivative financial assets	(45,024,169)	(39,698,952)
Non-cash transactions	(79,457,713)	(83,256,158)
Purchases of portfolio investments	(32,002,927)	(113,654,894)
Proceeds from sale of portfolio investments	150,680,024	83,856,500
Accrued investment income and other	3,197	(868)
Accrued expenses and other payables	(149,031)	149,031
Net cash provided by (used in) operating activities	62,809,072	(82,641,281)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	438,211,159	503,701,963
Amounts paid on redemption of redeemable units	(499,016,056)	(407,343,156)
Distributions to unitholders of redeemable units	(11,556,549)	(13,364,645)
Net cash provided by (used in) financing activities	(72,361,446)	82,994,162
Net increase (decrease) in cash	(9,552,374)	352,881
Cash (bank overdraft), beginning of period	12,680,516	12,327,635
CASH (BANK OVERDRAFT), END OF PERIOD	3,128,142	12,680,516
Interest paid[1]	934	–
Interest received[1]	54,091	64,578

[1] Classified as operating items.

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

Scotia INNOVA Balanced Income Portfolio (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2017

Issuer	Number of Units	Average Cost ($)	Carrying Value ($)
CANADIAN EQUITY FUNDS – 15.0%			
1832 AM Canadian Dividend LP Series I	7,499,271	75,927,795	79,584,512
Scotia Canadian Dividend Fund Series I	3,669,514	158,740,008	230,118,903
Scotia Private Canadian Equity Pool Series I	4,131,767	48,201,392	57,164,230
Scotia Private Canadian Small Cap Pool Series I	1,575,002	43,441,841	65,605,626
		326,311,036	432,473,271
FIXED INCOME FUNDS – 59.9%			
1832 AM North American Preferred Share LP Series I	4,647,789	54,490,408	57,370,454
Scotia Canadian Income Fund Series I	30,043,842	405,327,790	402,743,713
Scotia Floating Rate Income Fund Series I	20,963,518	209,351,759	207,888,916
Scotia Private American Core-Plus Bond Pool Series I	18,163,823	168,328,233	172,787,000
Scotia Private Canadian Corporate Bond Pool Series I	30,897,309	333,204,732	329,841,133
Scotia Private High Yield Income Pool Series I	12,553,006	117,376,914	112,946,927
Scotia Private Short-Mid Government Bond Pool Series I	16,660,925	177,175,313	171,014,404
Scotia Total Return Bond LP Series I	22,041,290	268,394,452	265,873,066
		1,733,649,601	1,720,465,613
FOREIGN EQUITY FUNDS – 25.0%			
1832 AM Global Completion LP Series I	5,162,778	64,556,539	78,838,206
Scotia Global Low Volatility Equity LP Series I	11,738,137	153,479,195	187,659,944
Scotia Private International Equity Pool Series I	9,339,523	101,665,670	128,911,569
Scotia Private Options Income Pool Series I	10,452,729	105,076,873	108,313,264
Scotia U.S. Dividend Growers LP Series I	4,226,010	64,093,857	71,190,098
Scotia U.S. Low Volatility Equity LP Series I	9,523,896	134,373,884	143,214,637
		623,246,018	718,127,718
TOTAL INVESTMENT PORTFOLIO		2,683,206,655	2,871,066,602
OTHER ASSETS, LESS LIABILITIES – 0.1%			3,232,309
NET ASSETS – 100.0%			2,874,298,911

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

Scotia INNOVA Balanced Income Portfolio (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 December 31, 2017, approximately 99.9% (December 31, 2016 – 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 of the Fund would have decreased or increased, respectively, by approximately $287,106,660 (December 31, 2016 – $282,614,185). 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 (%)	
	December 31, 2017	December 31, 2016
Canadian Equity Funds	15.0	17.4
Fixed Income Funds	59.9	57.1
Foreign Equity Funds	25.0	25.1

Fair Value Classification (note 2)

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

December 31, 2017	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Underlying funds	2,871,066,602	–	–	2,871,066,602
	2,871,066,602	–	–	2,871,066,602

December 31, 2016	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Underlying funds	2,826,141,846	–	–	2,826,141,846
	2,826,141,846	–	–	2,826,141,846

Transfers between levels

During the periods ended December 31, 2017 and December 31, 2016, there were no significant transfers between Level 1 and Level 2.

Offsetting of financial assets and liabilities (note 2)

As at December 31, 2017 and December 31, 2016, the Fund did not enter into any agreement whereby the financial instruments were eligible for offset.

Scotia INNOVA Balanced Income Portfolio (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.

	December 31, 2017	
Underlying Fund	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
	2,871,066,602	

	December 31, 2016	
Underlying Fund	Carrying value of the Underlying Fund ($)	Ownership percentage in Underlying Fund (%)
Scotia Total Return Bond LP Series I	255,859,259	28.6
1832 AM North American Preferred Share LP Series I	59,608,725	23.6
Scotia Private American Core-Plus Bond Pool Series I	169,075,879	20.9
Scotia Global Low Volatility Equity LP Series I	185,638,767	19.5
1832 AM Global Completion LP Series I	77,808,595	17.9
Scotia Floating Rate Income Fund Series I	204,405,133	16.8
1832 AM Canadian Dividend LP Series I	87,605,725	15.2
Scotia U.S. Low Volatility Equity LP Series I	141,604,039	14.9
Scotia Private Options Income Pool Series I	105,940,446	13.3
Scotia U.S. Dividend Growers LP Series I	70,323,815	13.0
Scotia Private Short-Mid Government Bond Pool Series I	165,954,944	12.9
Scotia Private International Equity Pool Series I	131,257,450	11.7
Scotia Private Canadian Equity Pool Series I	65,828,935	10.5
Scotia Private Canadian Small Cap Pool Series I	66,402,849	9.8
Scotia Private High Yield Income Pool Series I	115,661,610	9.3
Scotia Canadian Income Fund Series I	388,714,778	6.2
Scotia Private Canadian Corporate Bond Pool Series I	320,217,414	5.8
Scotia Canadian Dividend Fund Series I	214,233,483	2.7
	2,826,141,846	

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

As at December 31, 2017 or December 31, 2016, 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

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	December 31, 2017	December 31, 2016
ASSETS		
Current assets		
Investments		
Non-derivative financial assets	3,814,368,186	3,558,095,087
Cash	3,257,458	15,556,852
Receivable for securities sold	3,439,600	–
Subscriptions receivable	2,308,097	2,418,173
Accrued investment income and other	5,888	6,521
	3,823,379,229	3,576,076,633
LIABILITIES		
Current liabilities		
Redemptions payable	3,203,203	2,705,322
Accrued expenses	–	198,412
Distributions payable	1,081,999	1,165,608
	4,285,202	4,069,342
Net assets attributable to holders of redeemable units	3,819,094,027	3,572,007,291
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series A	3,481,422,937	3,240,284,874
Series T	337,671,090	331,722,417
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series A	16.24	15.42
Series T	15.87	15.69

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except average units)	2017	2016
INCOME		
Net gain (loss) on investments		
Dividends	60,588,249	55,615,986
Interest for distribution purposes	42,606,627	45,472,220
Net realized gain (loss) on non-derivative financial assets	64,084,303	32,906,560
Change in unrealized gain (loss) on non-derivative financial assets	123,479,848	71,407,829
Net gain (loss) on investments	290,759,027	205,402,595
Other income	24,273	20,397
Total income (loss), net	290,783,300	205,422,992
EXPENSES		
Management fees (note 5)	66,585,212	61,227,388
Fixed administration fees (note 6)	1,109,754	1,020,457
Independent Review Committee fees	1,135	1,184
Interest expense and bank overdraft charges	–	2,638
Foreign withholding taxes/tax reclaims	1,953,607	1,801,124
Other fund costs	966,087	870,619
Harmonized Sales Tax/Goods and Services Tax	7,303,150	6,648,201
Total expenses	77,918,945	71,571,611
Increase (decrease) in net assets attributable to holders of redeemable units from operations	212,864,355	133,851,381
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A	192,379,946	121,635,253
Series T	20,484,409	12,216,128
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT†		
Series A	0.90	0.60
Series T	0.97	0.57
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series A	212,851,615	203,643,998
Series T	21,122,913	21,360,915

† 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 December 31 (note 1),

(in dollars)	2017	2016
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series A	3,240,284,874	2,915,552,134
Series T	331,722,417	352,143,817
	3,572,007,291	3,267,695,951
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A	192,379,946	121,635,253
Series T	20,484,409	12,216,128
	212,864,355	133,851,381
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net investment income		
Series A	(18,944,369)	(27,470,662)
Series T	(1,660,638)	(2,439,724)
From return of capital		
Series T	(15,184,160)	(14,597,912)
	(35,789,167)	(44,508,298)
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A	519,304,590	551,985,537
Series T	60,191,925	63,262,522
Reinvested distributions		
Series A	18,855,545	33,043,363
Series T	4,786,326	4,367,025
Payments on redemption		
Series A	(470,457,649)	(354,460,751)
Series T	(62,669,189)	(83,229,439)
	70,011,548	214,968,257
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A	241,138,063	324,732,740
Series T	5,948,673	(20,421,400)
	247,086,736	304,311,340
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series A	3,481,422,937	3,240,284,874
Series T	337,671,090	331,722,417
	3,819,094,027	3,572,007,291

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	212,864,355	133,851,381
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(64,084,303)	(32,906,560)
Change in unrealized (gain) loss on non-derivative financial assets	(123,479,848)	(71,407,829)
Non-cash transactions	(101,166,671)	(99,200,766)
Purchases of portfolio investments	(71,251,487)	(193,848,635)
Proceeds from sale of portfolio investments	100,269,609	99,558,783
Accrued investment income and other	633	509
Accrued expenses and other payables	(198,412)	198,412
Net cash provided by (used in) operating activities	(47,046,124)	(163,754,705)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	577,054,030	610,928,914
Amounts paid on redemption of redeemable units	(530,076,395)	(431,109,290)
Distributions to unitholders of redeemable units	(12,230,905)	(16,690,919)
Net cash provided by (used in) financing activities	34,746,730	163,128,705
Net increase (decrease) in cash	(12,299,394)	(626,000)
Cash (bank overdraft), beginning of period	15,556,852	16,182,852
CASH (BANK OVERDRAFT), END OF PERIOD	3,257,458	15,556,852
Interest paid(1)	–	2,638
Interest received(1)	75,230	86,827

(1) Classified as operating items.

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

Scotia INNOVA Balanced Growth Portfolio (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2017

Issuer	Number of Units	Average Cost ($)	Carrying Value ($)
CANADIAN EQUITY FUNDS – 20.5%			
1832 AM Canadian Dividend LP Series I	12,688,992	128,022,348	134,659,388
1832 AM Canadian Growth LP Series I	7,204,477	72,608,294	77,234,874
Scotia Canadian Dividend Fund Series I	4,442,429	195,329,299	278,589,195
Scotia Private Canadian Equity Pool Series I	9,399,350	111,412,120	130,042,833
Scotia Private Canadian Small Cap Pool Series I	3,857,745	109,527,208	160,691,650
		616,899,269	781,217,940
FIXED INCOME FUNDS – 38.9%			
1832 AM North American Preferred Share LP Series I	6,345,116	73,953,949	78,321,571
Scotia Canadian Income Fund Series I	30,934,791	418,434,582	414,687,066
Scotia Floating Rate Income Fund Series I	7,586,493	75,716,114	75,232,975
Scotia Private American Core-Plus Bond Pool Series I	23,693,100	220,793,579	225,385,353
Scotia Private Canadian Corporate Bond Pool Series I	30,067,705	325,645,937	320,984,778
Scotia Private High Yield Income Pool Series I	16,206,573	151,518,086	145,820,265
Scotia Total Return Bond LP Series I	18,537,246	227,886,891	223,605,528
		1,493,949,138	1,484,037,536
FOREIGN EQUITY FUNDS – 40.5%			
1832 AM Global Completion LP Series I	6,988,571	87,921,634	106,718,968
Scotia Global Low Volatility Equity LP Series I	15,681,218	197,083,460	250,698,764
Scotia Private Emerging Markets Pool Series I	4,886,842	46,106,503	57,519,594
Scotia Private Global Equity Pool Series I	4,523,949	75,527,804	126,637,544
Scotia Private Global Real Estate Pool Series I	2,068,166	32,582,123	37,750,435
Scotia Private International Equity Pool Series I	22,444,734	261,068,851	309,800,177
Scotia Private Options Income Pool Series I	14,924,752	150,125,861	154,653,267
Scotia U.S. Dividend Growers LP Series I	11,535,664	174,410,840	194,326,327
Scotia U.S. Low Volatility Equity LP Series I	20,682,274	292,063,303	311,007,634
		1,316,890,379	1,549,112,710
TOTAL INVESTMENT PORTFOLIO		3,427,738,786	3,814,368,186
OTHER ASSETS, LESS LIABILITIES – 0.1%			4,725,841
NET ASSETS – 100.0%			3,819,094,027

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

Scotia INNOVA Balanced Growth Portfolio (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 December 31, 2017, approximately 99.9% (December 31, 2016 – 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 of the Fund would have decreased or increased, respectively, by approximately $381,436,819 (December 31, 2016 – $355,809,509). 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 (%)	
	December 31, 2017	December 31, 2016
Canadian Equity Funds	20.5	22.4
Fixed Income Funds	38.9	37.0
Foreign Equity Funds	40.5	40.2

Fair Value Classification (note 2)

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

December 31, 2017	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Underlying funds	3,814,368,186	–	–	3,814,368,186
	3,814,368,186	–	–	3,814,368,186

December 31, 2016	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Underlying funds	3,558,095,087	–	–	3,558,095,087
	3,558,095,087	–	–	3,558,095,087

Transfers between levels

During the periods ended December 31, 2017 and December 31, 2016, there were no significant transfers between Level 1 and Level 2.

Offsetting of financial assets and liabilities (note 2)

As at December 31, 2017 and December 31, 2016, the Fund did not enter into any agreement whereby the financial instruments were eligible for offset.

Scotia INNOVA Balanced Growth Portfolio (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.

	December 31, 2017	
Underlying Fund	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	

	December 31, 2016	
Underlying Fund	Carrying value of the Underlying Fund ($)	Ownership percentage in Underlying Fund (%)
Scotia U.S. Dividend Growers LP Series I	180,769,048	33.3
Scotia Private Global Equity Pool Series I	116,736,465	30.8
Scotia U.S. Low Volatility Equity LP Series I	292,192,013	30.8
1832 AM Canadian Growth LP Series I	73,490,192	29.8
1832 AM North American Preferred Share LP Series I	71,876,419	28.4
Scotia Private American Core-Plus Bond Pool Series I	208,936,289	25.9
Scotia Private International Equity Pool Series I	287,417,726	25.7
Scotia Global Low Volatility Equity LP Series I	234,441,574	24.7
Scotia Total Return Bond LP Series I	206,450,099	23.1
1832 AM Global Completion LP Series I	97,510,995	22.5
1832 AM Canadian Dividend LP Series I	125,865,009	21.9
Scotia Private Canadian Small Cap Pool Series I	147,711,621	21.8
Scotia Private Emerging Markets Pool Series I	51,603,085	20.9
Scotia Private Canadian Equity Pool Series I	126,675,941	20.1
Scotia Private Options Income Pool Series I	141,773,322	17.8
Scotia Private High Yield Income Pool Series I	143,067,155	11.5
Scotia Private Global Real Estate Pool Series I	35,997,969	11.3
Scotia Canadian Income Fund Series I	388,332,913	6.2
Scotia Floating Rate Income Fund Series I	70,197,582	5.8
Scotia Private Canadian Corporate Bond Pool Series I	302,986,559	5.5
Scotia Canadian Dividend Fund Series I	254,063,111	3.2
	3,558,095,087	

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

As at December 31, 2017 or December 31, 2016, 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

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	December 31, 2017	December 31, 2016
ASSETS		
Current assets		
Investments		
Non-derivative financial assets	2,393,912,297	2,102,688,346
Cash	4,942,595	10,686,520
Subscriptions receivable	2,150,444	3,293,471
Accrued investment income and other	4,738	4,257
	2,401,010,074	2,116,672,594
LIABILITIES		
Current liabilities		
Redemptions payable	939,144	1,343,453
Accrued expenses	8	123,118
Distributions payable	27,170	37,780
	966,322	1,504,351
Net assets attributable to holders of redeemable units	2,400,043,752	2,115,168,243
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series A	2,393,393,593	2,110,520,289
Series T	6,650,159	4,647,954
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series A	18.12	16.97
Series T	16.46	16.03

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except average units)	2017	2016
INCOME		
Net gain (loss) on investments		
Dividends	45,731,542	39,580,651
Interest for distribution purposes	17,317,956	17,011,642
Net realized gain (loss) on non-derivative financial assets	30,647,736	18,463,073
Change in unrealized gain (loss) on non-derivative financial assets	112,642,821	56,580,249
Net gain (loss) on investments	206,340,055	131,635,615
Other income	18,214	14,146
Total income (loss), net	206,358,269	131,649,761
EXPENSES		
Management fees (note 5)	43,038,269	37,311,431
Fixed administration fees (note 6)	679,552	589,128
Independent Review Committee fees	1,135	1,184
Foreign withholding taxes/tax reclaims	1,895,442	1,629,503
Other fund costs	677,009	576,711
Harmonized Sales Tax/Goods and Services Tax	4,441,529	3,808,340
Total expenses	50,732,936	43,916,297
Increase (decrease) in net assets attributable to holders of redeemable units from operations	155,625,333	87,733,464
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A	155,163,365	87,608,651
Series T	461,968	124,813
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT†		
Series A	1.20	0.73
Series T	1.29	1.00
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series A	128,999,448	119,531,483
Series T	358,674	124,942

† 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 December 31 (note 1),

(in dollars)	2017	2016
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series A	2,110,520,289	1,834,558,131
Series T	4,647,954	–
	2,115,168,243	1,834,558,131
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A	155,163,365	87,608,651
Series T	461,968	124,813
	155,625,333	87,733,464
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net investment income		
Series A	(8,262,525)	(14,302,856)
Series T	(27,997)	(82,369)
From return of capital		
Series T	(244,738)	(8,018)
	(8,535,260)	(14,393,243)
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A	392,904,870	394,403,533
Series T	4,355,581	5,089,318
Reinvested distributions		
Series A	8,245,080	19,540,607
Series T	170,986	60,563
Payments on redemption		
Series A	(265,177,486)	(211,287,777)
Series T	(2,713,595)	(536,353)
	137,785,436	207,269,891
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A	282,873,304	275,962,158
Series T	2,002,205	4,647,954
	284,875,509	280,610,112
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series A	2,393,393,593	2,110,520,289
Series T	6,650,159	4,647,954
	2,400,043,752	2,115,168,243

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	155,625,333	87,733,464
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(30,647,736)	(18,463,073)
Change in unrealized (gain) loss on non-derivative financial assets	(112,642,821)	(56,580,249)
Non-cash transactions	(61,094,210)	(54,905,146)
Purchases of portfolio investments	(112,289,691)	(197,701,553)
Proceeds from sale of portfolio investments	25,450,505	53,825,600
Accrued investment income and other	(481)	128
Accrued expenses and other payables	(123,110)	123,118
Net cash provided by (used in) operating activities	(135,722,211)	(185,967,711)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	398,403,479	397,433,963
Amounts paid on redemption of redeemable units	(268,295,390)	(211,582,986)
Distributions to unitholders of redeemable units	(129,803)	(167,053)
Net cash provided by (used in) financing activities	129,978,286	185,683,924
Net increase (decrease) in cash	(5,743,925)	(283,787)
Cash (bank overdraft), beginning of period	10,686,520	10,970,307
CASH (BANK OVERDRAFT), END OF PERIOD	4,942,595	10,686,520
Interest received[(1)]	59,364	57,773

(1) Classified as operating items.

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

Scotia INNOVA Growth Portfolio (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2017

Issuer	Number of Units	Average Cost ($)	Carrying Value ($)
CANADIAN EQUITY FUNDS – 25.2%			
1832 AM Canadian Dividend LP Series I	15,722,451	157,255,586	166,851,367
1832 AM Canadian Growth LP Series I	8,122,876	81,836,772	87,080,476
Scotia Canadian Dividend Fund Series I	2,937,410	134,564,057	184,207,939
Scotia Private Canadian Small Cap Pool Series I	4,001,631	118,364,981	166,685,142
		492,021,396	604,824,924
FIXED INCOME FUNDS – 24.1%			
1832 AM North American Preferred Share LP Series I	4,903,722	56,857,237	60,529,584
Scotia Canadian Income Fund Series I	11,617,581	157,399,322	155,736,001
Scotia Floating Rate Income Fund Series I	2,925,573	29,124,604	29,012,027
Scotia Private American Core-Plus Bond Pool Series I	9,147,613	85,867,158	87,018,498
Scotia Private Canadian Corporate Bond Pool Series I	12,312,928	134,242,301	131,445,428
Scotia Private High Yield Income Pool Series I	9,618,943	90,523,263	86,547,403
Scotia Total Return Bond LP Series I	2,392,927	29,512,889	28,864,686
		583,526,774	579,153,627
FOREIGN EQUITY FUNDS – 50.4%			
1832 AM Global Completion LP Series I	6,232,231	80,149,701	95,169,289
Scotia Global Low Volatility Equity LP Series I	11,928,041	154,874,394	190,695,981
Scotia Private Emerging Markets Pool Series I	7,518,537	71,207,204	88,495,431
Scotia Private Global Equity Pool Series I	4,482,986	78,089,972	125,490,876
Scotia Private Global Real Estate Pool Series I	4,449,020	76,145,226	81,208,399
Scotia Private International Equity Pool Series I	17,256,081	208,552,683	238,182,230
Scotia Private Options Income Pool Series I	8,772,706	88,327,300	90,904,536
Scotia U.S. Dividend Growers LP Series I	7,188,858	109,896,819	121,101,341
Scotia U.S. Low Volatility Equity LP Series I	11,882,750	170,246,332	178,685,663
		1,037,489,631	1,209,933,746
TOTAL INVESTMENT PORTFOLIO		2,113,037,801	2,393,912,297
OTHER ASSETS, LESS LIABILITIES – 0.3%			6,131,455
NET ASSETS – 100.0%			2,400,043,752

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

Scotia INNOVA Growth Portfolio (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 December 31, 2017, approximately 99.7% (December 31, 2016 – 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 of the Fund would have decreased or increased, respectively, by approximately $239,391,230 (December 31, 2016 – $210,268,835). 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 (%)	
	December 31, 2017	December 31, 2016
Canadian Equity Funds	25.2	28.2
Fixed Income Funds	24.1	21.7
Foreign Equity Funds	50.4	49.5

Fair Value Classification (note 2)

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

December 31, 2017	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Underlying funds	2,393,912,297	–	–	2,393,912,297
	2,393,912,297	–	–	2,393,912,297

December 31, 2016	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Underlying funds	2,102,688,346	–	–	2,102,688,346
	2,102,688,346	–	–	2,102,688,346

Transfers between levels

During the periods ended December 31, 2017 and December 31, 2016, there were no significant transfers between Level 1 and Level 2.

Offsetting of financial assets and liabilities (note 2)

As at December 31, 2017 and December 31, 2016, the Fund did not enter into any agreement whereby the financial instruments were eligible for offset.

Scotia INNOVA Growth Portfolio (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.

	December 31, 2017	
Underlying Fund	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	

	December 31, 2016	
Underlying Fund	Carrying value of the Underlying Fund ($)	Ownership percentage in Underlying Fund (%)
1832 AM Canadian Growth LP Series I	81,275,603	33.0
Scotia Private Emerging Markets Pool Series I	70,973,395	28.7
Scotia Private Global Equity Pool Series I	105,478,370	27.9
1832 AM Canadian Dividend LP Series I	150,242,225	26.1
Scotia Private Global Real Estate Pool Series I	73,416,839	23.0
Scotia Private Canadian Small Cap Pool Series I	148,290,697	21.9
1832 AM North American Preferred Share LP Series I	54,301,485	21.5
Scotia U.S. Dividend Growers LP Series I	107,236,846	19.8
1832 AM Global Completion LP Series I	82,095,188	18.9
Scotia Private International Equity Pool Series I	204,228,498	18.3
Scotia Global Low Volatility Equity LP Series I	165,117,352	17.4
Scotia U.S. Low Volatility Equity LP Series I	161,640,372	17.0
Scotia Private Options Income Pool Series I	77,528,684	9.7
Scotia Private American Core-Plus Bond Pool Series I	75,783,539	9.4
Scotia Private High Yield Income Pool Series I	79,722,389	6.4
Scotia Total Return Bond LP Series I	25,298,628	2.8
Scotia Canadian Income Fund Series I	136,457,912	2.2
Scotia Floating Rate Income Fund Series I	25,705,050	2.1
Scotia Private Canadian Corporate Bond Pool Series I	116,264,905	2.1
Scotia Canadian Dividend Fund Series I	161,630,369	2.0
	2,102,688,346	

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

As at December 31, 2017 or December 31, 2016, 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

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	December 31, 2017	December 31, 2016
ASSETS		
Current assets		
Investments		
Non-derivative financial assets	789,741,826	665,178,974
Cash	4,082,638	4,046,551
Subscriptions receivable	882,016	626,682
Accrued investment income and other	2,917	1,493
	794,709,397	669,853,700
LIABILITIES		
Current liabilities		
Payable for securities purchased	90,000	–
Redemptions payable	1,078,204	615,493
Accrued expenses	3	41,043
Distributions payable	920	2,748
	1,169,127	659,284
Net assets attributable to holders of redeemable units	793,540,270	669,194,416
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series A	791,463,009	668,088,185
Series T	2,077,261	1,106,231
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series A	20.29	18.76
Series T	15.89	15.47

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except average units)	2017	2016
INCOME		
Net gain (loss) on investments		
Dividends	17,250,434	14,222,061
Interest for distribution purposes	2,386,799	2,229,012
Net realized gain (loss) on non-derivative financial assets	10,500,034	5,558,333
Change in unrealized gain (loss) on non-derivative financial assets	44,930,679	22,095,580
Net gain (loss) on investments	75,067,946	44,104,986
Other income	9,196	5,527
Total income (loss), net	75,077,142	44,110,513
EXPENSES		
Management fees (note 5)	14,728,271	12,152,500
Fixed administration fees (note 6)	294,565	243,050
Independent Review Committee fees	1,135	1,184
Foreign withholding taxes/tax reclaims	733,224	600,432
Other fund costs	257,228	209,245
Harmonized Sales Tax/Goods and Services Tax	1,448,924	1,181,126
Total expenses	17,463,347	14,387,537
Expenses absorbed by the Manager	–	(37)
Net expenses	17,463,347	14,387,500
Increase (decrease) in net assets attributable to holders of redeemable units from operations	57,613,795	29,723,013
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A	57,497,990	29,701,437
Series T	115,805	21,576
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT†		
Series A	1.52	0.88
Series T	1.13	1.35
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series A	37,816,267	33,799,585
Series T	102,899	16,031

† 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 December 31 (note 1),

(in dollars)	2017	2016
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series A	668,088,185	552,501,043
Series T	1,106,231	–
	669,194,416	552,501,043
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A	57,497,990	29,701,437
Series T	115,805	21,576
	57,613,795	29,723,013
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net investment income		
Series A	–	(2,208,698)
Series T	(1,790)	(10,835)
From return of capital		
Series T	(77,683)	(877)
	(79,473)	(2,220,410)
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A	159,237,076	150,198,492
Series T	1,357,209	1,089,551
Reinvested distributions		
Series A	–	4,225,436
Series T	63,590	6,816
Payments on redemption		
Series A	(93,360,242)	(66,329,525)
Series T	(486,101)	–
	66,811,532	89,190,770
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A	123,374,824	115,587,142
Series T	971,030	1,106,231
	124,345,854	116,693,373
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series A	791,463,009	668,088,185
Series T	2,077,261	1,106,231
	793,540,270	669,194,416

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	57,613,795	29,723,013
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(10,500,034)	(5,558,333)
Change in unrealized (gain) loss on non-derivative financial assets	(44,930,679)	(22,095,580)
Non-cash transactions	(18,876,667)	(15,830,499)
Purchases of portfolio investments	(54,482,872)	(97,434,859)
Proceeds from sale of portfolio investments	4,317,400	26,301,500
Accrued investment income and other	(1,424)	(61)
Accrued expenses and other payables	(41,040)	41,043
Net cash provided by (used in) operating activities	(66,901,521)	(84,853,776)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	160,338,951	151,694,329
Amounts paid on redemption of redeemable units	(93,383,632)	(65,934,269)
Distributions to unitholders of redeemable units	(17,711)	(1,622)
Net cash provided by (used in) financing activities	66,937,608	85,758,438
Net increase (decrease) in cash	36,087	904,662
Cash (bank overdraft), beginning of period	4,046,551	3,141,889
CASH (BANK OVERDRAFT), END OF PERIOD	4,082,638	4,046,551
Interest received[(1)]	25,917	20,079

(1) Classified as operating items.

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

Scotia INNOVA Maximum Growth Portfolio (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2017

Issuer	Number of Units	Average Cost ($)	Carrying Value ($)
CANADIAN EQUITY FUNDS – 29.8%			
1832 AM Canadian Dividend LP Series I	6,619,903	65,804,946	70,252,401
1832 AM Canadian Growth LP Series I	3,619,811	36,459,815	38,805,818
Scotia Canadian Dividend Fund Series I	937,413	44,554,163	58,786,101
Scotia Private Canadian Small Cap Pool Series I	1,654,484	51,593,896	68,916,362
		198,412,820	236,760,682
FIXED INCOME FUNDS – 9.6%			
1832 AM North American Preferred Share LP Series I	957,429	10,898,076	11,818,121
Scotia Canadian Income Fund Series I	1,551,865	21,151,060	20,803,055
Scotia Private American Core-Plus Bond Pool Series I	1,216,848	11,542,829	11,575,513
Scotia Private Canadian Corporate Bond Pool Series I	1,948,144	21,214,851	20,797,213
Scotia Private High Yield Income Pool Series I	1,260,022	11,953,970	11,337,177
		76,760,786	76,331,079
FOREIGN EQUITY FUNDS – 60.1%			
1832 AM Global Completion LP Series I	2,833,079	37,354,919	43,262,536
Scotia Global Low Volatility Equity LP Series I	4,422,235	61,204,228	70,699,155
Scotia Private Emerging Markets Pool Series I	3,704,079	35,268,423	43,598,118
Scotia Private Global Equity Pool Series I	1,746,752	32,565,792	48,896,312
Scotia Private Global Real Estate Pool Series I	1,804,361	30,638,694	32,935,186
Scotia Private International Equity Pool Series I	6,010,021	70,244,209	82,955,118
Scotia Private Options Income Pool Series I	3,463,637	34,904,978	35,890,901
Scotia U.S. Dividend Growers LP Series I	2,841,538	43,466,584	47,867,696
Scotia U.S. Low Volatility Equity LP Series I	4,691,306	67,890,481	70,545,043
		413,538,308	476,650,065
TOTAL INVESTMENT PORTFOLIO		688,711,914	789,741,826
OTHER ASSETS, LESS LIABILITIES – 0.5%			3,798,444
NET ASSETS – 100.0%			793,540,270

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

Scotia INNOVA Maximum Growth Portfolio (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 December 31, 2017, approximately 99.5% (December 31, 2016 – 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 of the Fund would have decreased or increased, respectively, by approximately $78,974,183 (December 31, 2016 – $66,517,897). 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 (%)	
	December 31, 2017	December 31, 2016
Canadian Equity Funds	29.8	31.9
Fixed Income Funds	9.6	8.3
Foreign Equity Funds	60.1	59.2

Fair Value Classification (note 2)

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

December 31, 2017	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Underlying funds	789,741,826	–	–	789,741,826
	789,741,826	–	–	789,741,826

December 31, 2016	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Underlying funds	665,178,974	–	–	665,178,974
	665,178,974	–	–	665,178,974

Transfers between levels

During the periods ended December 31, 2017 and December 31, 2016, there were no significant transfers between Level 1 and Level 2.

Offsetting of financial assets and liabilities (note 2)

As at December 31, 2017 and December 31, 2016, the Fund did not enter into any agreement whereby the financial instruments were eligible for offset.

Scotia INNOVA Maximum Growth Portfolio (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.

	December 31, 2017	
Underlying Fund	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	

	December 31, 2016	
Underlying Fund	Carrying value of the Underlying Fund ($)	Ownership percentage in Underlying Fund (%)
Scotia Private Emerging Markets Pool Series I	34,211,452	13.8
1832 AM Canadian Growth LP Series I	34,013,279	13.8
Scotia Private Global Equity Pool Series I	39,574,479	10.5
1832 AM Canadian Dividend LP Series I	60,472,941	10.5
Scotia Private Global Real Estate Pool Series I	27,938,431	8.8
Scotia Private Canadian Small Cap Pool Series I	58,818,432	8.7
1832 AM Global Completion LP Series I	35,666,066	8.2
Scotia U.S. Dividend Growers LP Series I	40,195,730	7.4
Scotia U.S. Low Volatility Equity LP Series I	61,126,476	6.4
Scotia Global Low Volatility Equity LP Series I	58,682,420	6.2
Scotia Private International Equity Pool Series I	69,349,111	6.2
1832 AM North American Preferred Share LP Series I	10,025,819	4.0
Scotia Private Options Income Pool Series I	29,180,658	3.7
Scotia Private American Core-Plus Bond Pool Series I	9,812,002	1.2
Scotia Private High Yield Income Pool Series I	9,773,735	0.8
Scotia Canadian Dividend Fund Series I	50,365,893	0.6
Scotia Private Canadian Corporate Bond Pool Series I	17,957,812	0.3
Scotia Canadian Income Fund Series I	18,014,238	0.3
	665,178,974	

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

As at December 31, 2017 or December 31, 2016, 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

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	December 31, 2017	December 31, 2016
ASSETS		
Current assets		
Investments		
Non-derivative financial assets	44,720,131	20,655,231
Cash	663,723	476,182
Receivable for securities sold	–	218,800
Subscriptions receivable	–	136,115
Accrued investment income and other	449	163
	45,384,303	21,486,491
LIABILITIES		
Current liabilities		
Payable for securities purchased	293,000	–
Redemptions payable	642,136	645,646
Accrued expenses	–	982
Distributions payable	1,153	6,604
	936,289	653,232
Net assets attributable to holders of redeemable units	44,448,014	20,833,259
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series A	–	12,612,029
Premium Series	44,448,014	8,221,230
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series A	–	10.14
Premium Series	10.52	10.15

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except average units)	2017	2016
INCOME		
Net gain (loss) on investments		
Dividends	444,757	275,918
Interest for distribution purposes	690,307	391,226
Net realized gain (loss) on non-derivative financial assets	115,907	76,081
Change in unrealized gain (loss) on non-derivative financial assets	722,121	514,441
Net gain (loss) on investments	1,973,092	1,257,666
Other income	93	506
Total income (loss), net	1,973,185	1,258,172
EXPENSES		
Management fees (note 5)	398,627	250,241
Fixed administration fees (note 6)	33,108	17,151
Independent Review Committee fees	1,135	1,184
Interest expense and bank overdraft charges	10	101
Foreign withholding taxes/tax reclaims	13,301	4,929
Other fund costs	4,451	1,445
Harmonized Sales Tax/Goods and Services Tax	46,070	28,575
Total expenses	496,702	303,626
Increase (decrease) in net assets attributable to holders of redeemable units from operations	1,476,483	954,546
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A	884,422	557,723
Premium Series	592,061	396,823
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT†		
Series A	0.46	0.55
Premium Series	0.43	0.57
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series A	1,927,264	1,011,775
Premium Series	1,378,138	698,092

† 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 December 31 (note 1),

(in dollars)	2017	2016
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series A	12,612,029	8,055,735
Premium Series	8,221,230	5,106,300
	20,833,259	13,162,035
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A	884,422	557,723
Premium Series	592,061	396,823
	1,476,483	954,546
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net investment income		
Series A	–	(209,684)
Premium Series	(636,667)	(163,801)
From net realized gains on investments		
Series A	–	(28,243)
Premium Series	–	(20,339)
	(636,667)	(422,067)
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A	16,424,431	5,376,072
Premium Series	38,179,487	4,447,988
Reinvested distributions		
Series A	–	232,944
Premium Series	635,514	182,519
Payments on redemption		
Series A	(29,920,882)	(1,372,518)
Premium Series	(2,543,611)	(1,728,260)
	22,774,939	7,138,745
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A	(12,612,029)	4,556,294
Premium Series	36,226,784	3,114,930
	23,614,755	7,671,224
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series A	–	12,612,029
Premium Series	44,448,014	8,221,230
	44,448,014	20,833,259

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	1,476,483	954,546
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(115,907)	(76,081)
Change in unrealized (gain) loss on non-derivative financial assets	(722,121)	(514,441)
Non-cash transactions	(1,118,508)	(660,684)
Purchases of portfolio investments	(31,173,277)	(9,717,387)
Proceeds from sale of portfolio investments	9,576,712	2,994,798
Accrued investment income and other	(286)	(38)
Accrued expenses and other payables	(982)	982
Net cash provided by (used in) operating activities	(22,077,886)	(7,018,305)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	27,004,439	9,569,730
Amounts paid on redemption of redeemable units	(4,732,408)	(2,336,372)
Distributions to unitholders of redeemable units	(6,604)	(12,484)
Net cash provided by (used in) financing activities	22,265,427	7,220,874
Net increase (decrease) in cash	187,541	202,569
Cash (bank overdraft), beginning of period	476,182	273,613
CASH (BANK OVERDRAFT), END OF PERIOD	663,723	476,182
Interest paid[1]	10	101
Interest received[1]	2,969	1,494

[1] Classified as operating items.

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

Scotia Aria Conservative Build Portfolio (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2017

Issuer	Number of Units	Average Cost ($)	Carrying Value ($)
CANADIAN EQUITY FUNDS – 12.4%			
CI Cambridge Canadian Equity Corporate Class, Class I	124,674	2,585,296	2,756,540
Scotia Private Canadian All Cap Equity Pool Series I	53,639	551,153	577,673
Scotia Private Canadian Mid Cap Pool Series I	64,983	1,365,613	1,384,576
Scotia Private Canadian Small Cap Pool Series I	19,391	715,346	807,728
		5,217,408	5,526,517
FIXED INCOME FUNDS – 69.6%			
1832 AM North American Preferred Share LP Series I	253,061	2,993,630	3,123,684
PIMCO Monthly Income Fund (Canada) Series I	323,894	4,635,677	4,651,573
Scotia Canadian Income Fund Series I	345,651	4,722,261	4,633,516
Scotia Private American Core-Plus Bond Pool Series I	325,247	3,128,275	3,093,976
Scotia Private Canadian Corporate Bond Pool Series I	1,010,936	10,857,881	10,792,142
Scotia Private High Yield Income Pool Series I	513,481	4,790,153	4,620,097
		31,127,877	30,914,988
FOREIGN EQUITY FUNDS – 18.6%			
1832 AM Global Completion LP Series I	60,176	895,472	918,916
Scotia Global Growth Fund Series I	36,084	2,353,403	2,874,745
Scotia Private Emerging Markets Pool Series I	68,826	776,215	810,106
Scotia Private International Equity Pool Series I	116,812	1,534,867	1,612,326
Scotia U.S. Dividend Growers LP Series I	122,437	1,969,371	2,062,533
		7,529,328	8,278,626
TOTAL INVESTMENT PORTFOLIO		43,874,613	44,720,131
OTHER ASSETS, LESS LIABILITIES – (0.6%)			(272,117)
NET ASSETS – 100.0%			44,448,014

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

Scotia Aria Conservative Build Portfolio (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 December 31, 2017, approximately 100.6% (December 31, 2016 – 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 of the Fund would have decreased or increased, respectively, by approximately $4,472,013 (December 31, 2016 – $2,065,523). 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 (%)	
	December 31, 2017	December 31, 2016
Canadian Equity Funds	12.4	24.8
Fixed Income Funds	69.6	62.4
Foreign Equity Funds	18.6	11.9

Fair Value Classification (note 2)

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

December 31, 2017	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Underlying funds	44,720,131	–	–	44,720,131
	44,720,131	–	–	44,720,131

December 31, 2016	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Underlying funds	20,655,231	–	–	20,655,231
	20,655,231	–	–	20,655,231

Transfers between levels

During the periods ended December 31, 2017 and December 31, 2016, there were no significant transfers between Level 1 and Level 2.

Offsetting of financial assets and liabilities (note 2)

As at December 31, 2017 and December 31, 2016, the Fund did not enter into any agreement whereby the financial instruments were eligible for offset.

Scotia Aria Conservative Build Portfolio (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.

	December 31, 2017	
Underlying Fund	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	

	December 31, 2016	
Underlying Fund	Carrying value of the Underlying Fund ($)	Ownership percentage in Underlying Fund (%)
1832 AM North American Preferred Share LP Series I	1,471,310	0.6
Scotia Private Canadian Mid Cap Pool Series I	361,073	0.4
Scotia Global Growth Fund Series I	1,484,055	0.2
Scotia Private American Core-Plus Bond Pool Series I	1,449,150	0.2
Scotia Private High Yield Income Pool Series I	2,159,837	0.2
Scotia U.S. Dividend Growers LP Series I	632,331	0.1
Scotia Canadian Income Fund Series I	3,613,849	0.1
Dynamic Value Fund of Canada Series O	1,278,376	0.1
Scotia Private Canadian Small Cap Pool Series I	567,729	0.1
Scotia Private Short-Mid Government Bond Pool Series I	1,446,311	0.1
Scotia Private International Equity Pool Series I	361,365	0.0
CI Cambridge Canadian Equity Corporate Class I	1,484,227	0.0
Scotia Private Canadian Corporate Bond Pool Series I	2,168,986	0.0
PIMCO Monthly Income Fund (Canada) Class I	2,176,632	0.0
	20,655,231	

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

As at December 31, 2017 or December 31, 2016, 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 Defend Portfolio
(formerly, Scotia Aria Conservative Core Portfolio)

STATEMENTS OF FINANCIAL POSITION
As at

(in dollars)	December 31, 2017	December 31, 2016
ASSETS		
Current assets		
Investments		
Non-derivative financial assets	167,898,128	101,986,982
Cash	767,473	1,259,389
Subscriptions receivable	211,308	401,441
Accrued investment income and other	804	541
	168,877,713	103,648,353
LIABILITIES		
Current liabilities		
Payable for securities purchased	131,900	–
Redemptions payable	408,008	946,322
Accrued expenses	–	5,103
Distributions payable	36,103	32,662
	576,011	984,087
Net assets attributable to holders of redeemable units	168,301,702	102,664,266
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
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
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series A	–	10.12
Series T	–	14.69
Series TH	–	14.21
Series TL	–	14.93
Premium Series	10.26	10.13
Premium T Series	14.66	14.71
Premium TH Series	14.05	14.31
Premium TL Series	15.31	15.12

STATEMENTS OF COMPREHENSIVE INCOME
For the periods ended December 31 (note 1),

(in dollars except average units)	2017	2016
INCOME		
Net gain (loss) on investments		
Dividends	1,497,869	769,180
Interest for distribution purposes	2,933,266	1,649,260
Net realized gain (loss) on non-derivative financial assets	(55,627)	285,467
Change in unrealized gain (loss) on non-derivative financial assets	1,239,688	1,732,889
Net gain (loss) on investments	5,615,196	4,436,796
Other income	7,196	1,063
Total income (loss), net	5,622,392	4,437,859
EXPENSES		
Management fees (note 5)	1,690,078	1,164,922
Fixed administration fees (note 6)	140,313	80,416
Independent Review Committee fees	1,135	1,184
Interest expense and bank overdraft charges	–	59
Foreign withholding taxes/tax reclaims	15,800	4,357
Other fund costs	17,028	3,567
Harmonized Sales Tax/Goods and Services Tax	196,736	130,555
Total expenses	2,061,090	1,385,060
Expenses absorbed by the Manager	(1,517)	(41)
Net expenses	2,059,573	1,385,019
Increase (decrease) in net assets attributable to holders of redeemable units from operations	3,562,819	3,052,840
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A	1,949,093	1,303,547
Series T	69,697	38,615
Series TH	69,580	64,599
Series TL	13,268	14,809
Premium Series	1,141,864	1,328,966
Premium T Series	97,508	94,482
Premium TH Series	183,577	161,091
Premium TL Series	38,232	46,731
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT†		
Series A	0.29	0.37
Series T	0.44	0.52
Series TH	0.38	0.49
Series TL	0.48	0.53
Premium Series	0.20	0.40
Premium T Series	0.27	0.56
Premium TH Series	0.35	0.57
Premium TL Series	0.40	0.54
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series A	6,643,822	3,556,753
Series T	158,987	74,693
Series TH	184,694	132,680
Series TL	27,832	27,914
Premium Series	5,630,303	3,330,064
Premium T Series	366,338	170,106
Premium TH Series	519,328	280,983
Premium TL Series	94,684	85,889

† 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 (Continued)
(formerly, Scotia Aria Conservative Core Portfolio)

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

For the periods ended December 31 (note 1),

(in dollars)	2017	2016
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series A	45,778,127	29,003,981
Series T	1,388,336	1,012,251
Series TH	1,887,595	2,077,721
Series TL	415,703	410,612
Premium Series	41,977,846	21,995,117
Premium T Series	3,874,675	2,310,960
Premium TH Series	5,719,506	1,672,566
Premium TL Series	1,622,478	1,189,668
	102,664,266	59,672,876
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A	1,949,093	1,303,547
Series T	69,697	38,615
Series TH	69,580	64,599
Series TL	13,268	14,809
Premium Series	1,141,864	1,328,966
Premium T Series	97,508	94,482
Premium TH Series	183,577	161,091
Premium TL Series	38,232	46,731
	3,562,819	3,052,840
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net investment income		
Series A	–	(417,769)
Series T	(37,796)	(11,609)
Series TH	(35,508)	(11,150)
Series TL	(5,124)	(2,473)
Premium Series	(2,053,346)	(467,858)
Premium T Series	(95,118)	(45,631)
Premium TH Series	(110,283)	(75,388)
Premium TL Series	(18,963)	(18,137)
From net realized gains on investments		
Series A	–	(91,492)
Series T	–	(2,694)
Series TH	–	(3,958)
Series TL	–	(870)
Premium Series	–	(88,622)
Premium T Series	–	(7,573)
Premium TH Series	–	(11,988)
Premium TL Series	–	(3,398)
From return of capital		
Series T	(29,824)	(19,952)
Series TH	(75,251)	(71,582)
Series TL	(660)	(2,954)
Premium T Series	(75,054)	(24,497)
Premium TH Series	(233,721)	(104,588)
Premium TL Series	(2,443)	–
	(2,773,091)	(1,484,183)
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A	46,737,243	20,760,963
Series T	2,114,010	1,078,161
Series TH	1,327,681	383,861
Series TL	136,393	–
Premium Series	113,187,721	26,086,786
Premium T Series	6,249,679	3,202,701
Premium TH Series	5,726,048	5,040,980
Premium TL Series	660,276	400,584
Reinvested distributions		
Series A	–	508,067
Series T	16,107	3,303
Series TH	35,431	25,498
Series TL	73	79
Premium Series	2,049,082	556,480
Premium T Series	44,704	29,287
Premium TH Series	144,220	99,667
Premium TL Series	610	7,030
Payments on redemption		
Series A	(94,464,463)	(5,289,170)
Series T	(3,520,530)	(709,739)
Series TH	(3,209,528)	(577,394)
Series TL	(559,653)	(3,500)
Premium Series	(9,774,866)	(7,433,023)
Premium T Series	(876,443)	(1,685,054)
Premium TH Series	(700,195)	(1,062,834)
Premium TL Series	(475,892)	–
	64,847,708	41,422,733
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A	(45,778,127)	16,774,146
Series T	(1,388,336)	376,085
Series TH	(1,887,595)	(190,126)
Series TL	(415,703)	5,091
Premium Series	104,550,455	19,982,729
Premium T Series	5,345,276	1,563,715
Premium TH Series	5,009,646	4,046,940
Premium TL Series	201,820	432,810
	65,637,436	42,991,390
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END 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
	168,301,702	102,664,266

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	3,562,819	3,052,840
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	55,627	(285,467)
Change in unrealized (gain) loss on non-derivative financial assets	(1,239,688)	(1,732,889)
Non-cash transactions	(4,407,108)	(2,408,235)
Purchases of portfolio investments	(108,034,172)	(42,946,995)
Proceeds from sale of portfolio investments	47,846,096	3,885,189
Accrued investment income and other	(263)	(17)
Accrued expenses and other payables	(5,103)	5,103
Net cash provided by (used in) operating activities	(62,221,792)	(40,430,471)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	83,187,252	54,764,935
Amounts paid on redemption of redeemable units	(20,977,953)	(14,026,627)
Distributions to unitholders of redeemable units	(479,423)	(251,673)
Net cash provided by (used in) financing activities	61,729,876	40,486,635
Net increase (decrease) in cash	(491,916)	56,164
Cash (bank overdraft), beginning of period	1,259,389	1,203,225
CASH (BANK OVERDRAFT), END OF PERIOD	767,473	1,259,389
Interest paid[1]	–	59
Interest received[1]	7,962	5,830

[1] Classified as operating items.

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

Scotia Aria Conservative Defend Portfolio (Continued)
(formerly, Scotia Aria Conservative Core Portfolio)

SCHEDULE OF INVESTMENT PORTFOLIO
As at December 31, 2017

Issuer	Number of Units	Average Cost ($)	Carrying Value ($)
CANADIAN EQUITY FUNDS – 15.5%			
CI Cambridge Canadian Equity Corporate Class, Class I	236,025	4,824,312	5,218,510
Dynamic Small Business Fund Series O	215,872	3,902,104	3,928,876
Scotia Canadian Dividend Fund Series I	270,551	15,290,751	16,966,532
		24,017,167	26,113,918
FIXED INCOME FUNDS – 74.1%			
CI Signature Corporate Bond Corporate Class, Class I	1,153,506	12,393,087	12,484,399
Dynamic Canadian Bond Fund Series O	3,605,145	19,121,760	18,602,549
PIMCO Monthly Income Fund (Canada) Series I	870,965	12,464,591	12,508,273
Scotia Floating Rate Income Fund Series I	3,149,223	31,159,353	31,229,903
Scotia Private Canadian Corporate Bond Pool Series I	2,330,275	25,078,363	24,876,622
Scotia Total Return Bond LP Series I	2,059,609	25,385,318	24,844,039
		125,602,472	124,545,785
FOREIGN EQUITY FUNDS – 10.2%			
Dynamic Global Infrastructure Fund Series O	85,146	1,715,932	1,735,269
Scotia Global Low Volatility Equity LP Series I	484,515	7,483,075	7,746,044
Scotia Private International Equity Pool Series I	187,089	2,442,352	2,582,359
Scotia Private Options Income Pool Series I	333,594	3,387,317	3,456,766
Scotia U.S. Low Volatility Equity LP Series I	114,248	1,720,865	1,717,987
		16,749,541	17,238,425
TOTAL INVESTMENT PORTFOLIO		166,369,180	167,898,128
OTHER ASSETS, LESS LIABILITIES – 0.2%			403,574
NET ASSETS – 100.0%			168,301,702

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

Scotia Aria Conservative Defend Portfolio (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 December 31, 2017, approximately 99.8% (December 31, 2016 – 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 of the Fund would have decreased or increased, respectively, by approximately $16,789,813 (December 31, 2016 – $10,198,698). 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 (%)	
	December 31, 2017	December 31, 2016
Canadian Equity Funds	15.5	17.3
Fixed Income Funds	74.1	74.0
Foreign Equity Funds	10.2	8.0

Fair Value Classification (note 2)

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

December 31, 2017	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Underlying funds	167,898,128	–	–	167,898,128
	167,898,128	–	–	167,898,128

December 31, 2016	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Underlying funds	101,986,982	–	–	101,986,982
	101,986,982	–	–	101,986,982

Transfers between levels

During the periods ended December 31, 2017 and December 31, 2016, there were no significant transfers between Level 1 and Level 2.

Offsetting of financial assets and liabilities (note 2)

As at December 31, 2017 and December 31, 2016, the Fund did not enter into any agreement whereby the financial instruments were eligible for offset.

Scotia Aria Conservative Defend Portfolio (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.

	December 31, 2017	
Underlying Fund	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	

	December 31, 2016	
Underlying Fund	Carrying value of the Underlying Fund ($)	Ownership percentage in Underlying Fund (%)
Scotia Floating Rate Income Fund Series I	18,965,260	1.6
Scotia Private Short-Mid Government Bond Pool Series I	18,974,587	1.5
Dynamic Canadian Bond Fund Series O	15,191,872	0.9
Scotia Private Options Income Pool Series I	3,090,832	0.4
Dynamic Dividend Advantage Fund Series O	4,199,773	0.4
CI Signature Corporate Bond Fund Class I	7,645,715	0.2
Scotia Global Low Volatility Equity LP Series I	2,054,183	0.2
Scotia U.S. Low Volatility Equity LP Series I	2,049,829	0.2
Scotia Private Canadian Corporate Bond Pool Series I	7,591,348	0.1
PIMCO Monthly Income Fund (Canada) Class I	7,646,063	0.1
Scotia Private International Equity Pool Series I	1,037,615	0.1
CI Cambridge Canadian Equity Corporate Class I	5,217,676	0.1
Scotia Canadian Dividend Fund Series I	8,322,229	0.1
	101,986,982	

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

As at December 31, 2017 or December 31, 2016, 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 Pay Portfolio

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	December 31, 2017	December 31, 2016
ASSETS		
Current assets		
Investments		
Non-derivative financial assets	150,673,944	90,376,690
Cash	1,029,537	924,577
Subscriptions receivable	177,706	234,695
Accrued investment income and other	875	570
	151,882,062	91,536,532
LIABILITIES		
Current liabilities		
Payable for securities purchased	396,000	–
Redemptions payable	5,000	3,662
Accrued expenses	–	4,526
Distributions payable	98,958	155,044
	499,958	163,232
Net assets attributable to holders of redeemable units	151,382,104	91,373,300
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
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
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series A	–	10.04
Series T	–	14.79
Series TH	–	14.32
Series TL	–	15.04
Premium Series	10.40	10.06
Premium T Series	15.04	14.77
Premium TH Series	14.41	14.36
Premium TL Series	15.28	14.85

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except average units)	2017	2016
INCOME		
Net gain (loss) on investments		
Dividends	2,053,817	1,403,693
Interest for distribution purposes	1,939,946	1,311,297
Net realized gain (loss) on non-derivative financial assets	2,483,726	785,587
Change in unrealized gain (loss) on non-derivative financial assets	542,790	1,406,531
Net gain (loss) on investments	7,020,279	4,907,108
Other income	1,990	767
Total income (loss), net	7,022,269	4,907,875
EXPENSES		
Management fees (note 5)	1,427,528	1,007,228
Fixed administration fees (note 6)	118,507	69,863
Independent Review Committee fees	1,135	1,184
Interest expense and bank overdraft charges	12	50
Foreign withholding taxes/tax reclaims	64,514	21,941
Other fund costs	19,372	11,960
Harmonized Sales Tax/Goods and Services Tax	155,857	117,796
Total expenses	1,786,925	1,230,022
Expenses absorbed by the Manager	–	(1,307)
Net expenses	1,786,925	1,228,715
Increase (decrease) in net assets attributable to holders of redeemable units from operations	5,235,344	3,679,160
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A	1,920,081	1,124,281
Series T	282,355	205,006
Series TH	225,844	118,882
Series TL	55,304	43,254
Premium Series	1,606,947	1,357,294
Premium T Series	405,739	357,753
Premium TH Series	638,630	423,025
Premium TL Series	100,444	49,665
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT†		
Series A	0.48	0.52
Series T	0.72	0.78
Series TH	0.65	0.62
Series TL	0.76	0.70
Premium Series	0.40	0.54
Premium T Series	0.65	0.88
Premium TH Series	0.62	0.72
Premium TL Series	0.64	0.54
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series A	4,025,144	2,177,208
Series T	390,053	263,981
Series TH	348,375	192,923
Series TL	72,602	61,800
Premium Series	4,061,051	2,518,458
Premium T Series	621,878	406,973
Premium TH Series	1,033,658	583,783
Premium TL Series	157,190	92,588

† 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 Pay Portfolio (Continued)

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

For the periods ended December 31 (note 1),

(in dollars)	2017	2016
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series A	27,818,430	17,340,424
Series T	5,131,945	2,991,223
Series TH	3,297,975	3,083,165
Series TL	911,553	973,868
Premium Series	32,219,249	19,940,160
Premium T Series	7,858,807	3,046,792
Premium TH Series	11,987,100	6,092,997
Premium TL Series	2,148,241	1,297,022
	91,373,300	54,765,651
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A	1,920,081	1,124,281
Series T	282,355	205,006
Series TH	225,844	118,882
Series TL	55,304	43,254
Premium Series	1,606,947	1,357,294
Premium T Series	405,739	357,753
Premium TH Series	638,630	423,025
Premium TL Series	100,444	49,665
	5,235,344	3,679,160
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net investment income		
Series A	–	(406,882)
Series T	(98,325)	(78,762)
Series TH	(66,831)	(57,836)
Series TL	(15,564)	(10,741)
Premium Series	(1,578,853)	(522,189)
Premium T Series	(173,949)	(138,625)
Premium TH Series	(220,123)	(206,809)
Premium TL Series	(59,478)	(42,610)
From net realized gains on investments		
Series A	–	(168,784)
Series T	–	(31,291)
Series TH	–	(23,015)
Series TL	–	(5,835)
Premium Series	–	(200,139)
Premium T Series	–	(50,293)
Premium TH Series	–	(72,950)
Premium TL Series	–	(13,887)
From return of capital		
Series T	(64,634)	(11,399)
Series TH	(140,502)	(46,058)
Premium T Series	(114,346)	–
Premium TH Series	(462,772)	(116,411)
	(2,995,377)	(2,204,516)
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A	32,690,326	14,098,588
Series T	3,722,733	2,542,811
Series TH	4,245,087	1,384,316
Series TL	885,000	59,385
Premium Series	79,405,390	18,992,662
Premium T Series	12,926,123	6,050,994
Premium TH Series	14,985,558	9,255,506
Premium TL Series	3,158,213	1,169,903
Reinvested distributions		
Series A	–	558,736
Series T	34,502	18,313
Series TH	69,524	47,602
Series TL	3,888	5,152
Premium Series	1,561,974	695,361
Premium T Series	58,691	18,736
Premium TH Series	181,221	54,026
Premium TL Series	24,319	22,061
Payments on redemption		
Series A	(62,428,837)	(4,727,933)
Series T	(9,008,576)	(503,956)
Series TH	(7,631,097)	(1,209,081)
Series TL	(1,840,181)	(153,530)
Premium Series	(6,789,756)	(8,043,900)
Premium T Series	(2,657,845)	(1,426,550)
Premium TH Series	(5,272,626)	(3,442,284)
Premium TL Series	(554,794)	(333,913)
	57,768,837	35,133,005
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A	(27,818,430)	10,478,006
Series T	(5,131,945)	2,140,722
Series TH	(3,297,975)	214,810
Series TL	(911,553)	(62,315)
Premium Series	74,205,702	12,279,089
Premium T Series	10,444,413	4,812,015
Premium TH Series	9,849,888	5,894,103
Premium TL Series	2,668,704	851,219
	60,008,804	36,607,649
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END 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
	151,382,104	91,373,300

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	5,235,344	3,679,160
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(2,483,726)	(785,587)
Change in unrealized (gain) loss on non-derivative financial assets	(542,790)	(1,406,531)
Non-cash transactions	(3,921,022)	(2,688,277)
Purchases of portfolio investments	(83,834,826)	(36,796,235)
Proceeds from sale of portfolio investments	30,881,110	4,523,356
Accrued investment income and other	(305)	(186)
Accrued expenses and other payables	(4,526)	4,526
Net cash provided by (used in) operating activities	(54,670,741)	(33,469,774)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	78,224,044	50,799,762
Amounts paid on redemption of redeemable units	(22,330,999)	(16,515,242)
Distributions to unitholders of redeemable units	(1,117,344)	(735,298)
Net cash provided by (used in) financing activities	54,775,701	33,549,222
Net increase (decrease) in cash	104,960	79,448
Cash (bank overdraft), beginning of period	924,577	845,129
CASH (BANK OVERDRAFT), END OF PERIOD	1,029,537	924,577
Interest paid[1]	12	50
Interest received[1]	7,923	4,585

[1] Classified as operating items.

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

Scotia Aria Conservative Pay Portfolio (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2017

Issuer	Number of Units	Average Cost ($)	Carrying Value ($)
CANADIAN EQUITY FUNDS – 15.3%			
CI Cambridge Canadian Equity Corporate Class, Class I	243,752	5,001,488	5,389,361
Dynamic Dividend Advantage Fund Series O	288,826	2,147,831	2,310,611
Dynamic Small Business Fund Series O	254,315	4,605,694	4,628,533
Scotia Canadian Dividend Fund Series I	171,930	9,657,042	10,781,885
		21,412,055	23,110,390
FIXED INCOME FUNDS – 68.9%			
1832 AM North American Preferred Share LP Series I	855,363	10,011,496	10,558,264
PIMCO Monthly Income Fund (Canada) Series I	1,098,407	15,746,221	15,774,660
Scotia Private American Core-Plus Bond Pool Series I	548,840	5,281,255	5,220,953
Scotia Private Canadian Corporate Bond Pool Series I	2,928,943	31,626,185	31,267,637
Scotia Private High Yield Income Pool Series I	1,157,594	10,806,572	10,415,571
Scotia Total Return Bond LP Series I	2,587,291	32,101,446	31,209,198
		105,573,175	104,446,283
FOREIGN EQUITY FUNDS – 15.3%			
Dynamic Global Infrastructure Fund Series O	76,237	1,380,478	1,553,720
Scotia Global Dividend Fund Series I	641,025	11,100,444	10,394,410
Scotia Private International Equity Pool Series I	418,712	5,526,966	5,779,404
Scotia Private Options Income Pool Series I	297,945	3,038,502	3,087,361
Scotia U.S. Dividend Growers LP Series I	136,674	2,186,916	2,302,376
		23,233,306	23,117,271
TOTAL INVESTMENT PORTFOLIO		150,218,536	150,673,944
OTHER ASSETS, LESS LIABILITIES – 0.5%			708,160
NET ASSETS – 100.0%			151,382,104

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

Scotia Aria Conservative Pay Portfolio (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 December 31, 2017, approximately 99.5% (December 31, 2016 – 98.9%) 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 of the Fund would have decreased or increased, respectively, by approximately $15,067,394 (December 31, 2016 – $9,037,669). 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 (%)	
	December 31, 2017	December 31, 2016
Canadian Equity Funds	15.3	26.6
Fixed Income Funds	68.9	58.2
Foreign Equity Funds	15.3	14.1

Fair Value Classification (note 2)

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

December 31, 2017	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Underlying funds	150,673,944	–	–	150,673,944
	150,673,944	–	–	150,673,944

December 31, 2016	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Underlying funds	90,376,690	–	–	90,376,690
	90,376,690	–	–	90,376,690

Transfers between levels

During the periods ended December 31, 2017 and December 31, 2016, there were no significant transfers between Level 1 and Level 2.

Offsetting of financial assets and liabilities (note 2)

As at December 31, 2017 and December 31, 2016, the Fund did not enter into any agreement whereby the financial instruments were eligible for offset.

Scotia Aria Conservative Pay Portfolio (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.

	December 31, 2017	
Underlying Fund	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	

	December 31, 2016	
Underlying Fund	Carrying value of the Underlying Fund ($)	Ownership percentage in Underlying Fund (%)
1832 AM North American Preferred Share LP Series I	9,584,372	3.8
Scotia Total Return Bond LP Series I	12,481,629	1.4
Scotia Private Short-Mid Government Bond Pool Series I	9,388,052	0.7
Scotia Private Real Estate Income Pool Series I	1,864,311	0.6
Scotia Private Options Income Pool Series I	3,625,356	0.5
Scotia Private High Yield Income Pool Series I	6,309,622	0.5
Scotia Private American Core-Plus Bond Pool Series I	3,116,471	0.4
Scotia Global Dividend Fund Series I	2,775,118	0.4
Dynamic Dividend Advantage Fund Series O	3,708,366	0.4
Scotia U.S. Dividend Growers LP Series I	1,821,743	0.3
Scotia Private International Equity Pool Series I	1,869,568	0.2
Scotia Private Canadian Corporate Bond Pool Series I	12,499,554	0.2
PIMCO Monthly Income Fund (Canada) Class I	9,367,197	0.1
CI Cambridge Canadian Equity Corporate Class I	4,630,876	0.1
Dynamic Global Infrastructure Fund Series O	922,628	0.1
Scotia Canadian Dividend Fund Series I	6,411,827	0.1
	90,376,690	

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

As at December 31, 2017 or December 31, 2016, 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 Build Portfolio

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	December 31, 2017	December 31, 2016
ASSETS		
Current assets		
Investments		
Non-derivative financial assets	128,770,155	61,048,300
Cash	974,334	1,230,148
Subscriptions receivable	472,014	222,305
Accrued investment income and other	1,484	556
	130,217,987	62,501,309
LIABILITIES		
Current liabilities		
Payable for securities purchased	664,000	–
Redemptions payable	158,075	85,753
Accrued expenses	–	3,136
Distributions payable	2,434	5,086
	824,509	93,975
Net assets attributable to holders of redeemable units	129,393,478	62,407,334
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series A	–	38,967,968
Premium Series	129,393,478	23,439,366
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series A	–	10.31
Premium Series	10.86	10.32

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except average units)	2017	2016
INCOME		
Net gain (loss) on investments		
Dividends	1,614,707	808,891
Interest for distribution purposes	1,596,702	836,564
Net realized gain (loss) on non-derivative financial assets	790,412	647,258
Change in unrealized gain (loss) on non-derivative financial assets	3,489,043	1,585,037
Net gain (loss) on investments	7,490,864	3,877,750
Other income	564	15
Total income (loss), net	7,491,428	3,877,765
EXPENSES		
Management fees (note 5)	1,387,174	725,836
Fixed administration fees (note 6)	98,904	46,434
Independent Review Committee fees	1,135	1,184
Foreign withholding taxes/tax reclaims	81,255	32,964
Other fund costs	13,475	5,004
Harmonized Sales Tax/Goods and Services Tax	149,828	76,032
Total expenses	1,731,771	887,454
Increase (decrease) in net assets attributable to holders of redeemable units from operations	5,759,657	2,990,311
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A	3,558,117	1,879,359
Premium Series	2,201,540	1,110,952
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT†		
Series A	0.58	0.65
Premium Series	0.61	0.66
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series A	6,091,479	2,905,594
Premium Series	3,598,019	1,692,205

† 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 Build Portfolio (Continued)

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

For the periods ended December 31 (note 1),

(in dollars)	2017	2016
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series A	38,967,968	22,061,338
Premium Series	23,439,366	12,770,547
	62,407,334	34,831,885
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A	3,558,117	1,879,359
Premium Series	2,201,540	1,110,952
	5,759,657	2,990,311
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net investment income		
Series A	–	(459,747)
Premium Series	(1,472,349)	(298,794)
From net realized gains on investments		
Series A	–	(327,271)
Premium Series	–	(194,167)
	(1,472,349)	(1,279,979)
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A	46,289,361	19,169,450
Premium Series	108,998,434	11,541,433
Reinvested distributions		
Series A	–	806,674
Premium Series	1,469,916	500,459
Payments on redemption		
Series A	(88,815,446)	(4,161,835)
Premium Series	(5,243,429)	(1,991,064)
	62,698,836	25,865,117
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A	(38,967,968)	16,906,630
Premium Series	105,954,112	10,668,819
	66,986,144	27,575,449
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series A	–	38,967,968
Premium Series	129,393,478	23,439,366
	129,393,478	62,407,334

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	5,759,657	2,990,311
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(790,412)	(647,258)
Change in unrealized (gain) loss on non-derivative financial assets	(3,489,043)	(1,585,037)
Non-cash transactions	(3,123,058)	(1,607,648)
Purchases of portfolio investments	(77,418,677)	(26,980,905)
Proceeds from sale of portfolio investments	17,763,335	3,735,129
Accrued investment income and other	(928)	(225)
Accrued expenses and other payables	(3,136)	3,136
Net cash provided by (used in) operating activities	(61,302,262)	(24,092,497)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	71,387,517	30,124,303
Amounts paid on redemption of redeemable units	(10,335,984)	(5,405,835)
Distributions to unitholders of redeemable units	(5,085)	(3,964)
Net cash provided by (used in) financing activities	61,046,448	24,714,504
Net increase (decrease) in cash	(255,814)	622,007
Cash (bank overdraft), beginning of period	1,230,148	608,141
CASH (BANK OVERDRAFT), END OF PERIOD	974,334	1,230,148
Interest received[1]	6,167	4,618

[1] Classified as operating items.

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

Scotia Aria Moderate Build Portfolio (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2017

Issuer	Number of Units	Average Cost ($)	Carrying Value ($)
CANADIAN EQUITY FUNDS – 20.4%			
CI Cambridge Canadian Equity Corporate Class, Class I	596,566	12,420,731	13,190,069
Scotia Private Canadian All Cap Equity Pool Series I	245,967	2,523,548	2,648,965
Scotia Private Canadian Mid Cap Pool Series I	249,488	5,269,504	5,315,798
Scotia Private Canadian Small Cap Pool Series I	127,293	4,658,585	5,302,295
		24,872,368	26,457,127
FIXED INCOME FUNDS – 48.2%			
1832 AM North American Preferred Share LP Series I	506,575	5,951,056	6,252,959
PIMCO Monthly Income Fund (Canada) Series I	653,992	9,346,400	9,392,236
Scotia Canadian Income Fund Series I	696,117	9,506,721	9,331,592
Scotia Private American Core-Plus Bond Pool Series I	656,544	6,307,679	6,245,504
Scotia Private Canadian Corporate Bond Pool Series I	1,460,122	15,740,458	15,587,382
Scotia Private High Yield Income Pool Series I	1,724,497	16,120,029	15,516,332
		62,972,343	62,326,005
FOREIGN EQUITY FUNDS – 30.9%			
1832 AM Global Completion LP Series I	261,907	3,862,652	3,999,457
Scotia Global Growth Fund Series I	125,387	8,152,506	9,989,425
Scotia Private Emerging Markets Pool Series I	342,497	3,579,960	4,031,290
Scotia Private Global Real Estate Pool Series I	219,924	4,131,281	4,014,302
Scotia Private International Equity Pool Series I	579,065	7,578,650	7,992,713
Scotia Private U.S. Mid Cap Value Pool Series I	105,075	1,778,798	1,994,541
Scotia U.S. Dividend Growers LP Series I	472,838	7,561,055	7,965,295
		36,644,902	39,987,023
TOTAL INVESTMENT PORTFOLIO		124,489,613	128,770,155
OTHER ASSETS, LESS LIABILITIES – 0.5%			623,323
NET ASSETS – 100.0%			129,393,478

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

Scotia Aria Moderate Build Portfolio (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 December 31, 2017, approximately 99.5% (December 31, 2016 – 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 of the Fund would have decreased or increased, respectively, by approximately $12,877,016 (December 31, 2016 – $6,104,830). 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 (%)	
	December 31, 2017	December 31, 2016
Canadian Equity Funds	20.4	29.7
Fixed Income Funds	48.2	43.5
Foreign Equity Funds	30.9	24.6

Fair Value Classification (note 2)

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

December 31, 2017	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Underlying funds	128,770,155	–	–	128,770,155
	128,770,155	–	–	128,770,155

December 31, 2016	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Underlying funds	61,048,300	–	–	61,048,300
	61,048,300	–	–	61,048,300

Transfers between levels

During the periods ended December 31, 2017 and December 31, 2016, there were no significant transfers between Level 1 and Level 2.

Offsetting of financial assets and liabilities (note 2)

As at December 31, 2017 and December 31, 2016, the Fund did not enter into any agreement whereby the financial instruments were eligible for offset.

Scotia Aria Moderate Build Portfolio (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.

	December 31, 2017	
Underlying Fund	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	

	December 31, 2016	
Underlying Fund	Carrying value of the Underlying Fund ($)	Ownership percentage in Underlying Fund (%)
Scotia Private Canadian Mid Cap Pool Series I	2,335,964	2.7
1832 AM North American Preferred Share LP Series I	3,056,915	1.2
Scotia Private High Yield Income Pool Series I	7,543,297	0.6
Scotia Global Growth Fund Series I	5,804,311	0.6
Scotia Private Emerging Markets Pool Series I	1,550,206	0.6
Scotia Private Canadian Small Cap Pool Series I	3,110,674	0.5
Scotia Private U.S. Mid Cap Value Pool Series I	608,455	0.5
Scotia Private Global Real Estate Pool Series I	1,565,157	0.5
1832 AM Global Completion LP Series I	1,850,103	0.4
Scotia Private American Core-Plus Bond Pool Series I	3,005,928	0.4
Scotia U.S. Dividend Growers LP Series I	2,132,991	0.4
Dynamic Value Fund of Canada Series O	4,632,517	0.3
Scotia Private International Equity Pool Series I	1,858,357	0.2
CI Cambridge Canadian Equity Corporate Class I	5,422,415	0.1
Scotia Canadian Income Fund Series I	7,543,849	0.1
Scotia Private Canadian Corporate Bond Pool Series I	4,512,143	0.1
PIMCO Monthly Income Fund (Canada) Class I	4,515,018	0.0
	61,048,300	

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

As at December 31, 2017 or December 31, 2016, 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
(formerly, Scotia Aria Moderate Core Portfolio)

STATEMENTS OF FINANCIAL POSITION
As at

(in dollars)	December 31, 2017	December 31, 2016
ASSETS		
Current assets		
Investments		
Non-derivative financial assets	362,415,657	200,015,954
Cash	2,180,431	1,538,365
Subscriptions receivable	1,326,353	1,992,654
Accrued investment income and other	1,888	747
	365,924,329	203,547,720
LIABILITIES		
Current liabilities		
Payable for securities purchased	803,000	–
Redemptions payable	555,712	212,435
Accrued expenses	7	10,143
Distributions payable	79,729	86,027
	1,438,448	308,605
Net assets attributable to holders of redeemable units	364,485,881	203,239,115
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
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
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series A	–	10.27
Series T	–	14.61
Series TH	–	13.98
Series TL	–	15.01
Premium Series	10.54	10.27
Premium T Series	14.62	14.66
Premium TH Series	13.70	14.02
Premium TL Series	15.52	15.21

STATEMENTS OF COMPREHENSIVE INCOME
For the periods ended December 31 (note 1),

(in dollars except average units)	2017	2016
INCOME		
Net gain (loss) on investments		
Dividends	4,644,883	2,063,621
Interest for distribution purposes	4,584,010	2,423,082
Net realized gain (loss) on non-derivative financial assets	2,095,040	933,159
Change in unrealized gain (loss) on non-derivative financial assets	4,442,835	6,611,684
Net gain (loss) on investments	15,766,768	12,031,546
Other income	3,747	747
Total income (loss), net	15,770,515	12,032,293
EXPENSES		
Management fees (note 5)	4,164,898	2,396,403
Fixed administration fees (note 6)	296,950	154,251
Independent Review Committee fees	1,135	1,184
Foreign withholding taxes/tax reclaims	87,947	20,086
Other fund costs	45,010	12,850
Harmonized Sales Tax/Goods and Services Tax	448,919	260,197
Total expenses	5,044,859	2,844,971
Expenses absorbed by the Manager	(378)	(500)
Net expenses	5,044,481	2,844,471
Increase (decrease) in net assets attributable to holders of redeemable units from operations	10,726,034	9,187,822
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A	5,512,364	4,601,759
Series T	112,889	101,017
Series TH	186,608	189,871
Series TL	24,833	19,573
Premium Series	4,129,800	3,604,087
Premium T Series	294,700	287,370
Premium TH Series	401,794	373,861
Premium TL Series	63,046	10,284
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT†		
Series A	0.37	0.60
Series T	0.50	0.78
Series TH	0.50	0.77
Series TL	0.59	0.84
Premium Series	0.35	0.61
Premium T Series	0.51	0.83
Premium TH Series	0.47	0.82
Premium TL Series	0.55	1.13
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series A	14,851,768	7,695,099
Series T	225,090	130,262
Series TH	376,567	245,488
Series TL	42,080	23,206
Premium Series	11,674,740	5,946,796
Premium T Series	579,033	344,857
Premium TH Series	859,393	453,852
Premium TL Series	114,239	9,082

† 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 (Continued)
(formerly, Scotia Aria Moderate Core Portfolio)

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

For the periods ended December 31 (note 1),

(in dollars)	2017	2016
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series A	97,473,460	60,445,928
Series T	2,294,447	2,039,351
Series TH	3,976,815	3,108,900
Series TL	455,469	321,868
Premium Series	83,117,285	43,650,109
Premium T Series	5,751,113	3,884,839
Premium TH Series	9,545,904	4,723,851
Premium TL Series	624,622	5,078
	203,239,115	118,179,924
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A	5,512,364	4,601,759
Series T	112,889	101,017
Series TH	186,608	189,871
Series TL	24,833	19,573
Premium Series	4,129,800	3,604,087
Premium T Series	294,700	287,370
Premium TH Series	401,794	373,861
Premium TL Series	63,046	10,284
	10,726,034	9,187,822
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net investment income		
Series A	–	(710,874)
Series T	(33,221)	(14,013)
Series TH	(43,599)	(25,451)
Series TL	(9,562)	(3,934)
Premium Series	(3,788,411)	(769,921)
Premium T Series	(93,719)	(36,900)
Premium TH Series	(108,353)	(97,349)
Premium TL Series	(30,015)	(3,928)
From net realized gains on investments		
Series A	–	(220,986)
Series T	–	(5,085)
Series TH	–	(9,261)
Series TL	–	(1,057)
Premium Series	–	(185,937)
Premium T Series	–	(12,853)
Premium TH Series	–	(21,253)
Premium TL Series	–	(636)
From return of capital		
Series T	(92,423)	(59,000)
Series TH	(251,845)	(181,428)
Series TL	(2,182)	(2,052)
Premium T Series	(260,733)	(160,778)
Premium TH Series	(625,891)	(287,940)
Premium TL Series	(6,850)	–
	(5,346,804)	(2,810,636)
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A	107,533,226	44,553,307
Series T	2,243,185	712,606
Series TH	2,958,881	2,235,010
Series TL	372,583	118,815
Premium Series	261,523,989	44,769,461
Premium T Series	8,216,043	3,237,245
Premium TH Series	11,820,118	5,511,846
Premium TL Series	2,546,483	612,382
Reinvested distributions		
Series A	–	957,082
Series T	49,488	17,100
Series TH	58,144	47,481
Series TL	3,877	2,256
Premium Series	3,777,975	995,567
Premium T Series	156,414	70,717
Premium TH Series	112,719	18,369
Premium TL Series	23,228	1,442
Payments on redemption		
Series A	(210,519,050)	(12,152,756)
Series T	(4,574,365)	(497,529)
Series TH	(6,885,004)	(1,388,307)
Series TL	(845,018)	–
Premium Series	(16,885,928)	(8,946,081)
Premium T Series	(1,618,286)	(1,518,527)
Premium TH Series	(4,021,146)	(675,481)
Premium TL Series	(180,020)	–
	155,867,536	78,682,005
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A	(97,473,460)	37,027,532
Series T	(2,294,447)	255,096
Series TH	(3,976,815)	867,915
Series TL	(455,469)	133,601
Premium Series	248,757,425	39,467,176
Premium T Series	6,694,419	1,866,274
Premium TH Series	7,579,241	4,822,053
Premium TL Series	2,415,872	619,544
	161,246,766	85,059,191
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END 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
	364,485,881	203,239,115

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	10,726,034	9,187,822
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(2,095,040)	(933,159)
Change in unrealized (gain) loss on non-derivative financial assets	(4,442,835)	(6,611,684)
Non-cash transactions	(9,124,837)	(4,456,166)
Purchases of portfolio investments	(238,266,642)	(81,370,178)
Proceeds from sale of portfolio investments	92,332,649	7,739,728
Accrued investment income and other	(1,141)	287
Accrued expenses and other payables	(10,136)	10,143
Net cash provided by (used in) operating activities	(150,881,948)	(76,433,207)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	189,195,791	97,870,433
Amounts paid on redemption of redeemable units	(36,500,520)	(22,093,756)
Distributions to unitholders of redeemable units	(1,171,257)	(752,503)
Net cash provided by (used in) financing activities	151,524,014	75,024,174
Net increase (decrease) in cash	642,066	(1,409,033)
Cash (bank overdraft), beginning of period	1,538,365	2,947,398
CASH (BANK OVERDRAFT), END OF PERIOD	2,180,431	1,538,365
Interest received[1]	14,968	10,739

[1] Classified as operating items.

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

Scotia Aria Moderate Defend Portfolio (Continued)
(formerly, Scotia Aria Moderate Core Portfolio)

SCHEDULE OF INVESTMENT PORTFOLIO
As at December 31, 2017

Issuer	Number of Units	Average Cost ($)	Carrying Value ($)
CANADIAN EQUITY FUNDS – 27.5%			
CI Cambridge Canadian Equity Corporate Class, Class I	919,919	18,938,053	20,339,412
Dynamic Small Business Fund Series O	817,071	13,940,221	14,870,697
Scotia Canadian Dividend Fund Series I	796,816	45,691,576	49,969,159
Scotia Private Canadian All Cap Equity Pool Series I	1,382,829	14,148,874	14,892,511
		92,718,724	100,071,779
FIXED INCOME FUNDS – 53.5%			
CI Signature Corporate Bond Corporate Class, Class I	1,804,329	19,411,421	19,528,257
Dynamic Canadian Bond Fund Series O	5,669,680	30,038,822	29,255,551
PIMCO Monthly Income Fund (Canada) Series I	2,049,655	29,317,541	29,435,911
Scotia Floating Rate Income Fund Series I	4,926,685	48,747,949	48,856,461
Scotia Private Canadian Corporate Bond Pool Series I	2,738,597	29,792,867	29,235,621
Scotia Total Return Bond LP Series I	3,233,742	39,860,038	39,007,010
		197,168,638	195,318,811
FOREIGN EQUITY FUNDS – 18.4%			
Dynamic Global Infrastructure Fund Series O	321,988	6,489,171	6,562,120
Scotia Global Low Volatility Equity LP Series I	1,687,170	26,085,527	26,973,124
Scotia Private International Equity Pool Series I	1,212,745	15,972,428	16,739,277
Scotia Private Options Income Pool Series I	989,623	10,073,687	10,254,674
Scotia U.S. Low Volatility Equity LP Series I	431,981	6,513,415	6,495,872
		65,134,228	67,025,067
TOTAL INVESTMENT PORTFOLIO		355,021,590	362,415,657
OTHER ASSETS, LESS LIABILITIES – 0.6%			2,070,224
NET ASSETS – 100.0%			364,485,881

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

Scotia Aria Moderate Defend Portfolio (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 December 31, 2017, approximately 99.4% (December 31, 2016 – 98.4%) 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 of the Fund would have decreased or increased, respectively, by approximately $36,241,566 (December 31, 2016 – $20,001,595). 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 (%)	
	December 31, 2017	December 31, 2016
Canadian Equity Funds	27.5	29.9
Fixed Income Funds	53.5	53.3
Foreign Equity Funds	18.4	15.2

Fair Value Classification (note 2)

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

December 31, 2017	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Underlying funds	362,415,657	–	–	362,415,657
	362,415,657	–	–	362,415,657

December 31, 2016	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Underlying funds	200,015,954	–	–	200,015,954
	200,015,954	–	–	200,015,954

Transfers between levels

During the periods ended December 31, 2017 and December 31, 2016, there were no significant transfers between Level 1 and Level 2.

Offsetting of financial assets and liabilities (note 2)

As at December 31, 2017 and December 31, 2016, the Fund did not enter into any agreement whereby the financial instruments were eligible for offset.

Scotia Aria Moderate Defend Portfolio (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.

	December 31, 2017	
Underlying Fund	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	

	December 31, 2016	
Underlying Fund	Carrying value of the Underlying Fund ($)	Ownership percentage in Underlying Fund (%)
Scotia Floating Rate Income Fund Series I	27,088,288	2.2
Dynamic Dividend Advantage Fund Series O	17,979,092	1.9
Scotia Private Short-Mid Government Bond Pool Series I	16,200,421	1.3
Dynamic Canadian Bond Fund Series O	21,665,670	1.3
Scotia Private Options Income Pool Series I	10,582,672	1.3
Scotia Global Low Volatility Equity LP Series I	8,051,775	0.8
Dynamic Small Business Fund Series O	7,156,996	0.7
Scotia Private Real Estate Income Pool Series I	2,050,654	0.7
Scotia U.S. Low Volatility Equity LP Series I	6,027,635	0.6
CI Cambridge Canadian Equity Corporate Class I	17,830,014	0.4
Scotia Private International Equity Pool Series I	4,078,555	0.4
Scotia Private Canadian Corporate Bond Pool Series I	16,219,615	0.3
CI Signature Corporate Bond Fund Class I	10,923,641	0.3
PIMCO Monthly Income Fund (Canada) Class I	16,344,145	0.2
Scotia Canadian Dividend Fund Series I	17,816,781	0.2
	200,015,954	

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

As at December 31, 2017 or December 31, 2016, 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 Pay Portfolio

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	December 31, 2017	December 31, 2016
ASSETS		
Current assets		
Investments		
Non-derivative financial assets	160,275,589	91,127,801
Cash	510,744	916,448
Subscriptions receivable	1,068,257	676,331
Accrued investment income and other	923	477
	161,855,513	92,721,057
LIABILITIES		
Current liabilities		
Redemptions payable	531,050	10,000
Accrued expenses	–	7,480
Distributions payable	131,639	203,239
	662,689	220,719
Net assets attributable to holders of redeemable units	161,192,824	92,500,338
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
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
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series A	–	10.15
Series T	–	14.67
Series TH	–	14.05
Series TL	–	14.98
Premium Series	10.63	10.16
Premium T Series	14.93	14.67
Premium TH Series	14.06	14.09
Premium TL Series	15.50	14.92

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except average units)	2017	2016
INCOME		
Net gain (loss) on investments		
Dividends	2,444,718	1,454,730
Interest for distribution purposes	1,618,033	1,011,146
Net realized gain (loss) on non-derivative financial assets	3,578,519	1,259,547
Change in unrealized gain (loss) on non-derivative financial assets	1,501,135	2,195,503
Net gain (loss) on investments	9,142,405	5,920,926
Other income	4,483	595
Total income (loss), net	9,146,888	5,921,521
EXPENSES		
Management fees (note 5)	1,803,518	1,080,212
Fixed administration fees (note 6)	128,289	69,837
Independent Review Committee fees	1,135	1,184
Interest expense and bank overdraft charges	2	–
Foreign withholding taxes/tax reclaims	107,009	42,239
Other fund costs	13,920	9,762
Harmonized Sales Tax/Goods and Services Tax	194,306	119,896
Total expenses	2,248,179	1,323,130
Expenses absorbed by the Manager	(1,233)	(5,370)
Net expenses	2,246,946	1,317,760
Increase (decrease) in net assets attributable to holders of redeemable units from operations	6,899,942	4,603,761
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A	2,674,723	1,670,541
Series T	215,680	128,227
Series TH	340,623	226,684
Series TL	89,574	68,754
Premium Series	1,867,967	1,226,290
Premium T Series	628,199	533,182
Premium TH Series	797,832	608,414
Premium TL Series	285,344	141,669
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT†		
Series A	0.55	0.65
Series T	0.77	0.81
Series TH	0.75	0.87
Series TL	0.79	0.98
Premium Series	0.52	0.69
Premium T Series	0.81	0.94
Premium TH Series	0.75	0.91
Premium TL Series	0.80	1.09
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series A	4,887,273	2,579,409
Series T	278,568	159,053
Series TH	451,847	261,130
Series TL	113,064	69,991
Premium Series	3,559,169	1,774,776
Premium T Series	773,719	568,587
Premium TH Series	1,069,961	669,948
Premium TL Series	358,523	130,191

† 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 (Continued)

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

For the periods ended December 31 (note 1),

(in dollars)	2017	2016
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series A	32,887,002	21,626,465
Series T	3,089,883	2,255,937
Series TH	4,962,696	2,576,589
Series TL	1,250,996	670,750
Premium Series	23,909,534	12,810,623
Premium T Series	10,059,761	6,354,293
Premium TH Series	12,600,690	7,339,168
Premium TL Series	3,739,776	1,504,444
	92,500,338	55,138,269
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A	2,674,723	1,670,541
Series T	215,680	128,227
Series TH	340,623	226,684
Series TL	89,574	68,754
Premium Series	1,867,967	1,226,290
Premium T Series	628,199	533,182
Premium TH Series	797,832	608,414
Premium TL Series	285,344	141,669
	6,899,942	4,603,761
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net investment income		
Series A	–	(371,733)
Series T	(44,200)	(32,571)
Series TH	(68,080)	(62,712)
Series TL	(22,553)	(14,004)
Premium Series	(1,309,044)	(313,228)
Premium T Series	(132,893)	(123,611)
Premium TH Series	(178,258)	(168,593)
Premium TL Series	(79,536)	(65,850)
From net realized gains on investments		
Series A	–	(349,108)
Series T	–	(30,644)
Series TH	–	(52,897)
Series TL	–	(13,615)
Premium Series	–	(254,021)
Premium T Series	–	(108,831)
Premium TH Series	–	(135,155)
Premium TL Series	–	(39,636)
From return of capital		
Series T	(111,914)	(31,738)
Series TH	(284,105)	(116,040)
Series TL	(9,030)	–
Premium T Series	(336,482)	(115,052)
Premium TH Series	(743,891)	(290,469)
Premium TL Series	(31,846)	–
	(3,351,832)	(2,689,508)
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A	37,886,781	14,649,840
Series T	2,726,457	1,421,290
Series TH	3,834,446	3,202,248
Series TL	802,531	578,000
Premium Series	90,933,585	13,106,054
Premium T Series	11,066,906	5,727,184
Premium TH Series	14,657,932	5,809,071
Premium TL Series	4,891,681	2,269,216
Reinvested distributions		
Series A	–	711,816
Series T	64,430	37,847
Series TH	88,913	41,482
Series TL	6,630	3,936
Premium Series	1,298,667	565,059
Premium T Series	81,384	72,043
Premium TH Series	100,133	18,331
Premium TL Series	37,227	306
Payments on redemption		
Series A	(73,448,506)	(5,050,819)
Series T	(5,940,336)	(658,465)
Series TH	(8,874,493)	(852,658)
Series TL	(2,118,148)	(42,825)
Premium Series	(5,347,076)	(3,231,243)
Premium T Series	(4,121,037)	(2,279,447)
Premium TH Series	(3,360,788)	(580,077)
Premium TL Series	(122,943)	(70,373)
	65,144,376	35,447,816
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A	(32,887,002)	11,260,537
Series T	(3,089,883)	833,946
Series TH	(4,962,696)	2,386,107
Series TL	(1,250,996)	580,246
Premium Series	87,444,099	11,098,911
Premium T Series	7,186,077	3,705,468
Premium TH Series	11,272,960	5,261,522
Premium TL Series	4,979,927	2,235,332
	68,692,486	37,362,069
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END 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
	161,192,824	92,500,338

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	6,899,942	4,603,761
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(3,578,519)	(1,259,547)
Change in unrealized (gain) loss on non-derivative financial assets	(1,501,135)	(2,195,503)
Non-cash transactions	(3,948,388)	(2,418,645)
Purchases of portfolio investments	(88,577,180)	(38,618,289)
Proceeds from sale of portfolio investments	28,457,433	6,946,047
Accrued investment income and other	(446)	85
Accrued expenses and other payables	(7,480)	7,480
Net cash provided by (used in) operating activities	(62,255,773)	(32,934,611)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	84,821,986	44,843,515
Amounts paid on redemption of redeemable units	(21,225,869)	(11,407,909)
Distributions to unitholders of redeemable units	(1,746,048)	(1,176,551)
Net cash provided by (used in) financing activities	61,850,069	32,259,055
Net increase (decrease) in cash	(405,704)	(675,556)
Cash (bank overdraft), beginning of period	916,448	1,592,004
CASH (BANK OVERDRAFT), END OF PERIOD	510,744	916,448
Interest paid[1]	2	–
Interest received[1]	6,907	5,077

[1] Classified as operating items.

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

Scotia Aria Moderate Pay Portfolio (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2017

Issuer	Number of Units	Average Cost ($)	Carrying Value ($)
CANADIAN EQUITY FUNDS – 25.6%			
CI Cambridge Canadian Equity Corporate Class, Class I	371,726	7,632,506	8,218,866
Dynamic Dividend Advantage Fund Series O	771,821	5,842,889	6,174,568
Dynamic Small Business Fund Series O	455,011	7,920,334	8,281,199
Scotia Canadian Dividend Fund Series I	197,105	11,205,050	12,360,665
Scotia Private Canadian All Cap Equity Pool Series I	576,715	5,913,637	6,210,986
		38,514,416	41,246,284
FIXED INCOME FUNDS – 48.7%			
1832 AM North American Preferred Share LP Series I	643,324	7,535,956	7,940,937
PIMCO Monthly Income Fund (Canada) Series I	1,097,748	15,727,142	15,765,192
Scotia Private American Core-Plus Bond Pool Series I	413,107	3,972,292	3,929,764
Scotia Private Canadian Corporate Bond Pool Series I	2,202,460	23,783,130	23,512,141
Scotia Private High Yield Income Pool Series I	1,308,954	12,230,906	11,777,444
Scotia Total Return Bond LP Series I	1,295,453	16,078,829	15,626,401
		79,328,255	78,551,879
FOREIGN EQUITY FUNDS – 25.1%			
Dynamic Global Infrastructure Fund Series O	100,182	1,812,909	2,041,702
Scotia Global Dividend Fund Series I	997,533	17,130,364	16,175,294
Scotia Private International Equity Pool Series I	731,697	9,586,475	10,099,466
Scotia Private Options Income Pool Series I	587,971	5,989,737	6,092,674
Scotia Private Real Estate Income Pool Series I	178,306	2,003,684	2,057,742
Scotia U.S. Dividend Growers LP Series I	238,075	3,811,063	4,010,548
		40,334,232	40,477,426
TOTAL INVESTMENT PORTFOLIO		158,176,903	160,275,589
OTHER ASSETS, LESS LIABILITIES – 0.6%			917,235
NET ASSETS – 100.0%			161,192,824

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

Scotia Aria Moderate Pay Portfolio (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 December 31, 2017, approximately 99.4% (December 31, 2016 – 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 of the Fund would have decreased or increased, respectively, by approximately $16,027,559 (December 31, 2016 – $9,112,780). 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 (%)	
	December 31, 2017	December 31, 2016
Canadian Equity Funds	25.6	31.4
Fixed Income Funds	48.7	41.2
Foreign Equity Funds	25.1	25.9

Fair Value Classification (note 2)

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

December 31, 2017	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Underlying funds	160,275,589	–	–	160,275,589
	160,275,589	–	–	160,275,589

December 31, 2016	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Underlying funds	91,127,801	–	–	91,127,801
	91,127,801	–	–	91,127,801

Transfers between levels

During the periods ended December 31, 2017 and December 31, 2016, there were no significant transfers between Level 1 and Level 2.

Offsetting of financial assets and liabilities (note 2)

As at December 31, 2017 and December 31, 2016, the Fund did not enter into any agreement whereby the financial instruments were eligible for offset.

Scotia Aria Moderate Pay Portfolio (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.

	December 31, 2017	
Underlying Fund	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	

	December 31, 2016	
Underlying Fund	Carrying value of the Underlying Fund ($)	Ownership percentage in Underlying Fund (%)
1832 AM North American Preferred Share LP Series I	6,857,088	2.7
Scotia Global Dividend Fund Series I	7,383,897	1.1
Scotia Total Return Bond LP Series I	6,704,248	0.8
Scotia Private Options Income Pool Series I	5,473,995	0.7
Dynamic Dividend Advantage Fund Series O	6,981,146	0.7
Scotia U.S. Dividend Growers LP Series I	3,642,663	0.7
Scotia Private Real Estate Income Pool Series I	1,870,008	0.6
Scotia Private High Yield Income Pool Series I	6,771,591	0.5
Scotia Private American Core-Plus Bond Pool Series I	2,242,444	0.3
Scotia Private International Equity Pool Series I	3,709,067	0.3
Scotia Private Short-Mid Government Bond Pool Series I	4,467,753	0.3
Dynamic Small Business Fund Series O	2,771,158	0.3
Scotia Private Canadian Corporate Bond Pool Series I	8,989,309	0.2
Dynamic Global Infrastructure Fund Series O	1,849,086	0.2
PIMCO Monthly Income Fund (Canada) Class I	8,974,552	0.1
Scotia Canadian Dividend Fund Series I	5,525,572	0.1
CI Cambridge Canadian Equity Corporate Class I	6,914,224	0.1
	91,127,801	

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

As at December 31, 2017 or December 31, 2016, 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

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	December 31, 2017	December 31, 2016
ASSETS		
Current assets		
Investments		
Non-derivative financial assets	168,034,655	80,177,646
Cash	1,513,048	1,378,087
Subscriptions receivable	595,138	687,856
Accrued investment income and other	1,140	564
	170,143,981	82,244,153
LIABILITIES		
Current liabilities		
Payable for securities purchased	954,000	–
Redemptions payable	40,190	132,654
Accrued expenses	–	4,378
Distributions payable	2,863	9,357
	997,053	146,389
Net assets attributable to holders of redeemable units	169,146,928	82,097,764
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series A	–	53,623,561
Premium Series	169,146,928	28,474,203
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series A	–	10.62
Premium Series	11.44	10.62

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except average units)	2017	2016
INCOME		
Net gain (loss) on investments		
Dividends	2,629,801	1,314,095
Interest for distribution purposes	1,017,770	565,235
Net realized gain (loss) on non-derivative financial assets	1,264,083	1,304,327
Change in unrealized gain (loss) on non-derivative financial assets	7,501,761	2,435,045
Net gain (loss) on investments	12,413,415	5,618,702
Other income	87	318
Total income (loss), net	12,413,502	5,619,020
EXPENSES		
Management fees (note 5)	2,074,215	1,057,985
Fixed administration fees (note 6)	129,555	63,533
Independent Review Committee fees	1,135	1,184
Foreign withholding taxes/tax reclaims	163,808	76,467
Other fund costs	21,550	9,910
Harmonized Sales Tax/Goods and Services Tax	225,569	113,614
Total expenses	2,615,832	1,322,693
Increase (decrease) in net assets attributable to holders of redeemable units from operations	9,797,670	4,296,327
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A	5,801,001	2,732,917
Premium Series	3,996,669	1,563,410
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT†		
Series A	0.74	0.68
Premium Series	0.91	0.73
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series A	7,848,201	4,032,647
Premium Series	4,368,899	2,144,291

† 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 December 31 (note 1),

(in dollars)	2017	2016
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series A	53,623,561	32,774,595
Premium Series	28,474,203	16,522,120
	82,097,764	49,296,715
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A	5,801,001	2,732,917
Premium Series	3,996,669	1,563,410
	9,797,670	4,296,327
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net investment income		
Series A	–	(388,248)
Premium Series	(1,092,943)	(236,284)
From net realized gains on investments		
Series A	–	(634,705)
Premium Series	–	(339,331)
	(1,092,943)	(1,598,568)
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A	59,880,499	23,836,352
Premium Series	142,468,284	14,717,968
Reinvested distributions		
Series A	–	1,022,953
Premium Series	1,090,080	575,615
Payments on redemption		
Series A	(119,305,061)	(5,720,303)
Premium Series	(5,789,365)	(4,329,295)
	78,344,437	30,103,290
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A	(53,623,561)	20,848,966
Premium Series	140,672,725	11,952,083
	87,049,164	32,801,049
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series A	–	53,623,561
Premium Series	169,146,928	28,474,203
	169,146,928	82,097,764

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	9,797,670	4,296,327
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(1,264,083)	(1,304,327)
Change in unrealized (gain) loss on non-derivative financial assets	(7,501,761)	(2,435,045)
Non-cash transactions	(3,475,518)	(1,797,908)
Purchases of portfolio investments	(92,468,927)	(34,620,264)
Proceeds from sale of portfolio investments	17,807,280	7,887,026
Accrued investment income and other	(576)	(138)
Accrued expenses and other payables	(4,378)	4,378
Net cash provided by (used in) operating activities	(77,110,293)	(27,969,951)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	90,010,185	36,572,091
Amounts paid on redemption of redeemable units	(12,755,574)	(8,388,229)
Distributions to unitholders of redeemable units	(9,357)	(43,166)
Net cash provided by (used in) financing activities	77,245,254	28,140,696
Net increase (decrease) in cash	134,961	170,745
Cash (bank overdraft), beginning of period	1,378,087	1,207,342
CASH (BANK OVERDRAFT), END OF PERIOD	1,513,048	1,378,087
Interest received[(1)]	7,666	4,820

(1) Classified as operating items.

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

Scotia Aria Progressive Build Portfolio (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2017

Issuer	Number of Units	Average Cost ($)	Carrying Value ($)
CANADIAN EQUITY FUNDS – 29.9%			
CI Cambridge Canadian Equity Corporate Class, Class I	1,137,369	23,743,871	25,147,225
Scotia Private Canadian All Cap Equity Pool Series I	468,468	4,806,916	5,045,215
Scotia Private Canadian Mid Cap Pool Series I	358,155	7,578,824	7,631,138
Scotia Private Canadian Small Cap Pool Series I	304,206	11,171,343	12,671,482
		47,300,954	50,495,060
FIXED INCOME FUNDS – 23.8%			
1832 AM North American Preferred Share LP Series I	491,359	5,774,586	6,065,138
PIMCO Monthly Income Fund (Canada) Series I	421,368	6,021,447	6,051,439
Scotia Canadian Income Fund Series I	299,610	4,089,312	4,016,329
Scotia Private American Core-Plus Bond Pool Series I	424,433	4,075,549	4,037,505
Scotia Private Canadian Corporate Bond Pool Series I	753,622	8,150,166	8,045,214
Scotia Private High Yield Income Pool Series I	1,338,575	12,508,630	12,043,961
		40,619,690	40,259,586
FOREIGN EQUITY FUNDS – 45.6%			
1832 AM Global Completion LP Series I	506,550	7,448,622	7,735,267
Scotia Global Growth Fund Series I	193,691	12,317,909	15,431,164
Scotia Private Emerging Markets Pool Series I	993,003	10,547,217	11,687,945
Scotia Private Global Real Estate Pool Series I	425,324	8,062,900	7,763,490
Scotia Private International Equity Pool Series I	1,118,043	14,242,563	15,432,127
Scotia Private U.S. Mid Cap Value Pool Series I	202,552	3,377,133	3,844,833
Scotia U.S. Dividend Growers LP Series I	913,300	14,664,423	15,385,183
		70,660,767	77,280,009
TOTAL INVESTMENT PORTFOLIO		158,581,411	168,034,655
OTHER ASSETS, LESS LIABILITIES – 0.7%			1,112,273
NET ASSETS – 100.0%			169,146,928

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

Scotia Aria Progressive Build Portfolio (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 December 31, 2017, approximately 99.3% (December 31, 2016 – 97.7%) 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 of the Fund would have decreased or increased, respectively, by approximately $16,803,466 (December 31, 2016 – $8,017,765). 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 (%)	
	December 31, 2017	December 31, 2016
Canadian Equity Funds	29.9	33.5
Fixed Income Funds	23.8	20.4
Foreign Equity Funds	45.6	43.8

Fair Value Classification (note 2)

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

December 31, 2017	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Underlying funds	168,034,655	–	–	168,034,655
	168,034,655	–	–	168,034,655

December 31, 2016	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Underlying funds	80,177,646	–	–	80,177,646
	80,177,646	–	–	80,177,646

Transfers between levels

During the periods ended December 31, 2017 and December 31, 2016, there were no significant transfers between Level 1 and Level 2.

Offsetting of financial assets and liabilities (note 2)

As at December 31, 2017 and December 31, 2016, the Fund did not enter into any agreement whereby the financial instruments were eligible for offset.

Scotia Aria Progressive Build Portfolio (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.

	December 31, 2017	
Underlying Fund	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	

	December 31, 2016	
Underlying Fund	Carrying value of the Underlying Fund ($)	Ownership percentage in Underlying Fund (%)
Scotia Private Canadian Mid Cap Pool Series I	4,900,945	5.6
Scotia Private Emerging Markets Pool Series I	3,627,052	1.5
Scotia Private U.S. Mid Cap Value Pool Series I	1,773,497	1.4
Scotia U.S. Dividend Growers LP Series I	7,095,621	1.3
1832 AM North American Preferred Share LP Series I	2,986,392	1.2
Scotia Private Global Real Estate Pool Series I	3,647,300	1.1
Scotia Global Growth Fund Series I	8,914,847	1.0
Scotia Private Canadian Small Cap Pool Series I	6,164,933	0.9
1832 AM Global Completion LP Series I	3,608,432	0.8
Scotia Private International Equity Pool Series I	7,276,120	0.7
Scotia Private High Yield Income Pool Series I	5,930,042	0.5
Dynamic Value Fund of Canada Series O	6,085,087	0.3
Scotia Private American Core-Plus Bond Pool Series I	1,967,949	0.2
CI Cambridge Canadian Equity Corporate Class I	7,341,317	0.2
Scotia Private Canadian Corporate Bond Pool Series I	2,955,212	0.1
Scotia Canadian Income Fund Series I	2,951,389	0.0
PIMCO Monthly Income Fund (Canada) Class I	2,951,511	0.0
	80,177,646	

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

As at December 31, 2017 or December 31, 2016, 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
(formerly, Scotia Aria Progressive Core Portfolio)

STATEMENTS OF FINANCIAL POSITION
As at

(in dollars)	December 31, 2017	December 31, 2016
ASSETS		
Current assets		
Investments		
Non-derivative financial assets	239,694,114	129,804,659
Cash	2,050,469	1,409,380
Subscriptions receivable	941,333	1,563,807
Accrued investment income and other	1,342	847
	242,687,258	132,778,693
LIABILITIES		
Current liabilities		
Payable for securities purchased	1,110,100	–
Redemptions payable	82,807	37,139
Accrued expenses	–	7,634
Distributions payable	33,255	48,209
	1,226,162	92,982
Net assets attributable to holders of redeemable units	241,461,096	132,685,711
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
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
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series A	–	10.42
Series T	–	14.76
Series TH	–	13.89
Series TL	–	15.20
Premium Series	10.80	10.42
Premium T Series	14.55	14.54
Premium TH Series	13.56	13.92
Premium TL Series	15.74	15.27

STATEMENTS OF COMPREHENSIVE INCOME
For the periods ended December 31 (note 1),

(in dollars except average units)	2017	2016
INCOME		
Net gain (loss) on investments		
Dividends	3,708,608	1,633,398
Interest for distribution purposes	2,035,124	1,133,765
Net realized gain (loss) on non-derivative financial assets	2,224,921	773,207
Change in unrealized gain (loss) on non-derivative financial assets	4,183,931	6,308,772
Net gain (loss) on investments	12,152,584	9,849,142
Other income	8,753	9,464
Total income (loss), net	12,161,337	9,858,606
EXPENSES		
Management fees (note 5)	3,130,238	1,742,964
Fixed administration fees (note 6)	195,516	105,017
Independent Review Committee fees	1,135	1,184
Foreign withholding taxes/tax reclaims	97,042	25,774
Other fund costs	35,823	16,650
Harmonized Sales Tax/Goods and Services Tax	335,554	185,989
Total expenses	3,795,308	2,077,578
Expenses absorbed by the Manager	(537)	(1,710)
Net expenses	3,794,771	2,075,868
Increase (decrease) in net assets attributable to holders of redeemable units from operations	8,366,566	7,782,738
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A	4,643,372	4,399,783
Series T	68,658	68,306
Series TH	119,231	149,296
Series TL	18,884	1,661
Premium Series	3,169,249	2,874,336
Premium T Series	119,492	105,840
Premium TH Series	218,072	176,820
Premium TL Series	9,608	6,696
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT†		
Series A	0.41	0.74
Series T	0.58	1.08
Series TH	0.60	0.94
Series TL	0.98	0.57
Premium Series	0.45	0.77
Premium T Series	0.88	0.95
Premium TH Series	0.69	0.92
Premium TL Series	2.15	0.41
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series A	11,201,650	5,906,748
Series T	117,483	63,175
Series TH	199,089	159,278
Series TL	19,349	2,890
Premium Series	6,968,711	3,755,541
Premium T Series	136,030	111,835
Premium TH Series	316,102	192,132
Premium TL Series	4,477	16,354

† 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 (Continued)
(formerly, Scotia Aria Progressive Core Portfolio)

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

For the periods ended December 31 (note 1),

(in dollars)	2017	2016
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series A	76,596,843	47,283,013
Series T	1,083,665	753,103
Series TH	3,074,740	1,846,389
Series TL	230,938	71,515
Premium Series	46,784,245	29,820,618
Premium T Series	1,379,934	1,648,355
Premium TH Series	3,362,593	2,223,786
Premium TL Series	172,753	93,788
	132,685,711	83,740,567
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A	4,643,372	4,399,783
Series T	68,658	68,306
Series TH	119,231	149,296
Series TL	18,884	1,661
Premium Series	3,169,249	2,874,336
Premium T Series	119,492	105,840
Premium TH Series	218,072	176,820
Premium TL Series	9,608	6,696
	8,366,566	7,782,738
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net investment income		
Series A	–	(390,125)
Series T	(15,393)	(5,250)
Series TH	(26,183)	(20,532)
Series TL	(2,779)	–
Premium Series	(1,807,725)	(303,214)
Premium T Series	(19,968)	–
Premium TH Series	(46,254)	(18,633)
Premium TL Series	(727)	–
From net realized gains on investments		
Series A	–	(225,042)
Series T	–	(3,341)
Series TH	–	(9,434)
Series TL	–	(77)
Premium Series	–	(145,264)
Premium T Series	–	(4,501)
Premium TH Series	–	(9,919)
Premium TL Series	–	(530)
From return of capital		
Series T	(67,677)	(38,929)
Series TH	(165,682)	(146,335)
Series TL	(4,246)	(1,311)
Premium T Series	(87,790)	(78,232)
Premium TH Series	(292,690)	(183,582)
Premium TL Series	(1,110)	(5,918)
	(2,538,224)	(1,590,169)
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A	77,854,855	31,221,193
Series T	1,321,958	309,503
Series TH	974,790	1,900,587
Series TL	360,780	206,324
Premium Series	188,926,811	20,720,233
Premium T Series	4,122,022	260,000
Premium TH Series	5,261,404	1,535,469
Premium TL Series	584,966	717,432
Reinvested distributions		
Series A	–	673,666
Series T	27,645	273
Series TH	32,310	34,491
Series TL	1,106	1,172
Premium Series	1,805,101	493,154
Premium T Series	35,069	5,826
Premium TH Series	66,306	20,890
Premium TL Series	1,837	3,177
Payments on redemption		
Series A	(159,095,070)	(6,365,645)
Series T	(2,418,856)	–
Series TH	(4,009,206)	(679,722)
Series TL	(604,683)	(48,346)
Premium Series	(10,201,865)	(6,675,618)
Premium T Series	(812,776)	(557,354)
Premium TH Series	(1,117,509)	(382,238)
Premium TL Series	(169,952)	(641,892)
	102,947,043	42,752,575
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A	(76,596,843)	29,313,830
Series T	(1,083,665)	330,562
Series TH	(3,074,740)	1,228,351
Series TL	(230,938)	159,423
Premium Series	181,891,571	16,963,627
Premium T Series	3,356,049	(268,421)
Premium TH Series	4,089,329	1,138,807
Premium TL Series	424,622	78,965
	108,775,385	48,945,144
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END 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
	241,461,096	132,685,711

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	8,366,566	7,782,738
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(2,224,921)	(773,207)
Change in unrealized (gain) loss on non-derivative financial assets	(4,183,931)	(6,308,772)
Non-cash transactions	(5,635,133)	(2,733,777)
Purchases of portfolio investments	(157,908,260)	(45,442,787)
Proceeds from sale of portfolio investments	61,172,889	7,058,444
Accrued investment income and other	(495)	(46)
Accrued expenses and other payables	(7,634)	7,634
Net cash provided by (used in) operating activities	(100,420,919)	(40,409,773)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	126,214,151	54,494,333
Amounts paid on redemption of redeemable units	(24,568,339)	(14,319,492)
Distributions to unitholders of redeemable units	(583,804)	(470,940)
Net cash provided by (used in) financing activities	101,062,008	39,703,901
Net increase (decrease) in cash	641,089	(705,872)
Cash (bank overdraft), beginning of period	1,409,380	2,115,252
CASH (BANK OVERDRAFT), END OF PERIOD	2,050,469	1,409,380
Interest received[1]	11,121	7,566

[1] Classified as operating items.

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

Scotia Aria Progressive Defend Portfolio (Continued)
(formerly, Scotia Aria Progressive Core Portfolio)

SCHEDULE OF INVESTMENT PORTFOLIO
As at December 31, 2017

Issuer	Number of Units	Average Cost ($)	Carrying Value ($)
CANADIAN EQUITY FUNDS – 38.5%			
CI Cambridge Canadian Equity Corporate Class, Class I	1,047,376	21,582,351	23,157,484
Dynamic Small Business Fund Series O	1,007,519	17,175,138	18,336,841
Scotia Canadian Dividend Fund Series I	593,231	34,515,979	37,202,108
Scotia Private Canadian All Cap Equity Pool Series I	1,309,696	13,416,774	14,104,907
		86,690,242	92,801,340
FIXED INCOME FUNDS – 33.5%			
CI Signature Corporate Bond Corporate Class, Class I	1,119,778	12,064,365	12,119,359
Dynamic Canadian Bond Fund Series O	1,565,692	8,258,288	8,078,971
PIMCO Monthly Income Fund (Canada) Series I	849,790	12,159,593	12,204,167
Scotia Floating Rate Income Fund Series I	2,046,132	20,253,707	20,290,881
Scotia Private Canadian Corporate Bond Pool Series I	1,137,478	12,383,598	12,143,033
Scotia Total Return Bond LP Series I	1,338,507	16,502,619	16,145,743
		81,622,170	80,982,154
FOREIGN EQUITY FUNDS – 27.3%			
Dynamic Global Infrastructure Fund Series O	330,739	6,665,640	6,740,464
Scotia Global Low Volatility Equity LP Series I	1,259,583	19,402,433	20,137,206
Scotia Private International Equity Pool Series I	1,414,958	18,643,861	19,530,386
Scotia Private Options Income Pool Series I	650,264	6,617,739	6,738,170
Scotia U.S. Low Volatility Equity LP Series I	848,843	12,838,381	12,764,394
		64,168,054	65,910,620
TOTAL INVESTMENT PORTFOLIO		232,480,466	239,694,114
OTHER ASSETS, LESS LIABILITIES – 0.7%			1,766,982
NET ASSETS – 100.0%			241,461,096

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

Scotia Aria Progressive Defend Portfolio (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 December 31, 2017, approximately 99.3% (December 31, 2016 – 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 of the Fund would have decreased or increased, respectively, by approximately $23,969,411 (December 31, 2016 – $12,980,466). 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 (%)	
	December 31, 2017	December 31, 2016
Canadian Equity Funds	38.5	38.1
Fixed Income Funds	33.5	33.5
Foreign Equity Funds	27.3	26.2

Fair Value Classification (note 2)

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

December 31, 2017	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Underlying funds	239,694,114	–	–	239,694,114
	239,694,114	–	–	239,694,114

December 31, 2016	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Underlying funds	129,804,659	–	–	129,804,659
	129,804,659	–	–	129,804,659

Transfers between levels

During the periods ended December 31, 2017 and December 31, 2016, there were no significant transfers between Level 1 and Level 2.

Offsetting of financial assets and liabilities (note 2)

As at December 31, 2017 and December 31, 2016, the Fund did not enter into any agreement whereby the financial instruments were eligible for offset.

Scotia Aria Progressive Defend Portfolio (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.

	December 31, 2017	
Underlying Fund	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	

	December 31, 2016	
Underlying Fund	Carrying value of the Underlying Fund ($)	Ownership percentage in Underlying Fund (%)
Dynamic Dividend Advantage Fund Series O	17,881,491	1.8
Scotia Global Low Volatility Equity LP Series I	10,361,586	1.1
Scotia Private Options Income Pool Series I	8,781,381	1.1
Dynamic Small Business Fund Series O	8,948,407	0.9
Scotia Floating Rate Income Fund Series I	11,104,930	0.9
Scotia Private Real Estate Income Pool Series I	2,634,847	0.9
Scotia U.S. Low Volatility Equity LP Series I	7,763,875	0.8
Dynamic Canadian Bond Fund Series O	8,880,015	0.6
Scotia Private International Equity Pool Series I	5,240,399	0.5
CI Cambridge Canadian Equity Corporate Class I	14,824,097	0.3
Scotia Private Short-Mid Government Bond Pool Series I	4,432,814	0.3
CI Signature Corporate Bond Fund Class I	6,712,103	0.2
Scotia Canadian Dividend Fund Series I	8,880,351	0.1
PIMCO Monthly Income Fund (Canada) Class I	6,702,868	0.1
Scotia Private Canadian Corporate Bond Pool Series I	6,655,495	0.1
	129,804,659	

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

As at December 31, 2017 or December 31, 2016, 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 Pay Portfolio

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	December 31, 2017	December 31, 2016
ASSETS		
Current assets		
Investments		
Non-derivative financial assets	51,584,896	28,336,405
Cash	435,501	671,465
Subscriptions receivable	145,400	175,694
Accrued investment income and other	524	253
	52,166,321	29,183,817
LIABILITIES		
Current liabilities		
Payable for securities purchased	60,000	–
Redemptions payable	330	–
Accrued expenses	–	1,802
Distributions payable	54,005	58,636
	114,335	60,438
Net assets attributable to holders of redeemable units	52,051,986	29,123,379
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
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
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series A	–	10.31
Series T	–	14.81
Series TH	–	13.84
Series TL	–	15.10
Premium Series	10.93	10.30
Premium T Series	15.10	14.82
Premium TH Series	13.97	14.06
Premium TL Series	16.35	15.62

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except average shares)	2017	2016
INCOME		
Net gain (loss) on investments		
Dividends	861,017	497,877
Interest for distribution purposes	323,513	222,393
Net realized gain (loss) on non-derivative financial assets	1,347,972	449,451
Change in unrealized gain (loss) on non-derivative financial assets	780,637	969,752
Net gain (loss) on investments	3,313,139	2,139,473
Net realized and unrealized foreign currency translation gain (loss)	–	(6)
Other income	709	3,979
Total income (loss), net	3,313,848	2,143,446
EXPENSES		
Management fees (note 5)	615,068	371,539
Fixed administration fees (note 6)	38,421	22,537
Independent Review Committee fees	1,135	1,184
Interest expense and bank overdraft charges	12	–
Foreign withholding taxes/tax reclaims	46,259	20,958
Other fund costs	4,215	2,726
Harmonized Sales Tax/Goods and Services Tax	71,209	44,438
Total expenses	776,319	463,382
Expenses absorbed by the Manager	(1,311)	(4,551)
Net expenses	775,008	458,831
Increase (decrease) in net assets attributable to holders of redeemable units from operations	2,538,840	1,684,615
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A	916,368	548,941
Series T	73,056	79,458
Series TH	193,917	171,734
Series TL	14,383	12,527
Premium Series	791,107	468,375
Premium T Series	253,190	174,445
Premium TH Series	294,459	229,824
Premium TL Series	2,360	(689)
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT†		
Series A	0.64	0.75
Series T	0.94	1.14
Series TH	0.93	1.02
Series TL	1.19	0.76
Premium Series	0.71	0.78
Premium T Series	1.00	1.01
Premium TH Series	0.95	1.06
Premium TL Series	1.48	(0.19)
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series A	1,442,880	732,472
Series T	77,960	69,892
Series TH	208,207	167,981
Series TL	12,063	16,514
Premium Series	1,108,255	600,971
Premium T Series	254,294	173,240
Premium TH Series	309,876	216,394
Premium TL Series	1,600	3,658

† 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 (Continued)

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

For the periods ended December 31 (note 1),

(in dollars)	2017	2016
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series A	9,715,095	6,277,549
Series T	945,231	984,634
Series TH	3,034,272	1,821,533
Series TL	279,555	337,158
Premium Series	8,291,333	5,106,497
Premium T Series	2,678,518	2,317,750
Premium TH Series	4,143,885	2,145,890
Premium TL Series	35,490	5,235
	29,123,379	18,996,246
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A	916,368	548,941
Series T	73,056	79,458
Series TH	193,917	171,734
Series TL	14,383	12,527
Premium Series	791,107	468,375
Premium T Series	253,190	174,445
Premium TH Series	294,459	229,824
Premium TL Series	2,360	(689)
	2,538,840	1,684,615
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net investment income		
Series A	–	(91,589)
Series T	(9,543)	(6,499)
Series TH	(29,198)	(29,346)
Series TL	(1,433)	–
Premium Series	(331,879)	(92,035)
Premium T Series	(34,568)	(18,575)
Premium TH Series	(49,612)	(39,065)
Premium TL Series	(241)	–
From net realized gains on investments		
Series A	–	(121,726)
Series T	–	(13,884)
Series TH	–	(38,933)
Series TL	–	(2,488)
Premium Series	–	(104,884)
Premium T Series	–	(34,394)
Premium TH Series	–	(49,005)
Premium TL Series	–	(456)
From return of capital		
Series T	(44,809)	(30,880)
Series TH	(169,788)	(116,820)
Series TL	(2,807)	(3,843)
Premium T Series	(162,309)	(77,464)
Premium TH Series	(288,502)	(156,985)
Premium TL Series	(472)	(657)
	(1,125,161)	(1,029,528)
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A	12,315,500	3,934,618
Series T	501,287	415,013
Series TH	1,073,504	1,719,755
Series TL	122,097	91,223
Premium Series	29,503,824	3,150,488
Premium T Series	3,571,286	786,346
Premium TH Series	6,563,326	2,509,848
Premium TL Series	220,160	361,871
Reinvested distributions		
Series A	–	209,741
Series T	9,015	8,489
Series TH	28,202	23,748
Series TL	1,616	6,238
Premium Series	331,615	196,918
Premium T Series	6,117	5,719
Premium TH Series	61,681	27,508
Premium TL Series	713	433
Payments on redemption		
Series A	(22,946,963)	(1,042,439)
Series T	(1,474,237)	(491,100)
Series TH	(4,130,909)	(517,399)
Series TL	(413,411)	(161,260)
Premium Series	(2,099,528)	(434,026)
Premium T Series	(413,210)	(475,309)
Premium TH Series	(1,285,932)	(524,130)
Premium TL Series	(30,825)	(330,247)
	21,514,928	9,472,046
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A	(9,715,095)	3,437,546
Series T	(945,231)	(39,403)
Series TH	(3,034,272)	1,212,739
Series TL	(279,555)	(57,603)
Premium Series	28,195,139	3,184,836
Premium T Series	3,220,506	360,768
Premium TH Series	5,295,420	1,997,995
Premium TL Series	191,695	30,255
	22,928,607	10,127,133
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END 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
	52,051,986	29,123,379

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	2,538,840	1,684,615
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(1,347,972)	(449,451)
Change in unrealized (gain) loss on non-derivative financial assets	(780,637)	(969,752)
Non-cash transactions	(1,134,801)	(697,169)
Purchases of portfolio investments	(28,678,737)	(13,985,066)
Proceeds from sale of portfolio investments	8,753,653	6,288,928
Accrued investment income and other	(271)	(100)
Accrued expenses and other payables	(1,802)	1,802
Net cash provided by (used in) operating activities	(20,651,727)	(8,126,193)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	28,128,036	12,122,192
Amounts paid on redemption of redeemable units	(7,021,441)	(3,304,134)
Distributions to unitholders of redeemable units	(690,832)	(551,264)
Net cash provided by (used in) financing activities	20,415,763	8,266,794
Net increase (decrease) in cash	(235,964)	140,601
Cash (bank overdraft), beginning of period	671,465	530,864
CASH (BANK OVERDRAFT), END OF PERIOD	435,501	671,465
Interest paid[1]	12	–
Interest received[1]	3,200	2,044

[1] Classified as operating items.

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

Scotia Aria Progressive Pay Portfolio (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2017

Issuer	Number of Units	Average Cost ($)	Carrying Value ($)
CANADIAN EQUITY FUNDS – 35.1%			
CI Cambridge Canadian Equity Corporate Class, Class I	164,649	3,396,125	3,640,399
Dynamic Dividend Advantage Fund Series O	342,642	2,613,938	2,741,136
Dynamic Small Business Fund Series O	251,014	4,449,711	4,568,453
Scotia Canadian Dividend Fund Series I	58,110	3,338,237	3,644,129
Scotia Private Canadian All Cap Equity Pool Series I	340,158	3,503,842	3,663,362
		17,301,853	18,257,479
FIXED INCOME FUNDS – 28.8%			
1832 AM North American Preferred Share LP Series I	182,983	2,154,984	2,258,675
PIMCO Monthly Income Fund (Canada) Series I	261,813	3,764,720	3,759,998
Scotia Private American Core-Plus Bond Pool Series I	158,047	1,521,845	1,503,450
Scotia Private Canadian Corporate Bond Pool Series I	280,244	3,049,183	2,991,716
Scotia Private High Yield Income Pool Series I	332,558	3,115,954	2,992,227
Scotia Total Return Bond LP Series I	123,739	1,523,298	1,492,597
		15,129,984	14,998,663
FOREIGN EQUITY FUNDS – 35.2%			
Dynamic Global Infrastructure Fund Series O	45,533	831,369	927,971
Scotia Global Dividend Fund Series I	338,454	5,819,284	5,488,130
Scotia Private International Equity Pool Series I	397,636	5,269,227	5,488,486
Scotia Private Options Income Pool Series I	266,223	2,725,177	2,758,659
Scotia Private Real Estate Income Pool Series I	80,588	907,347	930,020
Scotia U.S. Dividend Growers LP Series I	162,385	2,617,521	2,735,488
		18,169,925	18,328,754
TOTAL INVESTMENT PORTFOLIO		50,601,762	51,584,896
OTHER ASSETS, LESS LIABILITIES – 0.9%			467,090
NET ASSETS – 100.0%			52,051,986

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

Scotia Aria Progressive Pay Portfolio (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 December 31, 2017, approximately 99.1% (December 31, 2016 – 97.3%) 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 of the Fund would have decreased or increased, respectively, by approximately $5,158,490 (December 31, 2016 – $2,833,641). 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 (%)	
	December 31, 2017	December 31, 2016
Canadian Equity Funds	35.1	33.4
Fixed Income Funds	28.8	22.9
Foreign Equity Funds	35.2	41.0

Fair Value Classification (note 2)

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

December 31, 2017	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Underlying funds	51,584,896	–	–	51,584,896
	51,584,896	–	–	51,584,896

December 31, 2016	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Underlying funds	28,336,405	–	–	28,336,405
	28,336,405	–	–	28,336,405

Transfers between levels

During the periods ended December 31, 2017 and December 31, 2016, there were no significant transfers between Level 1 and Level 2.

Offsetting of financial assets and liabilities (note 2)

As at December 31, 2017 and December 31, 2016, the Fund did not enter into any agreement whereby the financial instruments were eligible for offset.

Scotia Aria Progressive Pay Portfolio (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.

	December 31, 2017	
Underlying Fund	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	

	December 31, 2016	
Underlying Fund	Carrying value of the Underlying Fund ($)	Ownership percentage in Underlying Fund (%)
1832 AM North American Preferred Share LP Series I	1,681,189	0.7
Scotia Global Dividend Fund Series I	3,708,352	0.6
Scotia U.S. Dividend Growers LP Series I	2,242,876	0.4
Dynamic Dividend Advantage Fund Series O	3,030,288	0.3
Scotia Private Real Estate Income Pool Series I	1,005,094	0.3
Scotia Private International Equity Pool Series I	2,003,114	0.2
Scotia Private Options Income Pool Series I	1,973,648	0.2
Scotia Private American Core-Plus Bond Pool Series I	829,560	0.1
CI Cambridge Canadian Equity Corporate Class I	2,501,392	0.1
Dynamic Small Business Fund Series O	999,887	0.1
Dynamic Global Infrastructure Fund Series O	1,000,980	0.1
Scotia Private High Yield Income Pool Series I	1,674,989	0.1
Scotia Canadian Income Fund Series I	831,233	0.0
PIMCO Monthly Income Fund (Canada) Class I	1,659,617	0.0
Scotia Canadian Dividend Fund Series I	1,508,945	0.0
Scotia Private Canadian Corporate Bond Pool Series I	1,685,241	0.0
	28,336,405	

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

As at December 31, 2017 or December 31, 2016, 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

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	December 31, 2017	December 31, 2016
ASSETS		
Current assets		
Investments		
Non-derivative financial assets	4,799,345	6,888,795
Cash	1,956	427
Receivable for securities sold	–	2,000
Accrued investment income and other	1	1
	4,801,302	6,891,223
LIABILITIES		
Current liabilities		
Accrued expenses	–	253
	–	253
Net assets attributable to holders of redeemable shares	4,801,302	6,890,970
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES PER SERIES		
Series A	4,801,302	6,890,970
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES PER SHARE		
Series A	9.66	9.73

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except average shares)	2017	2016
INCOME		
Net gain (loss) on investments		
Interest for distribution purposes	146,726	203,532
Net realized gain (loss) on non-derivative financial assets	(48,197)	65,294
Change in unrealized gain (loss) on non-derivative financial assets	(52,952)	(137,278)
Net gain (loss) on investments	45,577	131,548
EXPENSES		
Management fees (note 5)	67,067	91,313
Fixed administration fees (note 6)	6,097	8,447
Independent Review Committee fees	1,135	1,184
Interest expense and bank overdraft charges	286	880
Other fund costs	–	1
Harmonized Sales Tax/Goods and Services Tax	8,648	11,749
Total expenses	83,233	113,574
Increase (decrease) in net assets attributable to holders of redeemable shares from operations	(37,656)	17,974
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES FROM OPERATIONS PER SERIES		
Series A	(37,656)	(26,274)
Series M	–	44,248
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES FROM OPERATIONS PER SHARE†		
Series A	(0.06)	(0.03)
Series M	–	0.05
WEIGHTED AVERAGE NUMBER OF SHARES PER SERIES		
Series A	629,474	837,677
Series M	–	821,794

† 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 December 31 (note 1),

(in dollars)	2017	2016
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES, BEGINNING OF PERIOD		
Series A	6,890,970	9,231,523
Series M	–	8,604,599
	6,890,970	17,836,122
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES FROM OPERATIONS		
Series A	(37,656)	(26,274)
Series M	–	44,248
	(37,656)	17,974
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE SHARES		
From net realized gains on investments		
Series A	–	(311,939)
	–	(311,939)
REDEEMABLE SHARE TRANSACTIONS		
Reinvested distributions		
Series A	–	305,219
Payments on redemption		
Series A	(2,052,012)	(2,307,559)
Series M	–	(8,648,847)
	(2,052,012)	(10,651,187)
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES		
Series A	(2,089,668)	(2,340,553)
Series M	–	(8,604,599)
	(2,089,668)	(10,945,152)
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES, END OF PERIOD		
Series A	4,801,302	6,890,970
Series M	–	–
	4,801,302	6,890,970

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable shares	(37,656)	17,974
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	48,197	(65,294)
Change in unrealized (gain) loss on non-derivative financial assets	52,952	137,278
Non-cash transactions	(146,701)	(203,514)
Purchases of portfolio investments	(52,000)	–
Proceeds from sale of portfolio investments	2,189,002	12,020,337
Accrued expenses and other payables	(253)	253
Net cash provided by (used in) operating activities	2,053,541	11,907,034
CASH FLOWS FROM FINANCING ACTIVITIES		
Amounts paid on redemption of redeemable shares	(2,052,012)	(11,077,842)
Distributions to shareholders of redeemable shares	–	(6,720)
Net cash provided by (used in) financing activities	(2,052,012)	(11,084,562)
Net increase (decrease) in cash	1,529	822,472
Cash (bank overdraft), beginning of period	427	(822,045)
CASH (BANK OVERDRAFT), END OF PERIOD	1,956	427
Interest paid(1)	286	880
Interest received(1)	24	18

(1) Classified as operating items.

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

Scotia Conservative Government Bond Capital Yield Class (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2017

Issuer	Number of Units	Average Cost ($)	Carrying Value ($)
FIXED INCOME FUNDS – 100.0%			
Scotia Private Short-Mid Government Bond Pool Series I	467,572	4,955,289	4,799,345
TOTAL INVESTMENT PORTFOLIO		4,955,289	4,799,345
OTHER ASSETS, LESS LIABILITIES – 0.0%			1,957
NET ASSETS – 100.0%			4,801,302

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

Scotia Conservative Government Bond Capital Yield Class (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	December 31, 2017 ($)	December 31, 2016 ($)
Less than 1 year	141,348	–
1-3 years	1,623,761	1,516,430
3-5 years	590,449	1,927,678
5-10 years	2,420,784	3,247,708
> 10 years	9,552,684	–
	14,329,026	6,691,816

As at December 31, 2017, 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 would have decreased or increased, respectively, by $53,388 or approximately 1.1% (December 31, 2016 – $86,931 or approximately 1.3%).

Currency risk

The Underlying Fund did not have significant currency risk exposure as at December 31, 2017 or December 31, 2016.

Price risk

The Underlying Fund did not have significant price risk exposure to equities, derivatives or commodities as at December 31, 2017 or December 31, 2016.

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.

	December 31, 2017		December 31, 2016	
	Percentage of total credit rated instruments (%)	Percentage of net assets (%)	Percentage of total credit rated instruments (%)	Percentage of net assets (%)
Credit ratings				
AAA	51.0	50.7	33.4	32.5
AA	19.5	19.4	25.0	24.3
A	29.4	29.4	41.6	40.3
BB	0.1	–	–	–
	100.0	99.5	100.0	97.1

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

	Percentage of net assets (%)	
	December 31, 2017	December 31, 2016
Corporate Bonds	8.4	3.4
Federal Bonds	50.7	32.5
Provincial Bonds	40.4	61.2

Fair Value Classification (note 2)

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

December 31, 2017	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Underlying funds	4,799,345	–	–	4,799,345
	4,799,345	–	–	4,799,345

December 31, 2016	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Underlying funds	6,888,795	–	–	6,888,795
	6,888,795	–	–	6,888,795

Transfers between levels

During the periods ended December 31, 2017 and December 31, 2016, there were no significant transfers between Level 1 and Level 2.

Offsetting of financial assets and liabilities (note 2)

As at December 31, 2017 and December 31, 2016, the Fund did not enter into any agreement whereby the financial instruments were eligible for offset.

Scotia Conservative Government Bond Capital Yield Class (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.

	December 31, 2017	
Underlying Fund	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	

	December 31, 2016	
Underlying Fund	Carrying value of the Underlying Fund ($)	Ownership percentage in Underlying Fund (%)
Scotia Private Short-Mid Government Bond Pool Series I	6,888,795	0.5
	6,888,795	

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

As at December 31, 2017 or December 31, 2016, 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

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	December 31, 2017	December 31, 2016
ASSETS		
Current assets		
Investments		
Non-derivative financial assets	1,306,560	1,453,572
Cash	4,347	2,152
Receivable for securities sold	–	3,000
Accrued investment income and other	4	2
	1,310,911	1,458,726
LIABILITIES		
Current liabilities		
Accrued expenses	–	60
	–	60
Net assets attributable to holders of redeemable shares	1,310,911	1,458,666
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES PER SERIES		
Series A	1,310,911	1,458,666
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES PER SHARE		
Series A	10.04	9.94

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except average shares)	2017	2016
INCOME		
Net gain (loss) on investments		
Dividends	467	857
Interest for distribution purposes	46,164	57,083
Net realized gain (loss) on non-derivative financial assets	(361)	(896)
Change in unrealized gain (loss) on non-derivative financial assets	(11,605)	364
Net gain (loss) on investments	34,665	57,408
EXPENSES		
Management fees (note 5)	15,183	19,001
Fixed administration fees (note 6)	1,375	1,527
Independent Review Committee fees	1,135	1,184
Interest expense and bank overdraft charges	22	29
Foreign withholding taxes/tax reclaims	45	108
Harmonized Sales Tax/Goods and Services Tax	1,886	2,225
Total expenses	19,646	24,074
Increase (decrease) in net assets attributable to holders of redeemable shares from operations	15,019	33,334
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES FROM OPERATIONS PER SERIES		
Series A	15,019	33,334
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES FROM OPERATIONS PER SHARE†		
Series A	0.11	0.22
WEIGHTED AVERAGE NUMBER OF SHARES PER SERIES		
Series A	137,627	151,525

† 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 December 31 (note 1),

(in dollars)	2017	2016
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES, BEGINNING OF PERIOD		
Series A	1,458,666	1,900,042
	1,458,666	1,900,042
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES FROM OPERATIONS		
Series A	15,019	33,334
	15,019	33,334
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE SHARES		
From net investment income		
Series A	(168)	(101)
From net realized gains on investments		
Series A	–	(64,203)
	(168)	(64,304)
REDEEMABLE SHARE TRANSACTIONS		
Reinvested distributions		
Series A	168	64,304
Payments on redemption		
Series A	(162,774)	(474,710)
	(162,606)	(410,406)
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES		
Series A	(147,755)	(441,376)
	(147,755)	(441,376)
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES, END OF PERIOD		
Series A	1,310,911	1,458,666
	1,310,911	1,458,666

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable shares	15,019	33,334
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	361	896
Change in unrealized (gain) loss on non-derivative financial assets	11,605	(364)
Non-cash transactions	(46,554)	(57,808)
Proceeds from sale of portfolio investments	184,600	492,740
Accrued investment income and other	(2)	2
Accrued expenses and other payables	(60)	60
Net cash provided by (used in) operating activities	164,969	468,860
CASH FLOWS FROM FINANCING ACTIVITIES		
Amounts paid on redemption of redeemable shares	(162,774)	(474,710)
Net cash provided by (used in) financing activities	(162,774)	(474,710)
Net increase (decrease) in cash	2,195	(5,850)
Cash (bank overdraft), beginning of period	2,152	8,002
CASH (BANK OVERDRAFT), END OF PERIOD	4,347	2,152
Interest paid(1)	22	29
Interest received(1)	30	25

(1) Classified as operating items.

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

Scotia Fixed Income Blend Class (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2017

Issuer	Number of Units	Average Cost ($)	Carrying Value ($)
FIXED INCOME FUNDS – 99.7%			
Scotia Canadian Income Fund Series I	48,529	667,358	650,542
Scotia Private American Core-Plus Bond Pool Series I	13,828	130,568	131,545
Scotia Private Canadian Corporate Bond Pool Series I	18,414	199,557	196,579
Scotia Private High Yield Income Pool Series I	14,578	138,171	131,165
Scotia Private Short-Mid Government Bond Pool Series I	19,166	203,138	196,729
		1,338,792	1,306,560
TOTAL INVESTMENT PORTFOLIO		1,338,792	1,306,560
OTHER ASSETS, LESS LIABILITIES – 0.3%			4,351
NET ASSETS – 100.0%			1,310,911

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

Scotia Fixed Income Blend Class (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 December 31, 2017, approximately 99.7% (December 31, 2016 – 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 of the Fund would have decreased or increased, respectively, by approximately $130,656 (December 31, 2016 – $145,357). 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 (%)	
	December 31, 2017	December 31, 2016
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.

December 31, 2017	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Underlying funds	1,306,560	–	–	1,306,560
	1,306,560	–	–	1,306,560

December 31, 2016	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Underlying funds	1,453,572	–	–	1,453,572
	1,453,572	–	–	1,453,572

Transfers between levels

During the periods ended December 31, 2017 and December 31, 2016, there were no significant transfers between Level 1 and Level 2.

Offsetting of financial assets and liabilities (note 2)

As at December 31, 2017 and December 31, 2016, 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.

	December 31, 2017	
Underlying Fund	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	

Scotia Fixed Income Blend Class (Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

	December 31, 2016	
Underlying Fund	**Carrying value of the Underlying Fund ($)**	**Ownership percentage in Underlying Fund (%)**
Scotia Private American Core-Plus Bond Pool Series I	145,241	0.0
Scotia Canadian Income Fund Series I	717,206	0.0
Scotia Private High Yield Income Pool Series I	148,934	0.0
Scotia Private Canadian Corporate Bond Pool Series I	221,073	0.0
Scotia Private Short-Mid Government Bond Pool Series I	221,118	0.0
	1,453,572	

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

As at December 31, 2017 or December 31, 2016, 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

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	December 31, 2017	December 31, 2016
ASSETS		
Current assets		
Investments		
Non-derivative financial assets	135,758,926	113,025,850
Cash	342,959	177,458
Receivable for securities sold	–	7,000
Subscriptions receivable	84,485	106,185
Accrued investment income and other	175	58
	136,186,545	113,316,551
LIABILITIES		
Current liabilities		
Payable for securities purchased	359,000	258,000
Redemptions payable	16,669	29,801
Accrued expenses	–	5,468
Distributions payable	64,610	54,255
	440,279	347,524
Net assets attributable to holders of redeemable shares	135,746,266	112,969,027
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES PER SERIES		
Series A	135,746,266	112,969,027
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES PER SHARE		
Series A	14.87	13.69

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except average shares)	2017	2016
INCOME		
Net gain (loss) on investments		
Dividends	3,191,336	2,823,778
Interest for distribution purposes	1,107	499
Net realized gain (loss) on non-derivative financial assets	2,652,289	5,820,003
Change in unrealized gain (loss) on non-derivative financial assets	9,343,431	5,296,820
Net gain (loss) on investments	15,188,163	13,941,100
Other income	784	1,629
Total income (loss), net	15,188,947	13,942,729
EXPENSES		
Management fees (note 5)	1,839,249	1,519,782
Fixed administration fees (note 6)	122,616	101,939
Independent Review Committee fees	1,135	1,184
Interest expense and bank overdraft charges	1,002	1,685
Other fund costs	–	17
Harmonized Sales Tax/Goods and Services Tax	205,407	169,056
Total expenses	2,169,409	1,793,663
Increase (decrease) in net assets attributable to holders of redeemable shares from operations	13,019,538	12,149,066
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES FROM OPERATIONS PER SERIES		
Series A	13,019,538	12,870,482
Series M	–	(721,416)
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES FROM OPERATIONS PER SHARE†		
Series A	1.53	1.67
Series M	–	(0.43)
WEIGHTED AVERAGE NUMBER OF SHARES PER SERIES		
Series A	8,518,215	7,706,082
Series M	–	1,696,993

† 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 December 31 (note 1),

(in dollars)	2017	2016
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES, BEGINNING OF PERIOD		
Series A	112,969,027	95,861,232
Series M	–	22,613,993
	112,969,027	118,475,225
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES FROM OPERATIONS		
Series A	13,019,538	12,870,482
Series M	–	(721,416)
	13,019,538	12,149,066
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE SHARES		
From net investment income		
Series A	(3,191,333)	(2,823,776)
From net realized gains on investments		
Series A	–	(3,239,213)
	(3,191,333)	(6,062,989)
REDEEMABLE SHARE TRANSACTIONS		
Proceeds from issue		
Series A	34,868,513	22,778,150
Reinvested distributions		
Series A	3,126,723	6,041,865
Payments on redemption		
Series A	(25,046,202)	(18,519,713)
Series M	–	(21,892,577)
	12,949,034	(11,592,275)
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES		
Series A	22,777,239	17,107,795
Series M	–	(22,613,993)
	22,777,239	(5,506,198)
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES, END OF PERIOD		
Series A	135,746,266	112,969,027
Series M	–	–
	135,746,266	112,969,027

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable shares	13,019,538	12,149,066
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(2,652,289)	(5,820,003)
Change in unrealized (gain) loss on non-derivative financial assets	(9,343,431)	(5,296,820)
Non-cash transactions	(3,191,336)	(2,823,778)
Purchases of portfolio investments	(21,331,020)	(12,696,999)
Proceeds from sale of portfolio investments	13,893,000	33,947,538
Accrued investment income and other	(117)	(40)
Accrued expenses and other payables	(5,468)	5,468
Net cash provided by (used in) operating activities	(9,611,123)	19,464,432
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable shares	34,890,213	22,807,238
Amounts paid on redemption of redeemable shares	(25,059,334)	(41,309,917)
Distributions to shareholders of redeemable shares	(54,255)	(127,517)
Net cash provided by (used in) financing activities	9,776,624	(18,630,196)
Net increase (decrease) in cash	165,501	834,236
Cash (bank overdraft), beginning of period	177,458	(656,778)
CASH (BANK OVERDRAFT), END OF PERIOD	342,959	177,458
Interest paid[1]	1,002	1,685
Interest received[1]	988	462

[1] Classified as operating items.

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

Scotia Canadian Dividend Class (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2017

Issuer	Number of Units	Average Cost ($)	Carrying Value ($)
CANADIAN EQUITY FUNDS – 100.0%			
Scotia Canadian Dividend Fund Series I	2,164,834	108,027,332	135,758,926
TOTAL INVESTMENT PORTFOLIO		108,027,332	135,758,926
OTHER ASSETS, LESS LIABILITIES – 0.0%			(12,660)
NET ASSETS – 100.0%			135,746,266

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

Scotia Canadian Dividend Class (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 December 31, 2017 and December 31, 2016. 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.

	December 31, 2017			
Currency	Gross currency exposure ($)	Currency contracts ($)	Net exposure ($)	Percentage of net assets (%)
US Dollar	48,986,708	(34,688,429)	14,298,279	10.5
	48,986,708	(34,688,429)	14,298,279	10.5

	December 31, 2016			
Currency	Gross currency exposure ($)	Currency contracts ($)	Net exposure ($)	Percentage of net assets (%)
US Dollar	36,935,748	(21,247,788)	15,687,960	13.9
	36,935,748	(21,247,788)	15,687,960	13.9

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 $1,429,828 or 1.1% of net assets (December 31, 2016 – $1,568,796 or 1.4%). 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 December 31, 2017, approximately 90.1% (December 31, 2016 – 91.9%) 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 of the Fund would have decreased or increased, respectively, by approximately $12,240,445 (December 31, 2016 – $10,384,373). 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 December 31, 2017 or December 31, 2016.

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 (%)	
	December 31, 2017	December 31, 2016
Consumer Discretionary	5.6	6.3
Consumer Staples	8.0	7.5
Energy	11.0	10.3
Financials	22.0	23.8
Health Care	7.5	5.6
Industrials	8.5	8.4
Information Technology	8.0	8.8
Materials	1.4	–
Real Estate	3.3	4.9
Telecommunication Services	7.9	8.5
Utilities	6.9	7.8

Fair Value Classification (note 2)

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

December 31, 2017	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Underlying funds	135,758,926	–	–	135,758,926
	135,758,926	–	–	135,758,926

December 31, 2016	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Underlying funds	113,025,850	–	–	113,025,850
	113,025,850	–	–	113,025,850

Transfers between levels

During the periods ended December 31, 2017 and December 31, 2016, there were no significant transfers between Level 1 and Level 2.

Offsetting of financial assets and liabilities (note 2)

As at December 31, 2017 and December 31, 2016, the Fund did not enter into any agreement whereby the financial instruments were eligible for offset.

Scotia Canadian Dividend Class (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.

	December 31, 2017	
Underlying Fund	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	

	December 31, 2016	
Underlying Fund	Carrying value of the Underlying Fund ($)	Ownership percentage in Underlying Fund (%)
Scotia Canadian Dividend Fund Series I	113,025,850	1.4
	113,025,850	

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

As at December 31, 2017 or December 31, 2016, 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

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	December 31, 2017	December 31, 2016
ASSETS		
Current assets		
Investments		
Non-derivative financial assets	2,110,122	2,066,513
Cash	–	8,671
Receivable for securities sold	37,200	–
Subscriptions receivable	1,100	6,530
Accrued investment income and other	11	5
	2,148,433	2,081,719
LIABILITIES		
Current liabilities		
Bank overdraft	31,067	–
Accrued expenses	–	126
Distributions payable	259	390
	31,326	516
Net assets attributable to holders of redeemable shares	2,117,107	2,081,203
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES PER SERIES		
Series A	2,117,107	2,081,203
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES PER SHARE		
Series A	14.86	14.09

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except average shares)	2017	2016
INCOME		
Net gain (loss) on investments		
Dividends	22,159	2,769
Interest for distribution purposes	92	–
Net realized gain (loss) on non-derivative financial assets	94,987	93,573
Change in unrealized gain (loss) on non-derivative financial assets	71,023	210,556
Net gain (loss) on investments	188,261	306,898
Other income	14	6
Total income (loss), net	188,275	306,904
EXPENSES		
Management fees (note 5)	36,976	33,002
Fixed administration fees (note 6)	3,165	2,676
Independent Review Committee fees	1,135	1,184
Interest expense and bank overdraft charges	50	17
Harmonized Sales Tax/Goods and Services Tax	4,367	4,118
Total expenses	45,693	40,997
Increase (decrease) in net assets attributable to holders of redeemable shares from operations	142,582	265,907
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES FROM OPERATIONS PER SERIES		
Series A	142,582	265,907
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES FROM OPERATIONS PER SHARE†		
Series A	0.97	1.96
WEIGHTED AVERAGE NUMBER OF SHARES PER SERIES		
Series A	146,650	135,890

† 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 December 31 (note 1),

(in dollars)	2017	2016
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES, BEGINNING OF PERIOD		
Series A	2,081,203	1,634,087
	2,081,203	1,634,087
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES FROM OPERATIONS		
Series A	142,582	265,907
	142,582	265,907
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE SHARES		
From net investment income		
Series A	(22,159)	(28,221)
From net realized gains on investments		
Series A	–	(56,775)
	(22,159)	(84,996)
REDEEMABLE SHARE TRANSACTIONS		
Proceeds from issue		
Series A	357,971	515,993
Reinvested distributions		
Series A	21,900	84,607
Payments on redemption		
Series A	(464,390)	(334,395)
	(84,519)	266,205
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES		
Series A	35,904	447,116
	35,904	447,116
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES, END OF PERIOD		
Series A	2,117,107	2,081,203
	2,117,107	2,081,203

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable shares	142,582	265,907
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(94,987)	(93,573)
Change in unrealized (gain) loss on non-derivative financial assets	(71,023)	(210,556)
Non-cash transactions	(22,159)	(2,701)
Purchases of portfolio investments	(221,700)	(298,201)
Proceeds from sale of portfolio investments	329,060	195,080
Accrued investment income and other	(6)	1
Accrued expenses and other payables	(126)	126
Net cash provided by (used in) operating activities	61,641	(143,917)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable shares	363,401	515,491
Amounts paid on redemption of redeemable shares	(464,390)	(380,517)
Distributions to shareholders of redeemable shares	(390)	(648)
Net cash provided by (used in) financing activities	(101,379)	134,326
Net increase (decrease) in cash	(39,738)	(9,591)
Cash (bank overdraft), beginning of period	8,671	18,262
CASH (BANK OVERDRAFT), END OF PERIOD	(31,067)	8,671
Interest paid(1)	50	17
Interest received(1)	86	70

(1) Classified as operating items.

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

Scotia Canadian Equity Blend Class (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2017

Issuer	Number of Units	Average Cost ($)	Carrying Value ($)
CANADIAN EQUITY FUNDS – 99.7%			
CI Cambridge Canadian Equity Corporate Class, Class I	28,547	533,419	631,172
Dynamic Dividend Advantage Fund Series O	52,733	407,885	421,866
Dynamic Small Business Fund Series O	23,247	371,087	423,091
Scotia Canadian Blue Chip Fund Series I	10,734	364,329	421,856
Scotia Private Canadian Small Cap Pool Series I	5,093	175,330	212,137
		1,852,050	2,110,122
TOTAL INVESTMENT PORTFOLIO		1,852,050	2,110,122
OTHER ASSETS, LESS LIABILITIES – 0.3%			6,985
NET ASSETS – 100.0%			2,117,107

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

Scotia Canadian Equity Blend Class (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 December 31, 2017, approximately 99.7% (December 31, 2016 – 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 of the Fund would have decreased or increased, respectively, by approximately $211,012 (December 31, 2016 – $206,651). 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 (%)	
	December 31, 2017	December 31, 2016
Canadian Equity Funds	99.7	99.3

Fair Value Classification (note 2)

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

December 31, 2017	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Underlying funds	2,110,122	–	–	2,110,122
	2,110,122	–	–	2,110,122

December 31, 2016	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Underlying funds	2,066,513	–	–	2,066,513
	2,066,513	–	–	2,066,513

Transfers between levels

During the periods ended December 31, 2017 and December 31, 2016, there were no significant transfers between Level 1 and Level 2.

Offsetting of financial assets and liabilities (note 2)

As at December 31, 2017 and December 31, 2016, 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.

	December 31, 2017	
Underlying Fund	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	

	December 31, 2016	
Underlying Fund	Carrying value of the Underlying Fund ($)	Ownership percentage in Underlying Fund (%)
Scotia Canadian Blue Chip Fund Series I	407,779	0.2
Dynamic Small Business Fund Series O	414,747	0.0
Scotia Private Canadian Small Cap Pool Series I	208,456	0.0
CI Cambridge Canadian Equity Corporate Class I	620,000	0.0
Dynamic Dividend Advantage Fund Series O	415,531	0.0
	2,066,513	

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

As at December 31, 2017 or December 31, 2016, 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. Equity Blend Class

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	December 31, 2017	December 31, 2016
ASSETS		
Current assets		
Investments		
Non-derivative financial assets	5,190,484	5,531,636
Cash	31,807	–
Receivable for securities sold	–	35,000
Subscriptions receivable	1,225	10,625
Accrued investment income and other	33	5
	5,223,549	5,577,266
LIABILITIES		
Current liabilities		
Bank overdraft	–	17,235
Redemptions payable	15,539	–
Accrued expenses	–	362
	15,539	17,597
Net assets attributable to holders of redeemable shares	5,208,010	5,559,669
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES PER SERIES		
Series A	5,208,010	5,559,669
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES PER SHARE		
Series A	19.40	17.13

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except average shares)	2017	2016
INCOME		
Net gain (loss) on investments		
Dividends	55,107	56,020
Interest for distribution purposes	192	212
Net realized gain (loss) on non-derivative financial assets	126,230	288,169
Change in unrealized gain (loss) on non-derivative financial assets	583,958	(451,998)
Net gain (loss) on investments	765,487	(107,597)
Other income	4	4,333
Total income (loss), net	765,491	(103,264)
EXPENSES		
Management fees (note 5)	89,670	119,779
Fixed administration fees (note 6)	10,216	12,285
Independent Review Committee fees	1,135	1,184
Interest expense and bank overdraft charges	115	127
Foreign withholding taxes/tax reclaims	7,791	7,776
Other fund costs	–	1
Harmonized Sales Tax/Goods and Services Tax	9,819	14,355
Total expenses	118,746	155,507
Increase (decrease) in net assets attributable to holders of redeemable shares from operations	646,745	(258,771)
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES FROM OPERATIONS PER SERIES		
Series A	646,745	(258,771)
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES FROM OPERATIONS PER SHARE†		
Series A	2.30	(0.70)
WEIGHTED AVERAGE NUMBER OF SHARES PER SERIES		
Series A	281,302	367,755

† 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 December 31 (note 1),

(in dollars)	2017	2016
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES, BEGINNING OF PERIOD		
Series A	5,559,669	6,955,117
	5,559,669	6,955,117
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES FROM OPERATIONS		
Series A	646,745	(258,771)
	646,745	(258,771)
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE SHARES		
From net realized gains on investments		
Series A	–	(235,018)
	–	(235,018)
REDEEMABLE SHARE TRANSACTIONS		
Proceeds from issue		
Series A	662,933	3,008,380
Reinvested distributions		
Series A	–	234,065
Payments on redemption		
Series A	(1,661,337)	(4,144,104)
	(998,404)	(901,659)
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES		
Series A	(351,659)	(1,395,448)
	(351,659)	(1,395,448)
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES, END OF PERIOD		
Series A	5,208,010	5,559,669
	5,208,010	5,559,669

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable shares	646,745	(258,771)
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(126,230)	(288,169)
Change in unrealized (gain) loss on non-derivative financial assets	(583,958)	451,998
Non-cash transactions	(47,316)	(48,243)
Purchases of portfolio investments	(241,799)	(2,386,308)
Proceeds from sale of portfolio investments	1,375,455	3,529,166
Accrued investment income and other	(28)	40
Accrued expenses and other payables	(362)	362
Net cash provided by (used in) operating activities	1,022,507	1,000,075
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable shares	672,333	2,998,405
Amounts paid on redemption of redeemable shares	(1,645,798)	(4,144,104)
Distributions to shareholders of redeemable shares	–	(953)
Net cash provided by (used in) financing activities	(973,465)	(1,146,652)
Net increase (decrease) in cash	49,042	(146,577)
Cash (bank overdraft), beginning of period	(17,235)	129,342
CASH (BANK OVERDRAFT), END OF PERIOD	31,807	(17,235)
Interest paid[1]	115	127
Interest received[1]	163	253

(1) Classified as operating items.

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

Scotia U.S. Equity Blend Class (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2017

Issuer	Number of Units	Average Cost ($)	Carrying Value ($)
FOREIGN EQUITY FUNDS – 99.7%			
Dynamic Power American Growth Fund Series O	37,615	650,189	786,912
Scotia Private U.S. Large Cap Growth Pool Series I	78,040	1,240,477	1,773,137
Scotia Private U.S. Value Pool Series I	113,680	1,807,460	1,849,671
Scotia U.S. Opportunities Fund Series I	46,608	669,904	780,764
		4,368,030	5,190,484
TOTAL INVESTMENT PORTFOLIO		4,368,030	5,190,484
OTHER ASSETS, LESS LIABILITIES – 0.3%			17,526
NET ASSETS – 100.0%			5,208,010

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

Scotia U.S. Equity Blend Class (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 December 31, 2017, approximately 99.7% (December 31, 2016 – 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 of the Fund would have decreased or increased, respectively, by approximately $519,048 (December 31, 2016 – $553,164). 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 (%)	
	December 31, 2017	December 31, 2016
Foreign Equity Funds	99.7	99.5

Fair Value Classification (note 2)

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

December 31, 2017	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Underlying funds	5,190,484	–	–	5,190,484
	5,190,484	–	–	5,190,484

December 31, 2016	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Underlying funds	5,531,636	–	–	5,531,636
	5,531,636	–	–	5,531,636

Transfers between levels

During the periods ended December 31, 2017 and December 31, 2016, there were no significant transfers between Level 1 and Level 2.

Offsetting of financial assets and liabilities (note 2)

As at December 31, 2017 and December 31, 2016, 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.

	December 31, 2017	
Underlying Fund	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	

	December 31, 2016	
Underlying Fund	Carrying value of the Underlying Fund ($)	Ownership percentage in Underlying Fund (%)
Scotia U.S. Opportunities Fund Series I	834,545	2.9
Scotia Private U.S. Value Pool Series I	1,945,783	1.9
Scotia Private U.S. Large Cap Growth Pool Series I	1,937,713	1.7
Dynamic Power American Growth Fund Series O	813,595	0.1
	5,531,636	

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

As at December 31, 2017 or December 31, 2016, 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 Class

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	December 31, 2017	December 31, 2016
ASSETS		
Current assets		
Investments		
Non-derivative financial assets	22,170,120	21,037,806
Receivable for securities sold	15,000	9,000
Subscriptions receivable	1,448	5,610
Accrued investment income and other	28	2
	22,186,596	21,052,418
LIABILITIES		
Current liabilities		
Bank overdraft	12,368	5,459
Payable for securities purchased	–	1,000
Redemptions payable	1,000	2,000
Accrued expenses	–	1,462
Distributions payable	1,790	1,038
	15,158	10,959
Net assets attributable to holders of redeemable shares	22,171,438	21,041,459
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES PER SERIES		
Series A	22,171,438	21,041,459
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES PER SHARE		
Series A	18.84	17.08

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except average shares)	2017	2016
INCOME		
Net gain (loss) on investments		
Dividends	530,005	474,420
Interest for distribution purposes	121	98
Net realized gain (loss) on non-derivative financial assets	2,661,728	1,561,765
Change in unrealized gain (loss) on non-derivative financial assets	(526,188)	(1,300,007)
Net gain (loss) on investments	2,665,666	736,276
Other income	117	89
Total income (loss), net	2,665,783	736,365
EXPENSES		
Management fees (note 5)	324,932	415,192
Fixed administration fees (note 6)	64,466	62,279
Independent Review Committee fees	1,135	1,184
Interest expense and bank overdraft charges	327	235
Foreign withholding taxes/tax reclaims	64,226	57,607
Other fund costs	–	3
Harmonized Sales Tax/Goods and Services Tax	39,991	48,538
Total expenses	495,077	585,038
Increase (decrease) in net assets attributable to holders of redeemable shares from operations	2,170,706	151,327
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES FROM OPERATIONS PER SERIES		
Series A	2,170,706	151,327
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES FROM OPERATIONS PER SHARE†		
Series A	1.85	0.12
WEIGHTED AVERAGE NUMBER OF SHARES PER SERIES		
Series A	1,175,884	1,273,818

† 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 December 31 (note 1),

(in dollars)	2017	2016
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES, BEGINNING OF PERIOD		
Series A	21,041,459	22,596,430
	21,041,459	22,596,430
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES FROM OPERATIONS		
Series A	2,170,706	151,327
	2,170,706	151,327
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE SHARES		
From net investment income		
Series A	(74,187)	(47,996)
From net realized gains on investments		
Series A	–	(763,548)
	(74,187)	(811,544)
REDEEMABLE SHARE TRANSACTIONS		
Proceeds from issue		
Series A	3,356,059	2,704,630
Reinvested distributions		
Series A	72,397	801,692
Payments on redemption		
Series A	(4,394,996)	(4,401,076)
	(966,540)	(894,754)
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES		
Series A	1,129,979	(1,554,971)
	1,129,979	(1,554,971)
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES, END OF PERIOD		
Series A	22,171,438	21,041,459
	22,171,438	21,041,459

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable shares	2,170,706	151,327
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(2,661,728)	(1,561,765)
Change in unrealized (gain) loss on non-derivative financial assets	526,188	1,300,007
Non-cash transactions	(465,780)	(416,813)
Purchases of portfolio investments	(2,438,994)	(1,781,000)
Proceeds from sale of portfolio investments	3,901,000	4,010,999
Accrued investment income and other	(26)	6
Accrued expenses and other payables	(1,462)	1,462
Net cash provided by (used in) operating activities	1,029,904	1,704,223
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable shares	3,360,221	2,704,993
Amounts paid on redemption of redeemable shares	(4,395,996)	(4,399,076)
Distributions to shareholders of redeemable shares	(1,038)	(10,699)
Net cash provided by (used in) financing activities	(1,036,813)	(1,704,782)
Net increase (decrease) in cash	(6,909)	(559)
Cash (bank overdraft), beginning of period	(5,459)	(4,900)
CASH (BANK OVERDRAFT), END OF PERIOD	(12,368)	(5,459)
Interest paid[1]	327	235
Interest received[1]	94	104

[1] Classified as operating items.

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

Scotia Global Dividend Class (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2017

Issuer	Number of Units	Average Cost ($)	Carrying Value ($)
FOREIGN EQUITY FUNDS – 100.0%			
Scotia Global Dividend Fund Series I	1,367,235	21,341,845	22,170,120
TOTAL INVESTMENT PORTFOLIO		21,341,845	22,170,120
OTHER ASSETS, LESS LIABILITIES – 0.0%			1,318
NET ASSETS – 100.0%			22,171,438

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

Scotia Global Dividend Class (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 pay, 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 ScotiaGlobal 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 December 31, 2017 and December 31, 2016. 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.

	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

	December 31, 2016			
Currency	Gross currency exposure ($)	Currency contracts ($)	Net exposure ($)	Percentage of net assets (%)
US Dollar	12,645,325	(3,189,268)	9,456,057	44.9
European Euro	2,092,076	(1,044,030)	1,048,046	5.0
Swiss Franc	1,306,450	(626,340)	680,110	3.2
British Pound	1,168,856	(531,829)	637,027	3.0
Japanese Yen	583,830	(292,071)	291,759	1.4
Australian Dollar	433,994	(330,165)	103,829	0.5
Danish Krone	192,433	–	192,433	0.9
	18,422,964	(6,013,703)	12,409,261	58.9

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 $1,367,660 or 6.2% of net assets (December 31, 2016 – $1,240,926 or 5.9%). 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 December 31, 2017, approximately 92.1% (December 31, 2016 – 93.6%) 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 of the Fund would have decreased or increased, respectively, by approximately $2,041,223 (December 31, 2016 – $1,970,491). 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 December 31, 2017 or December 31, 2016.

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 (%)	
	December 31, 2017	December 31, 2016
Australia	–	2.1
Belgium	2.0	–
Canada	7.0	6.6
Denmark	1.1	0.9
France	2.7	1.0
Germany	5.4	4.5
Hong Kong	1.9	–
Italy	–	2.0
Japan	3.6	2.7
Netherlands	2.0	0.8
Spain	2.6	1.7
Sweden	2.1	–
Switzerland	1.4	6.2
United Kingdom	13.1	5.6
United States	47.2	59.5

Fair Value Classification (note 2)

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

December 31, 2017	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Underlying funds	22,170,120	–	–	22,170,120
	22,170,120	–	–	22,170,120

December 31, 2016	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Underlying funds	21,037,806	–	–	21,037,806
	21,037,806	–	–	21,037,806

Transfers between levels

During the periods ended December 31, 2017 and December 31, 2016, there were no significant transfers between Level 1 and Level 2.

Scotia Global Dividend Class (Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

Offsetting of financial assets and liabilities (note 2)

As at December 31, 2017 and December 31, 2016, 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.

	December 31, 2017	
Underlying Fund	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	

	December 31, 2016	
Underlying Fund	Carrying value of the Underlying Fund ($)	Ownership percentage in Underlying Fund (%)
Scotia Global Dividend Fund Series I	21,037,806	3.1
	21,037,806	

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

As at December 31, 2017 or December 31, 2016, 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

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	December 31, 2017	December 31, 2016
ASSETS		
Current assets		
Investments		
Non-derivative financial assets	763,750	624,847
Cash	2,676	6,070
Subscriptions receivable	315	650
Accrued investment income and other	2	2
	766,743	631,569
LIABILITIES		
Current liabilities		
Accrued expenses	–	113
Distributions payable	–	12
	–	125
Net assets attributable to holders of redeemable shares	766,743	631,444
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES PER SERIES		
Series A	766,743	631,444
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES PER SHARE		
Series A	15.25	13.01

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except average shares)	2017	2016
INCOME		
Net gain (loss) on investments		
Dividends	17,171	16,564
Interest for distribution purposes	36	–
Net realized gain (loss) on non-derivative financial assets	18,265	24,258
Change in unrealized gain (loss) on non-derivative financial assets	96,328	(69,926)
Net gain (loss) on investments	131,800	(29,104)
Other income	205	–
Total income (loss), net	132,005	(29,104)
EXPENSES		
Management fees (note 5)	12,559	13,752
Fixed administration fees (note 6)	2,146	2,063
Independent Review Committee fees	1,135	1,184
Interest expense and bank overdraft charges	11	28
Foreign withholding taxes/tax reclaims	2,300	2,304
Harmonized Sales Tax/Goods and Services Tax	1,693	1,830
Total expenses	19,844	21,161
Expenses absorbed by the Manager	–	(136)
Net expenses	19,844	21,025
Increase (decrease) in net assets attributable to holders of redeemable shares from operations	112,161	(50,129)
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES FROM OPERATIONS PER SERIES		
Series A	112,161	(50,129)
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES FROM OPERATIONS PER SHARE†		
Series A	2.24	(0.93)
WEIGHTED AVERAGE NUMBER OF SHARES PER SERIES		
Series A	50,010	53,831

† 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 December 31 (note 1),

(in dollars)	2017	2016
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES, BEGINNING OF PERIOD		
Series A	631,444	891,315
	631,444	891,315
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES FROM OPERATIONS		
Series A	112,161	(50,129)
	112,161	(50,129)
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE SHARES		
From net investment income		
Series A	–	(743)
From net realized gains on investments		
Series A	–	(30,118)
	–	(30,861)
REDEEMABLE SHARE TRANSACTIONS		
Proceeds from issue		
Series A	181,065	152,036
Reinvested distributions		
Series A	–	30,753
Payments on redemption		
Series A	(157,927)	(361,670)
	23,138	(178,881)
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES		
Series A	135,299	(259,871)
	135,299	(259,871)
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES, END OF PERIOD		
Series A	766,743	631,444
	766,743	631,444

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable shares	112,161	(50,129)
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(18,265)	(24,258)
Change in unrealized (gain) loss on non-derivative financial assets	(96,328)	69,926
Non-cash transactions	(14,871)	(14,231)
Purchases of portfolio investments	(129,140)	(230,359)
Proceeds from sale of portfolio investments	119,701	444,254
Accrued investment income and other	–	2
Accrued expenses and other payables	(113)	113
Net cash provided by (used in) operating activities	(26,855)	195,318
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable shares	181,400	152,286
Amounts paid on redemption of redeemable shares	(157,927)	(361,670)
Distributions to shareholders of redeemable shares	(12)	(163)
Net cash provided by (used in) financing activities	23,461	(209,547)
Net increase (decrease) in cash	(3,394)	(14,229)
Cash (bank overdraft), beginning of period	6,070	20,299
CASH (BANK OVERDRAFT), END OF PERIOD	2,676	6,070
Interest paid[1]	11	28
Interest received[1]	35	33

(1) Classified as operating items.

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

Scotia International Equity Blend Class (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2017

Issuer	Number of Units	Average Cost ($)	Carrying Value ($)
FOREIGN EQUITY FUNDS – 99.6%			
Scotia International Value Fund Series I	15,472	131,217	151,438
Scotia Private Emerging Markets Pool Series I	6,370	62,082	74,973
Scotia Private International Equity Pool Series I	33,326	411,512	459,993
Scotia Private International Small to Mid Cap Value Pool Series I	2,190	52,279	77,346
TOTAL INVESTMENT PORTFOLIO		657,090	763,750
OTHER ASSETS, LESS LIABILITIES – 0.4%			2,993
NET ASSETS – 100.0%			766,743

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

Scotia International Equity Blend Class (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 December 31, 2017, approximately 99.6% (December 31, 2016 – 99.0%) 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 of the Fund would have decreased or increased, respectively, by approximately $76,375 (December 31, 2016 – $62,485). 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 (%)	
	December 31, 2017	December 31, 2016
Foreign Equity Funds	99.6	99.0

Fair Value Classification (note 2)

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

December 31, 2017	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Underlying funds	763,750	–	–	763,750
	763,750	–	–	763,750

December 31, 2016	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Underlying funds	624,847	–	–	624,847
	624,847	–	–	624,847

Transfers between levels

During the periods ended December 31, 2017 and December 31, 2016, there were no significant transfers between Level 1 and Level 2.

Offsetting of financial assets and liabilities (note 2)

As at December 31, 2017 and December 31, 2016, 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.

	December 31, 2017	
Underlying Fund	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	

	December 31, 2016	
Underlying Fund	Carrying value of the Underlying Fund ($)	Ownership percentage in Underlying Fund (%)
Scotia International Value Fund Series I	121,882	1.4
Scotia Private International Small to Mid Cap Value Pool Series I	62,554	0.1
Scotia Private Emerging Markets Pool Series I	59,845	0.0
Scotia Private International Equity Pool Series I	380,566	0.0
	624,847	

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

As at December 31, 2017 or December 31, 2016, 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 Class

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	December 31, 2017	December 31, 2016
ASSETS		
Current assets		
Investments		
Non-derivative financial assets	160,780,624	180,368,897
Cash	202,346	458,872
Receivable for securities sold	292,300	199,000
Accrued investment income and other	187	109
	161,275,457	181,026,878
LIABILITIES		
Current liabilities		
Redemptions payable	26,000	202,188
Accrued expenses	–	9,314
Distributions payable	17,527	21,654
	43,527	233,156
Net assets attributable to holders of redeemable shares	161,231,930	180,793,722
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES PER SERIES		
Series A	161,231,930	180,793,722
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES PER SHARE		
Series A	11.49	11.11

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except average shares)	2017	2016
INCOME		
Net gain (loss) on investments		
Dividends	1,674,761	1,895,848
Interest for distribution purposes	2,461,690	3,171,962
Net realized gain (loss) on non-derivative financial assets	3,136,389	1,686,988
Change in unrealized gain (loss) on non-derivative financial assets	2,669,093	2,004,075
Net gain (loss) on investments	9,941,933	8,758,873
EXPENSES		
Management fees (note 5)	2,726,324	3,059,533
Fixed administration fees (note 6)	170,395	191,221
Independent Review Committee fees	1,135	1,184
Interest expense and bank overdraft charges	185	400
Foreign withholding taxes/tax reclaims	15,786	14,888
Other fund costs	37,950	41,622
Harmonized Sales Tax/Goods and Services Tax	307,052	344,011
Total expenses	3,258,827	3,652,859
Increase (decrease) in net assets attributable to holders of redeemable shares from operations	6,683,106	5,106,014
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES FROM OPERATIONS PER SERIES		
Series A	6,683,106	5,106,014
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES FROM OPERATIONS PER SHARE†		
Series A	0.44	0.29
WEIGHTED AVERAGE NUMBER OF SHARES PER SERIES		
Series A	15,063,974	17,371,883

† 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 December 31 (note 1),

(in dollars)	2017	2016
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES, BEGINNING OF PERIOD		
Series A	180,793,722	209,595,105
	180,793,722	209,595,105
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES FROM OPERATIONS		
Series A	6,683,106	5,106,014
	6,683,106	5,106,014
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE SHARES		
From net investment income		
Series A	(832,923)	(999,745)
From net realized gains on investments		
Series A	–	(7,082,347)
	(832,923)	(8,082,092)
REDEEMABLE SHARE TRANSACTIONS		
Proceeds from issue		
Series A	1,420	187
Reinvested distributions		
Series A	815,396	7,967,386
Payments on redemption		
Series A	(26,228,791)	(33,792,878)
	(25,411,975)	(25,825,305)
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES		
Series A	(19,561,792)	(28,801,383)
	(19,561,792)	(28,801,383)
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES, END OF PERIOD		
Series A	161,231,930	180,793,722
	161,231,930	180,793,722

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable shares	6,683,106	5,106,014
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(3,136,389)	(1,686,988)
Change in unrealized (gain) loss on non-derivative financial assets	(2,669,093)	(2,004,075)
Non-cash transactions	(4,118,051)	(5,050,368)
Purchases of portfolio investments	(862,049)	(3,147,635)
Proceeds from sale of portfolio investments	30,280,555	40,629,064
Accrued investment income and other	(78)	98
Accrued expenses and other payables	(9,314)	9,314
Net cash provided by (used in) operating activities	26,168,687	33,855,424
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable shares	1,420	187
Amounts paid on redemption of redeemable shares	(26,404,979)	(33,616,690)
Distributions to shareholders of redeemable shares	(21,654)	(113,323)
Net cash provided by (used in) financing activities	(26,425,213)	(33,729,826)
Net increase (decrease) in cash	(256,526)	125,598
Cash (bank overdraft), beginning of period	458,872	333,274
CASH (BANK OVERDRAFT), END OF PERIOD	202,346	458,872
Interest paid[1]	185	400
Interest received[1]	2,535	2,651

[1] Classified as operating items.

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

Scotia INNOVA Income Portfolio Class (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2017

Issuer	Number of Units	Average Cost ($)	Carrying Value ($)
BALANCED FUNDS – 10.0%			
1832 AM Tactical Asset Allocation LP Series I	1,321,827	13,734,425	16,055,705
CANADIAN EQUITY FUNDS – 10.0%			
1832 AM Canadian Dividend LP Series I	227,782	2,327,197	2,417,293
Scotia Canadian Dividend Fund Series I	179,576	7,775,879	11,261,378
Scotia Private Canadian Equity Pool Series I	58,279	695,746	806,308
Scotia Private Canadian Small Cap Pool Series I	38,871	1,251,324	1,619,137
		12,050,146	16,104,116
FIXED INCOME FUNDS – 64.9%			
1832 AM Canadian Preferred Share LP Series I	834,389	9,053,565	9,714,463
Scotia Canadian Income Fund Series I	899,023	12,296,727	12,051,587
Scotia Floating Rate Income Fund Series I	2,274,794	22,815,223	22,558,448
Scotia Private American Core-Plus Bond Pool Series I	507,491	4,846,145	4,827,606
Scotia Private Canadian Corporate Bond Pool Series I	2,492,576	27,013,565	26,609,245
Scotia Private Short-Mid Government Bond Pool Series I	1,097,124	11,628,178	11,261,320
Scotia Total Return Bond LP Series I	1,464,735	17,745,699	17,668,369
		105,399,102	104,691,038
FOREIGN EQUITY FUNDS – 14.8%			
1832 AM Global Completion LP Series I	286,794	3,718,579	4,379,489
Scotia Global Low Volatility Equity LP Series I	599,378	7,567,998	9,582,377
Scotia Private International Equity Pool Series I	231,131	2,414,425	3,190,256
Scotia Private Options Income Pool Series I	349,232	3,519,265	3,618,807
Scotia U.S. Low Volatility Equity LP Series I	210,065	3,061,149	3,158,836
		20,281,416	23,929,765
TOTAL INVESTMENT PORTFOLIO		151,465,089	160,780,624
OTHER ASSETS, LESS LIABILITIES – 0.3%			451,306
NET ASSETS – 100.0%			161,231,930

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

Scotia INNOVA Income Portfolio Class (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 December 31, 2017, approximately 99.7% (December 31, 2016 – 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 of the Fund would have decreased or increased, respectively, by approximately $16,078,062 (December 31, 2016 – $18,036,890). 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 (%)	
	December 31, 2017	December 31, 2016
Balanced Funds	10.0	
Canadian Equity Funds	10.0	26.1
Fixed Income Funds	64.9	58.8
Foreign Equity Funds	14.8	14.9

Fair Value Classification (note 2)

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

December 31, 2017	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Underlying funds	160,780,624	–	–	160,780,624
	160,780,624	–	–	160,780,624

December 31, 2016	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Underlying funds	180,368,897	–	–	180,368,897
	180,368,897	–	–	180,368,897

Transfers between levels

During the periods ended December 31, 2017 and December 31, 2016, there were no significant transfers between Level 1 and Level 2.

Offsetting of financial assets and liabilities (note 2)

As at December 31, 2017 and December 31, 2016, the Fund did not enter into any agreement whereby the financial instruments were eligible for offset.

Scotia INNOVA Income Portfolio Class (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.

	December 31, 2017	
Underlying Fund	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	

	December 31, 2016	
Underlying Fund	Carrying value of the Underlying Fund ($)	Ownership percentage in Underlying Fund (%)
1832 AM Tactical Asset Allocation LP Series I	18,142,682	9.9
1832 AM Canadian Preferred Share LP Series I	11,209,495	8.0
Scotia Total Return Bond LP Series I	19,534,835	2.2
Scotia Floating Rate Income Fund Series I	25,328,486	2.1
1832 AM Global Completion LP Series I	5,002,049	1.2
Scotia Global Low Volatility Equity LP Series I	10,791,892	1.1
Scotia Private Short-Mid Government Bond Pool Series I	12,675,843	1.0
Scotia Private American Core-Plus Bond Pool Series I	5,408,425	0.7
1832 AM Canadian Dividend LP Series I	2,712,350	0.5
Scotia Private Canadian Corporate Bond Pool Series I	29,818,833	0.5
Scotia Private Options Income Pool Series I	4,000,255	0.5
Scotia U.S. Low Volatility Equity LP Series I	3,609,921	0.4
Scotia Private Canadian Small Cap Pool Series I	1,806,378	0.3
Scotia Private Canadian Equity Pool Series I	1,794,067	0.3
Scotia Private International Equity Pool Series I	3,595,905	0.3
Scotia Canadian Income Fund Series I	13,326,916	0.2
Scotia Canadian Dividend Fund Series I	11,610,565	0.1
	180,368,897	

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

As at December 31, 2017 or December 31, 2016, 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

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	December 31, 2017	December 31, 2016
ASSETS		
Current assets		
Investments		
Non-derivative financial assets	1,362,295,871	1,352,955,435
Cash	839,780	6,760,606
Receivable for securities sold	2,150,000	–
Subscriptions receivable	2,279,300	1,268,698
Accrued investment income and other	1,574	2,806
	1,367,566,525	1,360,987,545
LIABILITIES		
Current liabilities		
Redemptions payable	3,473,045	1,188,937
Accrued expenses	–	74,075
Distributions payable	1,106,473	1,038,588
	4,579,518	2,301,600
Net assets attributable to holders of redeemable shares	1,362,987,007	1,358,685,945
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES PER SERIES		
Series A	1,148,683,150	1,166,301,239
Series T	214,303,857	192,384,706
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES PER SHARE		
Series A	12.27	11.77
Series T	14.12	14.14

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except average shares)	2017	2016
INCOME		
Net gain (loss) on investments		
Dividends	18,631,162	18,591,555
Interest for distribution purposes	16,992,558	18,286,015
Net realized gain (loss) on non-derivative financial assets	18,718,233	5,692,291
Change in unrealized gain (loss) on non-derivative financial assets	37,918,470	29,928,094
Net gain (loss) on investments	92,260,423	72,497,955
Other income	8,422	3,525
Total income (loss), net	92,268,845	72,501,480
EXPENSES		
Management fees (note 5)	23,221,856	21,621,494
Fixed administration fees (note 6)	1,365,991	1,271,854
Independent Review Committee fees	1,135	1,184
Interest expense and bank overdraft charges	122	–
Foreign withholding taxes/tax reclaims	280,177	276,040
Other fund costs	386,775	368,904
Harmonized Sales Tax/Goods and Services Tax	2,606,306	2,428,027
Total expenses	27,862,362	25,967,503
Increase (decrease) in net assets attributable to holders of redeemable shares from operations	64,406,483	46,533,977
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES FROM OPERATIONS PER SERIES		
Series A	55,718,437	40,442,928
Series T	8,688,046	6,091,049
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES FROM OPERATIONS PER SHARE†		
Series A	0.58	0.42
Series T	0.59	0.53
WEIGHTED AVERAGE NUMBER OF SHARES PER SERIES		
Series A	96,403,256	95,960,488
Series T	14,606,751	11,473,726

† 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.

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

Scotia INNOVA Balanced Income Portfolio Class (Continued)

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

For the periods ended December 31 (note 1),

(in dollars)	2017	2016
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES, BEGINNING OF PERIOD		
Series A	1,166,301,239	1,092,096,516
Series T	192,384,706	146,566,023
	1,358,685,945	1,238,662,539
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES FROM OPERATIONS		
Series A	55,718,437	40,442,928
Series T	8,688,046	6,091,049
	64,406,483	46,533,977
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE SHARES		
From net investment income		
Series A	(7,175,484)	(7,642,498)
Series T	(1,338,702)	(1,268,355)
From net realized gains on investments		
Series A	–	(36,902,594)
Series T	–	(4,952,561)
From return of capital		
Series T	(8,041,030)	(5,779,152)
	(16,555,216)	(56,545,160)
REDEEMABLE SHARE TRANSACTIONS		
Proceeds from issue		
Series A	181,343,261	244,703,191
Series T	64,114,454	84,007,646
Reinvested distributions		
Series A	7,001,410	44,044,305
Series T	2,865,362	3,641,537
Payments on redemption		
Series A	(254,505,713)	(210,440,609)
Series T	(44,368,979)	(35,921,481)
	(43,550,205)	130,034,589
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES		
Series A	(17,618,089)	74,204,723
Series T	21,919,151	45,818,683
	4,301,062	120,023,406
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES, END OF PERIOD		
Series A	1,148,683,150	1,166,301,239
Series T	214,303,857	192,384,706
	1,362,987,007	1,358,685,945

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable shares	64,406,483	46,533,977
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(18,718,233)	(5,692,291)
Change in unrealized (gain) loss on non-derivative financial assets	(37,918,470)	(29,928,094)
Non-cash transactions	(35,319,008)	(36,569,961)
Purchases of portfolio investments	(22,910,073)	(85,237,010)
Proceeds from sale of portfolio investments	103,375,350	39,421,129
Accrued investment income and other	1,232	(94)
Accrued expenses and other payables	(74,075)	74,075
Net cash provided by (used in) operating activities	52,843,206	(71,398,269)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable shares	237,877,822	319,741,088
Amounts paid on redemption of redeemable shares	(290,021,294)	(237,793,532)
Distributions to shareholders of redeemable shares	(6,620,560)	(8,746,676)
Net cash provided by (used in) financing activities	(58,764,032)	73,200,880
Net increase (decrease) in cash	(5,920,826)	1,802,611
Cash (bank overdraft), beginning of period	6,760,606	4,957,995
CASH (BANK OVERDRAFT), END OF PERIOD	839,780	6,760,606
Interest paid[1]	122	–
Interest received[1]	25,767	31,475

[1] Classified as operating items.

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

Scotia INNOVA Balanced Income Portfolio Class (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2017

Issuer	Number of Units	Average Cost ($)	Carrying Value ($)
BALANCED FUNDS – 8.3%			
1832 AM Tactical Asset Allocation LP Series I	9,317,415	97,993,499	113,174,918
CANADIAN EQUITY FUNDS – 15.1%			
1832 AM Canadian Dividend LP Series I	3,881,349	38,960,419	41,190,042
Scotia Canadian Dividend Fund Series I	1,687,085	82,129,111	105,798,771
Scotia Private Canadian Equity Pool Series I	1,980,099	24,841,496	27,395,265
Scotia Private Canadian Small Cap Pool Series I	747,758	24,961,964	31,147,319
		170,892,990	205,531,397
FIXED INCOME FUNDS – 51.5%			
1832 AM Canadian Preferred Share LP Series I	7,035,276	76,122,368	81,908,903
Scotia Canadian Income Fund Series I	7,070,682	96,718,623	94,783,904
Scotia Floating Rate Income Fund Series I	8,831,884	88,271,385	87,583,141
Scotia Private American Core-Plus Bond Pool Series I	5,640,045	53,566,839	53,652,052
Scotia Private Canadian Corporate Bond Pool Series I	17,090,394	185,677,432	182,446,794
Scotia Private High Yield Income Pool Series I	3,732,412	35,605,271	33,582,752
Scotia Private Short-Mid Government Bond Pool Series I	6,560,918	69,510,229	67,343,883
Scotia Total Return Bond LP Series I	8,397,466	103,334,081	101,294,430
		708,806,228	702,595,859
FOREIGN EQUITY FUNDS – 25.0%			
1832 AM Global Completion LP Series I	2,896,554	40,042,054	44,231,829
Scotia Global Low Volatility Equity LP Series I	5,351,810	71,419,475	85,560,451
Scotia Private International Equity Pool Series I	4,424,551	52,743,752	61,071,194
Scotia Private Options Income Pool Series I	2,955,906	29,671,670	30,629,692
Scotia U.S. Dividend Growers LP Series I	2,425,035	32,300,697	40,851,411
Scotia U.S. Low Volatility Equity LP Series I	5,230,234	76,738,889	78,649,120
		302,916,537	340,993,697
TOTAL INVESTMENT PORTFOLIO		1,280,609,254	1,362,295,871
OTHER ASSETS, LESS LIABILITIES – 0.1%			691,136
NET ASSETS – 100.0%			1,362,987,007

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

Scotia INNOVA Balanced Income Portfolio Class (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 December 31, 2017, approximately 99.9% (December 31, 2016 – 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 of the Fund would have decreased or increased, respectively, by approximately $136,229,587 (December 31, 2016 – $135,295,544). 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 (%)	
	December 31, 2017	December 31, 2016
Balanced Funds	8.3	–
Canadian Equity Funds	15.1	29.5
Fixed Income Funds	51.5	44.9
Foreign Equity Funds	25.0	25.2

Fair Value Classification (note 2)

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

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

December 31, 2016	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Underlying funds	1,352,955,435	–	–	1,352,955,435
	1,352,955,435	–	–	1,352,955,435

Transfers between levels

During the periods ended December 31, 2017 and December 31, 2016, there were no significant transfers between Level 1 and Level 2.

Offsetting of financial assets and liabilities (note 2)

As at December 31, 2017 and December 31, 2016, the Fund did not enter into any agreement whereby the financial instruments were eligible for offset.

Scotia INNOVA Balanced Income Portfolio Class (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.

	December 31, 2017	
Underlying Fund	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	

	December 31, 2016	
Underlying Fund	Carrying value of the Underlying Fund ($)	Ownership percentage in Underlying Fund (%)
1832 AM Canadian Preferred Share LP Series I	83,864,942	59.6
1832 AM Tactical Asset Allocation LP Series I	108,018,329	58.9
Scotia Total Return Bond LP Series I	98,938,187	11.1
1832 AM Global Completion LP Series I	44,215,148	10.2
Scotia Global Low Volatility Equity LP Series I	85,726,814	9.0
Scotia U.S. Low Volatility Equity LP Series I	78,841,165	8.3
Scotia U.S. Dividend Growers LP Series I	40,899,533	7.5
1832 AM Canadian Dividend LP Series I	42,157,590	7.3
Scotia Floating Rate Income Fund Series I	85,565,485	7.0
Scotia Private American Core-Plus Bond Pool Series I	52,777,411	6.5
Scotia Private International Equity Pool Series I	61,918,245	5.5
Scotia Private Short-Mid Government Bond Pool Series I	66,092,939	5.1
Scotia Private Canadian Equity Pool Series I	31,396,460	5.0
Scotia Private Canadian Small Cap Pool Series I	31,791,799	4.7
Scotia Private Options Income Pool Series I	30,299,717	3.8
Scotia Private Canadian Corporate Bond Pool Series I	178,612,232	3.3
Scotia Private High Yield Income Pool Series I	33,807,644	2.7
Scotia Canadian Income Fund Series I	94,055,470	1.5
Scotia Canadian Dividend Fund Series I	103,976,325	1.3
	1,352,955,435	

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

As at December 31, 2017 or December 31, 2016, 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

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	December 31, 2017	December 31, 2016
ASSETS		
Current assets		
Investments		
Non-derivative financial assets	1,040,585,003	991,409,886
Cash	2,180,374	5,066,170
Subscriptions receivable	874,338	1,130,072
Accrued investment income and other	1,899	2,057
	1,043,641,614	997,608,185
LIABILITIES		
Current liabilities		
Redemptions payable	513,177	1,456,511
Accrued expenses	–	57,022
Distributions payable	1,254,367	1,185,688
	1,767,544	2,699,221
Net assets attributable to holders of redeemable shares	1,041,874,070	994,908,964
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES PER SERIES		
Series A	805,412,031	790,917,661
Series T	236,462,039	203,991,303
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES PER SHARE		
Series A	13.58	12.90
Series T	14.48	14.37

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except average units)	2017	2016
INCOME		
Net gain (loss) on investments		
Dividends	17,294,094	16,367,684
Interest for distribution purposes	9,797,068	10,380,181
Net realized gain (loss) on non-derivative financial assets	17,067,392	5,616,240
Change in unrealized gain (loss) on non-derivative financial assets	36,752,781	27,238,476
Net gain (loss) on investments	80,911,335	59,602,581
Other income	2,874	36,588
Total income (loss), net	80,914,209	59,639,169
EXPENSES		
Management fees (note 5)	18,165,539	16,723,883
Fixed administration fees (note 6)	1,009,196	929,105
Independent Review Committee fees	1,135	1,184
Interest expense and bank overdraft charges	491	196
Foreign withholding taxes/tax reclaims	449,484	441,990
Other fund costs	311,480	281,443
Harmonized Sales Tax/Goods and Services Tax	1,946,933	1,761,576
Total expenses	21,884,258	20,139,377
Increase (decrease) in net assets attributable to holders of redeemable shares from operations	59,029,951	39,499,792
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES FROM OPERATIONS PER SERIES		
Series A	45,296,627	31,649,326
Series T	13,733,324	7,850,466
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES FROM OPERATIONS PER SHARE†		
Series A	0.76	0.52
Series T	0.90	0.65
WEIGHTED AVERAGE NUMBER OF SHARES PER SERIES		
Series A	59,638,637	60,310,590
Series T	15,267,814	12,016,911

† 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.

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

Scotia INNOVA Balanced Growth Portfolio Class (Continued)

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

For the periods ended December 31 (note 1),

(in dollars)	2017	2016
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES, BEGINNING OF PERIOD		
Series A	790,917,661	757,396,241
Series T	203,991,303	150,286,687
	994,908,964	907,682,928
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES FROM OPERATIONS		
Series A	45,296,627	31,649,326
Series T	13,733,324	7,850,466
	59,029,951	39,499,792
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE SHARES		
From net investment income		
Series A	(5,307,962)	(5,417,282)
Series T	(1,558,365)	(1,405,067)
From net realized gains on investments		
Series A	–	(25,592,896)
Series T	–	(5,078,279)
From return of capital		
Series T	(10,494,823)	(7,600,818)
	(17,361,150)	(45,094,342)
REDEEMABLE SHARE TRANSACTIONS		
Proceeds from issue		
Series A	146,468,267	164,784,854
Series T	81,901,159	98,413,386
Reinvested distributions		
Series A	5,203,446	30,787,237
Series T	3,040,221	3,102,677
Payments on redemption		
Series A	(177,166,008)	(162,689,819)
Series T	(54,150,780)	(41,577,749)
	5,296,305	92,820,586
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES		
Series A	14,494,370	33,521,420
Series T	32,470,736	53,704,616
	46,965,106	87,226,036
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES, END OF PERIOD		
Series A	805,412,031	790,917,661
Series T	236,462,039	203,991,303
	1,041,874,070	994,908,964

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable shares	59,029,951	39,499,792
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(17,067,392)	(5,616,240)
Change in unrealized (gain) loss on non-derivative financial assets	(36,752,781)	(27,238,476)
Non-cash transactions	(26,620,622)	(26,283,254)
Purchases of portfolio investments	(28,677,520)	(65,382,673)
Proceeds from sale of portfolio investments	59,943,199	38,393,651
Accrued investment income and other	158	(37)
Accrued expenses and other payables	(57,022)	57,022
Net cash provided by (used in) operating activities	9,797,971	(46,570,215)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable shares	216,286,943	253,043,630
Amounts paid on redemption of redeemable shares	(219,921,906)	(193,816,926)
Distributions to shareholders of redeemable shares	(9,048,804)	(11,043,400)
Net cash provided by (used in) financing activities	(12,683,767)	48,183,304
Net increase (decrease) in cash	(2,885,796)	1,613,089
Cash (bank overdraft), beginning of period	5,066,170	3,453,081
CASH (BANK OVERDRAFT), END OF PERIOD	2,180,374	5,066,170
Interest paid[1]	491	196
Interest received[1]	21,213	22,584

[1] Classified as operating items.

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

Scotia INNOVA Balanced Growth Portfolio Class (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2017

Issuer	Number of Units	Average Cost ($)	Carrying Value ($)
BALANCED FUNDS – 5.1%			
1832 AM Tactical Asset Allocation LP Series I	4,377,102	46,117,978	53,166,913
CANADIAN EQUITY FUNDS – 22.5%			
1832 AM Canadian Dividend LP Series I	3,932,666	39,588,343	41,734,635
1832 AM Canadian Growth LP Series I	2,425,453	24,731,965	26,001,824
Scotia Canadian Dividend Fund Series I	1,344,510	66,135,717	84,315,595
Scotia Private Canadian Equity Pool Series I	2,502,480	31,429,356	34,622,559
Scotia Private Canadian Small Cap Pool Series I	1,135,664	38,341,722	47,305,298
		200,227,103	233,979,911
FIXED INCOME FUNDS – 34.3%			
1832 AM Canadian Preferred Share LP Series I	3,325,993	35,472,960	38,723,206
Scotia Canadian Income Fund Series I	5,503,054	75,387,566	73,769,538
Scotia Floating Rate Income Fund Series I	2,083,969	20,791,337	20,666,095
Scotia Private American Core-Plus Bond Pool Series I	5,366,053	50,971,682	51,045,656
Scotia Private Canadian Corporate Bond Pool Series I	9,069,726	98,472,285	96,822,948
Scotia Private High Yield Income Pool Series I	4,235,695	40,368,064	38,111,086
Scotia Total Return Bond LP Series I	3,158,153	39,184,840	38,095,216
		360,648,734	357,233,745
FOREIGN EQUITY FUNDS – 38.0%			
1832 AM Global Completion LP Series I	1,904,639	25,770,574	29,084,790
Scotia Global Low Volatility Equity LP Series I	4,953,495	67,139,042	79,192,514
Scotia Private Global Equity Pool Series I	1,221,752	24,102,793	34,200,140
Scotia Private Global Real Estate Pool Series I	585,190	10,224,421	10,681,528
Scotia Private International Equity Pool Series I	6,078,172	74,646,454	83,895,789
Scotia Private Options Income Pool Series I	2,037,782	20,518,786	21,115,907
Scotia U.S. Dividend Growers LP Series I	3,176,368	42,268,087	53,508,138
Scotia U.S. Low Volatility Equity LP Series I	5,621,027	82,551,066	84,525,628
		347,221,223	396,204,434
TOTAL INVESTMENT PORTFOLIO		954,215,038	1,040,585,003
OTHER ASSETS, LESS LIABILITIES – 0.1%			1,289,067
NET ASSETS – 100.0%			1,041,874,070

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

Scotia INNOVA Balanced Growth Portfolio Class (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 majority of the Fund's financial instruments were non-interest bearing as at December 31, 2017 and December 31, 2016. 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 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 December 31, 2017, approximately 99.9% (December 31, 2016 – 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 of the Fund would have decreased or increased, respectively, by approximately $104,058,500 (December 31, 2016 – $99,140,989). 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 (%)	
	December 31, 2017	December 31, 2016
Balanced Funds	5.1	–
Canadian Equity Funds	22.5	31.5
Fixed Income Funds	34.3	30.3
Foreign Equity Funds	38.0	37.8

Fair Value Classification (note 2)

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

December 31, 2017	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Underlying funds	1,040,585,003	–	–	1,040,585,003
	1,040,585,003	–	–	1,040,585,003

December 31, 2016	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Underlying funds	991,409,886	–	–	991,409,886
	991,409,886	–	–	991,409,886

Transfers between levels

During the periods ended December 31, 2017 and December 31, 2016, there were no significant transfers between Level 1 and Level 2.

Offsetting of financial assets and liabilities (note 2)

As at December 31, 2017 and December 31, 2016, the Fund did not enter into any agreement whereby the financial instruments were eligible for offset.

Scotia INNOVA Balanced Growth Portfolio Class (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.

	December 31, 2017	
Underlying Fund	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	

	December 31, 2016	
Underlying Fund	Carrying value of the Underlying Fund ($)	Ownership percentage in Underlying Fund (%)
1832 AM Canadian Preferred Share LP Series I	37,867,108	26.9
1832 AM Tactical Asset Allocation LP Series I	48,926,647	26.7
Scotia U.S. Dividend Growers LP Series I	50,322,515	9.3
1832 AM Canadian Growth LP Series I	22,560,791	9.2
Scotia Private Global Equity Pool Series I	32,334,507	8.5
Scotia U.S. Low Volatility Equity LP Series I	80,657,926	8.5
Scotia Global Low Volatility Equity LP Series I	75,002,741	7.9
Scotia Private International Equity Pool Series I	80,520,646	7.2
1832 AM Canadian Dividend LP Series I	40,369,520	7.0
Scotia Private Canadian Small Cap Pool Series I	46,003,607	6.8
1832 AM Global Completion LP Series I	27,399,228	6.3
Scotia Private American Core-Plus Bond Pool Series I	48,189,181	6.0
Scotia Private Canadian Equity Pool Series I	37,409,813	5.9
Scotia Total Return Bond LP Series I	36,087,504	4.0
Scotia Private Global Real Estate Pool Series I	10,076,229	3.2
Scotia Private High Yield Income Pool Series I	37,062,745	3.0
Scotia Private Options Income Pool Series I	19,756,378	2.5
Scotia Private Canadian Corporate Bond Pool Series I	91,246,353	1.7
Scotia Floating Rate Income Fund Series I	19,199,471	1.6
Scotia Canadian Income Fund Series I	69,782,735	1.1
Scotia Canadian Dividend Fund Series I	80,634,241	1.0
	991,409,886	

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

As at December 31, 2017 or December 31, 2016, 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

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	December 31, 2017	December 31, 2016
ASSETS		
Current assets		
Investments		
Non-derivative financial assets	373,082,456	337,327,475
Cash	936,109	1,090,632
Subscriptions receivable	346,552	724,487
Accrued investment income and other	1,393	704
	374,366,510	339,143,298
LIABILITIES		
Current liabilities		
Redemptions payable	212,828	600,403
Accrued expenses	–	20,360
Distributions payable	179,373	150,026
	392,201	770,789
Net assets attributable to holders of redeemable shares	373,974,309	338,372,509
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES PER SERIES		
Series A	332,653,609	307,942,220
Series T	41,320,700	30,430,289
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES PER SHARE		
Series A	14.65	13.74
Series T	15.16	14.81

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except average class)	2017	2016
INCOME		
Net gain (loss) on investments		
Dividends	7,130,514	6,403,687
Interest for distribution purposes	2,139,548	2,221,814
Net realized gain (loss) on non-derivative financial assets	5,839,854	3,174,148
Change in unrealized gain (loss) on non-derivative financial assets	18,316,282	9,218,515
Net gain (loss) on investments	33,426,198	21,018,164
Other income	497	1,374
Total income (loss), net	33,426,695	21,019,538
EXPENSES		
Management fees (note 5)	6,751,829	6,151,838
Fixed administration fees (note 6)	355,360	323,781
Independent Review Committee fees	1,135	1,184
Interest expense and bank overdraft charges	28	184
Foreign withholding taxes/tax reclaims	252,850	231,279
Other fund costs	119,139	103,627
Harmonized Sales Tax/Goods and Services Tax	702,174	624,528
Total expenses	8,182,515	7,436,421
Increase (decrease) in net assets attributable to holders of redeemable shares from operations	25,244,180	13,583,117
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES FROM OPERATIONS PER SERIES		
Series A	22,620,277	12,453,330
Series T	2,623,903	1,129,787
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES FROM OPERATIONS PER SHARE†		
Series A	1.00	0.55
Series T	1.12	0.64
WEIGHTED AVERAGE NUMBER OF SHARES PER SERIES		
Series A	22,584,964	22,444,198
Series T	2,342,890	1,753,124

† 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.

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

Scotia INNOVA Growth Portfolio Class (Continued)

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

For the periods ended December 31 (note 1),

(in dollars)	2017	2016
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES, BEGINNING OF PERIOD		
Series A	307,942,220	301,128,679
Series T	30,430,289	22,112,792
	338,372,509	323,241,471
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES FROM OPERATIONS		
Series A	22,620,277	12,453,330
Series T	2,623,903	1,129,787
	25,244,180	13,583,117
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE SHARES		
From net investment income		
Series A	(2,201,420)	(2,109,768)
Series T	(273,450)	(209,006)
From net realized gains on investments		
Series A	–	(10,175,339)
Series T	–	(747,206)
From return of capital		
Series T	(1,609,456)	(1,111,356)
	(4,084,326)	(14,352,675)
REDEEMABLE SHARE TRANSACTIONS		
Proceeds from issue		
Series A	64,150,242	63,476,021
Series T	15,631,313	16,856,419
Reinvested distributions		
Series A	2,179,491	12,266,540
Series T	776,254	771,839
Payments on redemption		
Series A	(62,037,201)	(69,097,243)
Series T	(6,258,153)	(8,372,980)
	14,441,946	15,900,596
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES		
Series A	24,711,389	6,813,541
Series T	10,890,411	8,317,497
	35,601,800	15,131,038
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES, END OF PERIOD		
Series A	332,653,609	307,942,220
Series T	41,320,700	30,430,289
	373,974,309	338,372,509

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable shares	25,244,180	13,583,117
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(5,839,854)	(3,174,148)
Change in unrealized (gain) loss on non-derivative financial assets	(18,316,282)	(9,218,515)
Non-cash transactions	(9,006,656)	(8,387,015)
Purchases of portfolio investments	(16,067,605)	(23,461,463)
Proceeds from sale of portfolio investments	13,475,416	28,257,250
Accrued investment income and other	(689)	16
Accrued expenses and other payables	(20,360)	20,360
Net cash provided by (used in) operating activities	(10,531,850)	(2,380,398)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable shares	79,028,675	77,847,955
Amounts paid on redemption of redeemable shares	(67,552,115)	(74,714,087)
Distributions to shareholders of redeemable shares	(1,099,233)	(1,296,090)
Net cash provided by (used in) financing activities	10,377,327	1,837,778
Net increase (decrease) in cash	(154,523)	(542,620)
Cash (bank overdraft), beginning of period	1,090,632	1,633,252
CASH (BANK OVERDRAFT), END OF PERIOD	936,109	1,090,632
Interest paid[1]	28	184
Interest received[1]	9,867	7,222

[1] Classified as operating items.

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

Scotia INNOVA Growth Portfolio Class (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2017

Issuer	Number of Units	Average Cost ($)	Carrying Value ($)
BALANCED FUNDS – 2.5%			
1832 AM Tactical Asset Allocation LP Series I	770,625	8,131,796	9,360,478
CANADIAN EQUITY FUNDS – 27.5%			
1832 AM Canadian Dividend LP Series I	2,720,742	27,103,238	28,873,335
1832 AM Canadian Growth LP Series I	1,391,088	14,115,847	14,913,020
Scotia Canadian Dividend Fund Series I	490,363	24,071,772	30,751,130
Scotia Private Canadian Small Cap Pool Series I	681,090	23,028,095	28,370,309
		88,318,952	102,907,794
FIXED INCOME FUNDS – 19.6%			
1832 AM Canadian Preferred Share LP Series I	717,494	7,585,162	8,353,501
Scotia Canadian Income Fund Series I	1,492,024	20,396,047	20,000,879
Scotia Floating Rate Income Fund Series I	559,983	5,571,990	5,553,188
Scotia Private American Core-Plus Bond Pool Series I	1,063,861	10,100,247	10,120,186
Scotia Private Canadian Corporate Bond Pool Series I	2,043,134	22,200,602	21,811,269
Scotia Private High Yield Income Pool Series I	820,977	7,782,256	7,386,818
		73,636,304	73,225,841
FOREIGN EQUITY FUNDS – 50.2%			
1832 AM Global Completion LP Series I	1,102,230	15,157,127	16,831,597
Scotia Global Low Volatility Equity LP Series I	1,806,222	24,995,886	28,876,435
Scotia Private Emerging Markets Pool Series I	791,001	7,565,244	9,310,324
Scotia Private Global Equity Pool Series I	682,459	13,191,086	19,103,871
Scotia Private Global Real Estate Pool Series I	403,340	6,994,345	7,362,210
Scotia Private International Equity Pool Series I	2,763,319	34,088,784	38,141,535
Scotia Private Options Income Pool Series I	911,593	9,183,196	9,446,107
Scotia U.S. Dividend Growers LP Series I	1,740,917	22,735,152	29,326,965
Scotia U.S. Low Volatility Equity LP Series I	1,941,113	28,523,081	29,189,299
		162,433,901	187,588,343
TOTAL INVESTMENT PORTFOLIO		332,520,953	373,082,456
OTHER ASSETS, LESS LIABILITIES – 0.2%			891,853
NET ASSETS – 100.0%			373,974,309

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

Scotia INNOVA Growth Portfolio Class (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 December 31, 2017, approximately 99.8% (December 31, 2016 – 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 of the Fund would have decreased or increased, respectively, by approximately $37,308,246 (December 31, 2016 – $33,732,748). 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 (%)	
	December 31, 2017	December 31, 2016
Balanced Funds	2.5	–
Canadian Equity Funds	27.5	32.7
Fixed Income Funds	19.6	17.2
Foreign Equity Funds	50.2	49.8

Fair Value Classification (note 2)

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

December 31, 2017	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Underlying funds	373,082,456	–	–	373,082,456
	373,082,456	–	–	373,082,456

December 31, 2016	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Underlying funds	337,327,475	–	–	337,327,475
	337,327,475	–	–	337,327,475

Transfers between levels

During the periods ended December 31, 2017 and December 31, 2016, there were no significant transfers between Level 1 and Level 2.

Offsetting of financial assets and liabilities (note 2)

As at December 31, 2017 and December 31, 2016, the Fund did not enter into any agreement whereby the financial instruments were eligible for offset.

Scotia INNOVA Growth Portfolio Class (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.

	December 31, 2017	
Underlying Fund	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	

	December 31, 2016	
Underlying Fund	Carrying value of the Underlying Fund ($)	Ownership percentage in Underlying Fund (%)
1832 AM Canadian Growth LP Series I	13,770,911	5.6
1832 AM Canadian Preferred Share LP Series I	7,679,772	5.5
Scotia U.S. Dividend Growers LP Series I	26,261,309	4.8
1832 AM Tactical Asset Allocation LP Series I	8,398,605	4.6
1832 AM Canadian Dividend LP Series I	26,504,549	4.6
Scotia Private Global Equity Pool Series I	16,983,546	4.5
Scotia Private Canadian Small Cap Pool Series I	25,974,945	3.8
1832 AM Global Completion LP Series I	14,979,923	3.5
Scotia Private Emerging Markets Pool Series I	8,225,411	3.3
Scotia Private International Equity Pool Series I	34,419,441	3.1
Scotia U.S. Low Volatility Equity LP Series I	26,290,490	2.8
Scotia Global Low Volatility Equity LP Series I	26,136,068	2.7
Scotia Private Global Real Estate Pool Series I	6,820,425	2.1
Scotia Private American Core-Plus Bond Pool Series I	9,120,976	1.1
Scotia Private Options Income Pool Series I	8,250,645	1.0
Scotia Private High Yield Income Pool Series I	6,654,498	0.5
Scotia Private Canadian Corporate Bond Pool Series I	19,716,378	0.4
Scotia Canadian Dividend Fund Series I	28,315,273	0.4
Scotia Floating Rate Income Fund Series I	4,895,853	0.4
Scotia Canadian Income Fund Series I	17,928,457	0.3
	337,327,475	

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

As at December 31, 2017 or December 31, 2016, 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

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	December 31, 2017	December 31, 2016
ASSETS		
Current assets		
Investments		
Non-derivative financial assets	79,546,842	76,838,064
Cash	811,230	89,866
Receivable for securities sold	–	130,000
Subscriptions receivable	29,275	25,775
Accrued investment income and other	276	90
	80,387,623	77,083,795
LIABILITIES		
Current liabilities		
Payable for securities purchased	10,000	–
Redemptions payable	51,143	12,335
Accrued expenses	–	4,858
Distributions payable	35,479	33,792
	96,622	50,985
Net assets attributable to holders of redeemable shares	80,291,001	77,032,810
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES PER SERIES		
Series A	69,804,088	68,219,254
Series T	10,486,913	8,813,556
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES PER SHARE		
Series A	16.25	15.00
Series T	15.81	15.23

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except average shares)	2017	2016
INCOME		
Net gain (loss) on investments		
Dividends	1,810,720	1,712,045
Interest for distribution purposes	19,564	19,750
Net realized gain (loss) on non-derivative financial assets	2,395,065	1,224,668
Change in unrealized gain (loss) on non-derivative financial assets	4,574,556	2,100,576
Net gain (loss) on investments	8,799,905	5,057,039
Other income	1,062	283
Total income (loss), net	8,800,967	5,057,322
EXPENSES		
Management fees (note 5)	1,574,030	1,527,832
Fixed administration fees (note 6)	78,702	76,392
Independent Review Committee fees	1,135	1,184
Interest expense and bank overdraft charges	434	141
Foreign withholding taxes/tax reclaims	76,878	75,097
Other fund costs	28,300	26,209
Harmonized Sales Tax/Goods and Services Tax	159,277	152,747
Total expenses	1,918,756	1,859,602
Increase (decrease) in net assets attributable to holders of redeemable shares from operations	6,882,211	3,197,720
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES FROM OPERATIONS PER SERIES		
Series A	5,992,119	2,792,200
Series T	890,092	405,520
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES FROM OPERATIONS PER SHARE†		
Series A	1.35	0.58
Series T	1.47	0.82
WEIGHTED AVERAGE NUMBER OF SHARES PER SERIES		
Series A	4,445,395	4,785,219
Series T	604,425	496,357

† 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.

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

Scotia INNOVA Maximum Growth Portfolio Class (Continued)

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

For the periods ended December 31 (note 1),

(in dollars)	2017	2016
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES, BEGINNING OF PERIOD		
Series A	68,219,254	69,024,549
Series T	8,813,556	5,638,651
	77,032,810	74,663,200
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES FROM OPERATIONS		
Series A	5,992,119	2,792,200
Series T	890,092	405,520
	6,882,211	3,197,720
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE SHARES		
From net investment income		
Series A	(492,694)	(489,135)
Series T	(74,019)	(63,395)
From net realized gains on investments		
Series A	–	(2,332,385)
Series T	–	(190,534)
From return of capital		
Series T	(416,607)	(316,777)
	(983,320)	(3,392,226)
REDEEMABLE SHARE TRANSACTIONS		
Proceeds from issue		
Series A	14,824,336	16,738,738
Series T	4,040,780	4,392,450
Reinvested distributions		
Series A	487,756	2,817,385
Series T	286,833	343,303
Payments on redemption		
Series A	(19,226,683)	(20,332,098)
Series T	(3,053,722)	(1,395,662)
	(2,640,700)	2,564,116
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES		
Series A	1,584,834	(805,295)
Series T	1,673,357	3,174,905
	3,258,191	2,369,610
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES, END OF PERIOD		
Series A	69,804,088	68,219,254
Series T	10,486,913	8,813,556
	80,291,001	77,032,810

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable shares	6,882,211	3,197,720
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(2,395,065)	(1,224,668)
Change in unrealized (gain) loss on non-derivative financial assets	(4,574,556)	(2,100,576)
Non-cash transactions	(1,750,467)	(1,653,087)
Purchases of portfolio investments	(2,516,701)	(9,356,970)
Proceeds from sale of portfolio investments	8,668,010	11,874,550
Accrued investment income and other	(186)	332
Accrued expenses and other payables	(4,858)	4,858
Net cash provided by (used in) operating activities	4,308,388	742,159
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable shares	18,292,592	20,137,108
Amounts paid on redemption of redeemable shares	(21,672,572)	(20,929,682)
Distributions to shareholders of redeemable shares	(207,044)	(227,087)
Net cash provided by (used in) financing activities	(3,587,024)	(1,019,661)
Net increase (decrease) in cash	721,364	(277,502)
Cash (bank overdraft), beginning of period	89,866	367,368
CASH (BANK OVERDRAFT), END OF PERIOD	811,230	89,866
Interest paid[1]	434	141
Interest received[1]	2,754	3,942
Dividends received, net of withholding taxes[1]	–	–

[1] Classified as operating items.

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

Scotia INNOVA Maximum Growth Portfolio Class (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2017

Issuer	Number of Units	Average Cost ($)	Carrying Value ($)
CANADIAN EQUITY FUNDS – 34.7%			
1832 AM Canadian Dividend LP Series I	800,799	7,990,203	8,498,321
1832 AM Canadian Growth LP Series I	447,714	4,487,814	4,799,672
Scotia Canadian Dividend Fund Series I	111,722	5,580,117	7,006,224
Scotia Private Canadian Small Cap Pool Series I	181,186	6,115,400	7,547,174
		24,173,534	27,851,391
FOREIGN EQUITY FUNDS – 64.4%			
1832 AM Global Completion LP Series I	232,430	3,174,127	3,549,317
Scotia Global Low Volatility Equity LP Series I	491,561	6,852,234	7,858,683
Scotia Private Emerging Markets Pool Series I	355,413	3,405,156	4,183,318
Scotia Private Global Equity Pool Series I	185,679	3,732,912	5,197,643
Scotia Private Global Real Estate Pool Series I	140,170	2,476,365	2,558,539
Scotia Private International Equity Pool Series I	743,291	9,030,168	10,259,499
Scotia Private Options Income Pool Series I	325,967	3,276,822	3,377,733
Scotia U.S. Dividend Growers LP Series I	564,507	7,659,532	9,509,523
Scotia U.S. Low Volatility Equity LP Series I	345,884	5,112,126	5,201,196
		44,719,442	51,695,451
TOTAL INVESTMENT PORTFOLIO		68,892,976	79,546,842
OTHER ASSETS, LESS LIABILITIES – 0.9%			744,159
NET ASSETS – 100.0%			80,291,001

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

Scotia INNOVA Maximum Growth Portfolio Class (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 majority of the Fund's financial instruments were non-interest bearing as at December 31, 2017 and December 31, 2016. 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 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 December 31, 2017, approximately 99.1% (December 31, 2016 – 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 of the Fund would have decreased or increased, respectively, by approximately $7,954,684 (December 31, 2016 – $7,683,806). 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 (%)	
	December 31, 2017	December 31, 2016
Canadian Equity Funds	34.7	35.0
Foreign Equity Funds	64.4	64.7

Fair Value Classification (note 2)

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

December 31, 2017	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Underlying funds	79,546,842	–	–	79,546,842
	79,546,842	–	–	79,546,842

December 31, 2016	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Underlying funds	76,838,064	–	–	76,838,064
	76,838,064	–	–	76,838,064

Transfers between levels

During the periods ended December 31, 2017 and December 31, 2016, there were no significant transfers between Level 1 and Level 2.

Offsetting of financial assets and liabilities (note 2)

As at December 31, 2017 and December 31, 2016, 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.

	December 31, 2017	
Underlying Fund	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	

Scotia INNOVA Maximum Growth Portfolio Class (Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

	December 31, 2016	
Underlying Fund	**Carrying value of the Underlying Fund ($)**	**Ownership percentage in Underlying Fund (%)**
1832 AM Canadian Growth LP Series I	4,574,386	1.9
Scotia U.S. Dividend Growers LP Series I	9,155,807	1.7
Scotia Private Emerging Markets Pool Series I	3,936,073	1.6
1832 AM Canadian Dividend LP Series I	8,093,604	1.4
Scotia Private Global Equity Pool Series I	5,013,601	1.3
Scotia Private Canadian Small Cap Pool Series I	7,573,968	1.1
Scotia Private International Equity Pool Series I	10,110,054	0.9
Scotia Global Low Volatility Equity LP Series I	7,482,470	0.8
1832 AM Global Completion LP Series I	3,474,271	0.8
Scotia Private Global Real Estate Pool Series I	2,562,817	0.8
Scotia U.S. Low Volatility Equity LP Series I	4,951,251	0.5
Scotia Private Options Income Pool Series I	3,215,232	0.4
Scotia Canadian Dividend Fund Series I	6,694,530	0.1
	76,838,064	

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

As at December 31, 2017 or December 31, 2016, 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 Income Portfolio Class

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	December 31, 2017	December 31, 2016
ASSETS		
Current assets		
Investments		
Non-derivative financial assets	23,885,197	7,869,102
Cash	204,113	37,683
Subscriptions receivable	1,450	115,848
Accrued investment income and other	139	49
	24,090,899	8,022,682
LIABILITIES		
Current liabilities		
Payable for securities purchased	84,000	–
Redemptions payable	–	200
Accrued expenses	–	468
Distributions payable	6,956	2,520
	90,956	3,188
Net assets attributable to holders of redeemable shares	23,999,943	8,019,494
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES PER SERIES		
Series A	20,543,833	6,613,159
Series T	3,456,110	1,406,335
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES PER SHARE		
Series A	10.91	10.48
Series T	15.25	15.21

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except average shares)	2017	2016
INCOME		
Net gain (loss) on investments		
Dividends	197,970	54,966
Interest for distribution purposes	260,289	78,943
Net realized gain (loss) on non-derivative financial assets	178,740	115,227
Change in unrealized gain (loss) on non-derivative financial assets	259,311	(42,186)
Net gain (loss) on investments	896,310	206,950
Other income	3,603	438
Total income (loss), net	899,913	207,388
EXPENSES		
Management fees (note 5)	288,320	69,192
Fixed administration fees (note 6)	15,585	3,740
Independent Review Committee fees	1,135	1,184
Interest expense and bank overdraft charges	74	137
Foreign withholding taxes/tax reclaims	5,126	1,542
Harmonized Sales Tax/Goods and Services Tax	33,087	8,011
Total expenses	343,327	83,806
Increase (decrease) in net assets attributable to holders of redeemable shares from operations	556,586	123,582
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES FROM OPERATIONS PER SERIES		
Series A	449,147	111,014
Series T	107,439	12,568
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES FROM OPERATIONS PER SHARE†		
Series A	0.37	0.35
Series T	0.60	0.28
WEIGHTED AVERAGE NUMBER OF SHARES PER SERIES		
Series A	1,202,227	314,865
Series T	178,039	44,822

† 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 December 31 (note 1),

(in dollars)	2017	2016
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES, BEGINNING OF PERIOD		
Series A	6,613,159	–
Series T	1,406,335	–
	8,019,494	–
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES FROM OPERATIONS		
Series A	449,147	111,014
Series T	107,439	12,568
	556,586	123,582
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE SHARES		
From net investment income		
Series A	(48,707)	(10,896)
Series T	(8,201)	(2,255)
From return of capital		
Series T	(101,719)	(25,454)
	(158,627)	(38,605)
REDEEMABLE SHARE TRANSACTIONS		
Proceeds from issue		
Series A	15,804,631	7,613,943
Series T	2,890,018	1,748,576
Reinvested distributions		
Series A	47,564	10,838
Series T	60,072	15,596
Payments on redemption		
Series A	(2,321,961)	(1,111,740)
Series T	(897,834)	(342,696)
	15,582,490	7,934,517
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES		
Series A	13,930,674	6,613,159
Series T	2,049,775	1,406,335
	15,980,449	8,019,494
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES, END OF PERIOD		
Series A	20,543,833	6,613,159
Series T	3,456,110	1,406,335
	23,999,943	8,019,494

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable shares	556,586	123,582
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(178,740)	(115,227)
Change in unrealized (gain) loss on non-derivative financial assets	(259,311)	42,186
Non-cash transactions	(452,071)	(132,041)
Purchases of portfolio investments	(17,169,006)	(10,270,922)
Proceeds from sale of portfolio investments	2,127,033	2,606,902
Accrued investment income and other	(90)	(49)
Accrued expenses and other payables	(468)	468
Net cash provided by (used in) operating activities	(15,376,067)	(7,745,101)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable shares	18,663,588	9,246,671
Amounts paid on redemption of redeemable shares	(3,074,536)	(1,454,236)
Distributions to shareholders of redeemable shares	(46,555)	(9,651)
Net cash provided by (used in) financing activities	15,542,497	7,782,784
Net increase (decrease) in cash	166,430	37,683
Cash (bank overdraft), beginning of period	37,683	–
CASH (BANK OVERDRAFT), END OF PERIOD	204,113	37,683
Interest paid[1]	74	137
Interest received[1]	974	276

(1) Classified as operating items.

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

Scotia Partners Balanced Income Portfolio Class (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2017

Issuer	Number of Units	Average Cost ($)	Carrying Value ($)
CANADIAN EQUITY FUNDS – 17.4%			
CI Cambridge Canadian Equity Corporate Class, Class I	27,663	584,726	611,631
Dynamic Dividend Advantage Fund Series O	84,431	658,014	675,447
Dynamic Small Business Fund Series O	43,929	781,216	799,511
Scotia Canadian Dividend Fund Series I	26,379	1,544,133	1,654,263
Scotia Private Canadian All Cap Equity Pool Series I	40,155	412,505	432,451
		3,980,594	4,173,303
FIXED INCOME FUNDS – 57.6%			
Dynamic Aurion Total Return Bond Fund Series O	312,072	3,092,560	3,067,666
Dynamic Canadian Bond Fund Series O	297,312	1,565,291	1,534,128
PIMCO Monthly Income Fund (Canada) Series I	160,897	2,295,920	2,310,706
Scotia Canadian Income Fund Series I	229,548	3,130,632	3,077,141
Scotia Private Canadian Corporate Bond Pool Series I	359,256	3,893,507	3,835,198
		13,977,910	13,824,839
FOREIGN EQUITY FUNDS – 24.5%			
AGF Global Dividend Fund Series O	22,834	631,130	663,779
Dynamic Global Infrastructure Fund Series O	20,978	402,851	427,533
Mackenzie Ivy Foreign Equity Fund Series O	85,305	1,109,175	1,084,295
Mackenzie US Mid Cap Growth Class Series O	7,976	335,845	362,005
Mawer International Equity Fund Class O	19,333	1,076,658	1,148,624
Mawer U.S. Equity Fund Series O	14,878	609,861	657,222
Scotia Private Global Credit Pool Series I	155,234	1,544,048	1,543,597
		5,709,568	5,887,055
TOTAL INVESTMENT PORTFOLIO		23,668,072	23,885,197
OTHER ASSETS, LESS LIABILITIES – 0.5%			114,746
NET ASSETS – 100.0%			23,999,943

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

Scotia Partners Balanced Income Portfolio Class (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 December 31, 2017, approximately 99.5% (December 31, 2016 – 98.1%) 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 of the Fund would have decreased or increased, respectively, by approximately $2,388,520 (December 31, 2016 – $786,910). 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 (%)	
	December 31, 2017	December 31, 2016
Canadian Equity Funds	17.4	16.6
Fixed Income Funds	57.6	63.9
Foreign Equity Funds	24.5	17.6

Fair Value Classification (note 2)

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

December 31, 2017	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Underlying funds	23,885,197	–	–	23,885,197
	23,885,197	–	–	23,885,197

December 31, 2016	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Underlying funds	7,869,102	–	–	7,869,102
	7,869,102	–	–	7,869,102

Transfers between levels

During the periods ended December 31, 2017 and December 31, 2016, there were no significant transfers between Level 1 and Level 2.

Offsetting of financial assets and liabilities (note 2)

As at December 31, 2017 and December 31, 2016, the Fund did not enter into any agreement whereby the financial instruments were eligible for offset.

Scotia Partners Balanced Income Portfolio Class (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.

	December 31, 2017	
Underlying Fund	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 Aurion 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	

	December 31, 2016	
Underlying Fund	Carrying value of the Underlying Fund ($)	Ownership percentage in Underlying Fund (%)
Mackenzie Ivy Foreign Equity Fund Series O	352,141	0.0
Mawer U.S. Equity Fund Class O	213,268	0.0
Dynamic Dividend Advantage Fund Series O	216,435	0.0
Scotia Canadian Income Fund Series I	1,026,639	0.0
Dynamic Global Infrastructure Fund Series O	137,417	0.0
Dynamic Canadian Bond Fund Series O	512,043	0.0
Mawer International Equity Fund Class O	378,131	0.0
PIMCO Monthly Income Fund (Canada) Class I	767,950	0.0
AGF Global Dividend Fund Series O	216,703	0.0
PIMCO Investment Grade Credit Fund (Canada), Class I	513,600	0.0
Scotia Private Canadian All Cap Equity Pool Series I	136,770	0.0
Dynamic Aurion Total Return Bond Fund Series O	1,024,772	0.0
Dynamic Small Business Fund Series O	254,251	0.0
Mackenzie US Mid Cap Growth Class Series O	116,338	0.0
Scotia Private Canadian Corporate Bond Pool Series I	1,280,404	0.0
Scotia Canadian Dividend Fund Series I	525,985	0.0
CI Cambridge Canadian Equity Corporate Class I	196,255	0.0
	7,869,102	

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

As at December 31, 2017 or December 31, 2016, 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

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	December 31, 2017	December 31, 2016
ASSETS		
Current assets		
Investments		
Non-derivative financial assets	16,954,594	6,546,829
Cash	180,009	24,898
Subscriptions receivable	21,584	68,119
Accrued investment income and other	138	101
	17,156,325	6,639,947
LIABILITIES		
Current liabilities		
Payable for securities purchased	110,000	–
Redemptions payable	5,000	–
Accrued expenses	–	417
Distributions payable	8,812	3,881
	123,812	4,298
Net assets attributable to holders of redeemable shares	17,032,513	6,635,649
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES PER SERIES		
Series A	13,886,776	5,317,385
Series T	3,145,737	1,318,264
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES PER SHARE		
Series A	11.43	10.69
Series T	15.75	15.38

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except average shares)	2017	2016
INCOME		
Net gain (loss) on investments		
Dividends	186,575	57,188
Interest for distribution purposes	123,421	46,275
Net realized gain (loss) on non-derivative financial assets	159,495	108,820
Change in unrealized gain (loss) on non-derivative financial assets	524,078	36,966
Net gain (loss) on investments	993,569	249,249
Other income	1,048	731
Total income (loss), net	994,617	249,980
EXPENSES		
Management fees (note 5)	222,194	58,090
Fixed administration fees (note 6)	11,390	2,904
Independent Review Committee fees	1,135	1,184
Interest expense and bank overdraft charges	86	116
Foreign withholding taxes/tax reclaims	7,010	2,831
Harmonized Sales Tax/Goods and Services Tax	24,313	6,485
Total expenses	266,128	71,610
Increase (decrease) in net assets attributable to holders of redeemable shares from operations	728,489	178,370
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES FROM OPERATIONS PER SERIES		
Series A	598,423	159,697
Series T	130,066	18,673
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES FROM OPERATIONS PER SHARE†		
Series A	0.69	0.62
Series T	1.12	0.82
WEIGHTED AVERAGE NUMBER OF SHARES PER SERIES		
Series A	863,992	259,295
Series T	116,183	22,905

† 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 December 31 (note 1),

(in dollars)	2017	2016
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES, BEGINNING OF PERIOD		
Series A	5,317,385	–
Series T	1,318,264	–
	6,635,649	–
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES FROM OPERATIONS		
Series A	598,423	159,697
Series T	130,066	18,673
	728,489	178,370
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE SHARES		
From net investment income		
Series A	(42,640)	(11,646)
Series T	(9,668)	(2,420)
From return of capital		
Series T	(81,143)	(16,046)
	(133,451)	(30,112)
REDEEMABLE SHARE TRANSACTIONS		
Proceeds from issue		
Series A	10,545,180	5,740,457
Series T	2,029,572	1,438,708
Reinvested distributions		
Series A	42,475	11,534
Series T	29,009	8,602
Payments on redemption		
Series A	(2,574,047)	(582,657)
Series T	(270,363)	(129,253)
	9,801,826	6,487,391
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES		
Series A	8,569,391	5,317,385
Series T	1,827,473	1,318,264
	10,396,864	6,635,649
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES, END OF PERIOD		
Series A	13,886,776	5,317,385
Series T	3,145,737	1,318,264
	17,032,513	6,635,649

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable shares	728,489	178,370
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(159,495)	(108,820)
Change in unrealized (gain) loss on non-derivative financial assets	(524,078)	(36,966)
Non-cash transactions	(302,184)	(100,298)
Purchases of portfolio investments	(11,223,423)	(8,396,237)
Proceeds from sale of portfolio investments	1,911,417	2,095,491
Accrued investment income and other	(37)	(101)
Accrued expenses and other payables	(417)	417
Net cash provided by (used in) operating activities	(9,569,728)	(6,368,144)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable shares	12,621,286	7,051,046
Amounts paid on redemption of redeemable shares	(2,839,410)	(651,909)
Distributions to shareholders of redeemable shares	(57,037)	(6,095)
Net cash provided by (used in) financing activities	9,724,839	6,393,042
Net increase (decrease) in cash	155,111	24,898
Cash (bank overdraft), beginning of period	24,898	–
CASH (BANK OVERDRAFT), END OF PERIOD	180,009	24,898
Interest paid[1]	86	116
Interest received[1]	765	233

[1] Classified as operating items.

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

Scotia Partners Balanced Growth Portfolio Class (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2017

Issuer	Number of Units	Average Cost ($)	Carrying Value ($)
CANADIAN EQUITY FUNDS – 28.1%			
CI Cambridge Canadian Equity Corporate Class, Class I	27,059	571,701	598,271
Dynamic Small Business Fund Series O	37,733	666,842	686,739
Dynamic Value Fund of Canada Series O	45,221	502,198	513,255
Scotia Canadian Dividend Fund Series I	26,592	1,555,218	1,667,588
Scotia Private Canadian All Cap Equity Pool Series I	55,750	574,223	600,405
Scotia Private Fundamental Canadian Equity Pool Series I	69,589	709,591	727,736
		4,579,773	4,793,994
FIXED INCOME FUNDS – 35.5%			
Dynamic Aurion Total Return Bond Fund Series O	119,463	1,178,465	1,174,323
PIMCO Monthly Income Fund (Canada) Series I	70,477	1,005,809	1,012,150
Scotia Canadian Income Fund Series I	163,116	2,226,518	2,186,597
Scotia Private Canadian Corporate Bond Pool Series I	157,035	1,702,102	1,676,408
		6,112,894	6,049,478
FOREIGN EQUITY FUNDS – 35.9%			
AGF Global Dividend Fund Series O	27,713	763,474	805,615
Dynamic Global Equity Fund Series O	53,068	739,339	803,451
Dynamic Global Infrastructure Fund Series O	27,288	516,738	556,124
Mackenzie Emerging Markets Class Series O	7,176	221,240	257,942
Mackenzie Ivy Foreign Equity Fund Series O	19,992	259,709	254,119
Mackenzie US Mid Cap Growth Class Series O	12,136	508,802	550,852
Mawer International Equity Fund Class O	14,380	798,434	854,391
Mawer U.S. Equity Fund Series O	18,106	740,903	799,827
Scotia Global Growth Fund Series I	6,951	477,238	553,798
Scotia Private Global Credit Pool Series I	67,882	675,006	675,003
		5,700,883	6,111,122
TOTAL INVESTMENT PORTFOLIO		16,393,550	16,954,594
OTHER ASSETS, LESS LIABILITIES – 0.5%			77,919
NET ASSETS – 100.0%			17,032,513

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

Scotia Partners Balanced Growth Portfolio Class (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 December 31, 2017, approximately 99.5% (December 31, 2016 – 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 of the Fund would have decreased or increased, respectively, by approximately $1,695,459 (December 31, 2016 – $654,683). 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 (%)	
	December 31, 2017	December 31, 2016
Canadian Equity Funds	28.1	27.4
Fixed Income Funds	35.5	39.8
Foreign Equity Funds	35.9	31.5

Fair Value Classification (note 2)

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

December 31, 2017	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Underlying funds	16,954,594	–	–	16,954,594
	16,954,594	–	–	16,954,594

December 31, 2016	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Underlying funds	6,546,829	–	–	6,546,829
	6,546,829	–	–	6,546,829

Transfers between levels

During the periods ended December 31, 2017 and December 31, 2016, there were no significant transfers between Level 1 and Level 2.

Offsetting of financial assets and liabilities (note 2)

As at December 31, 2017 and December 31, 2016, the Fund did not enter into any agreement whereby the financial instruments were eligible for offset.

Scotia Partners Balanced Growth Portfolio Class (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.

	December 31, 2017	
Underlying Fund	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 Aurion 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	

	December 31, 2016	
Underlying Fund	Carrying value of the Underlying Fund ($)	Ownership percentage in Underlying Fund (%)
Scotia Private Fundamental Canadian Equity Pool Series I	274,971	0.1
Scotia Private Canadian All Cap Equity Pool Series I	228,388	0.1
Dynamic Small Business Fund Series O	262,099	0.0
Mackenzie US Mid Cap Growth Class Series O	210,828	0.0
Scotia Private Canadian Corporate Bond Pool Series I	657,526	0.0
Dynamic Global Infrastructure Fund Series O	212,251	0.0
Dynamic Aurion Total Return Bond Fund Series O	459,906	0.0
Mawer International Equity Fund Class O	331,760	0.0
Mackenzie Ivy Foreign Equity Fund Series O	97,621	0.0
Mawer U.S. Equity Fund Class O	308,229	0.0
PIMCO Monthly Income Fund (Canada) Class I	394,377	0.0
Scotia Canadian Income Fund Series I	857,300	0.0
Scotia Global Growth Fund Series I	210,901	0.0
Dynamic Global Equity Fund Series O	309,976	0.0
Dynamic Value Fund of Canada Series O	195,348	0.0
CI Cambridge Canadian Equity Corporate Class I	228,648	0.0
AGF Global Dividend Fund Series O	311,365	0.0
PIMCO Investment Grade Credit Fund (Canada), Class I	263,630	0.0
Scotia Canadian Dividend Fund Series I	631,834	0.0
Mackenzie Emerging Markets Class Series O	99,871	0.0
	6,546,829	

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

As at December 31, 2017 or December 31, 2016, 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

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	December 31, 2017	December 31, 2016
ASSETS		
Current assets		
Investments		
Non-derivative financial assets	8,778,801	3,307,659
Cash	90,989	23,227
Subscriptions receivable	38,185	750
Accrued investment income and other	64	28
	8,908,039	3,331,664
LIABILITIES		
Current liabilities		
Payable for securities purchased	47,600	–
Redemptions payable	2,300	–
Accrued expenses	–	228
Distributions payable	2,683	62
	52,583	290
Net assets attributable to holders of redeemable shares	8,855,456	3,331,374
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES PER SERIES		
Series A	7,778,615	3,084,441
Series T	1,076,841	246,933
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES PER SHARE		
Series A	11.80	10.82
Series T	16.33	15.54

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except average shares)	2017	2016
INCOME		
Net gain (loss) on investments		
Dividends	95,708	29,175
Interest for distribution purposes	39,296	17,793
Net realized gain (loss) on non-derivative financial assets	126,328	75,677
Change in unrealized gain (loss) on non-derivative financial assets	372,482	63,736
Net gain (loss) on investments	633,814	186,381
Other income	1,290	424
Total income (loss), net	635,104	186,805
EXPENSES		
Management fees (note 5)	118,415	33,371
Fixed administration fees (note 6)	5,772	1,553
Independent Review Committee fees	1,135	1,184
Interest expense and bank overdraft charges	54	26
Foreign withholding taxes/tax reclaims	5,309	1,950
Harmonized Sales Tax/Goods and Services Tax	13,033	3,873
Total expenses	143,718	41,957
Increase (decrease) in net assets attributable to holders of redeemable shares from operations	491,386	144,848
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES FROM OPERATIONS PER SERIES		
Series A	448,035	134,525
Series T	43,351	10,323
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES FROM OPERATIONS PER SHARE†		
Series A	0.96	0.93
Series T	1.52	1.37
WEIGHTED AVERAGE NUMBER OF SHARES PER SERIES		
Series A	468,306	144,931
Series T	28,517	7,542

† 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 December 31 (note 1),

(in dollars)	2017	2016
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES, BEGINNING OF PERIOD		
Series A	3,084,441	–
Series T	246,933	–
	3,331,374	–
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES FROM OPERATIONS		
Series A	448,035	134,525
Series T	43,351	10,323
	491,386	144,848
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE SHARES		
From net investment income		
Series A	(24,686)	(7,239)
Series T	(3,420)	(409)
From return of capital		
Series T	(20,171)	(5,429)
	(48,277)	(13,077)
REDEEMABLE SHARE TRANSACTIONS		
Proceeds from issue		
Series A	5,399,641	3,224,616
Series T	924,726	237,981
Reinvested distributions		
Series A	24,686	7,239
Series T	13,829	5,467
Payments on redemption		
Series A	(1,153,502)	(274,700)
Series T	(128,407)	(1,000)
	5,080,973	3,199,603
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES		
Series A	4,694,174	3,084,441
Series T	829,908	246,933
	5,524,082	3,331,374
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES, END OF PERIOD		
Series A	7,778,615	3,084,441
Series T	1,076,841	246,933
	8,855,456	3,331,374

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable shares	491,386	144,848
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(126,328)	(75,677)
Change in unrealized (gain) loss on non-derivative financial assets	(372,482)	(63,736)
Non-cash transactions	(129,333)	(44,832)
Purchases of portfolio investments	(6,001,832)	(3,912,346)
Proceeds from sale of portfolio investments	1,206,434	788,932
Accrued investment income and other	(36)	(28)
Accrued expenses and other payables	(228)	228
Net cash provided by (used in) operating activities	(4,932,419)	(3,162,611)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable shares	6,286,932	3,461,847
Amounts paid on redemption of redeemable shares	(1,279,610)	(275,700)
Distributions to shareholders of redeemable shares	(7,141)	(309)
Net cash provided by (used in) financing activities	5,000,181	3,185,838
Net increase (decrease) in cash	67,762	23,227
Cash (bank overdraft), beginning of period	23,227	–
CASH (BANK OVERDRAFT), END OF PERIOD	90,989	23,227
Interest paid[1]	54	26
Interest received[1]	325	159

[1] Classified as operating items.

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

Scotia Partners Growth Portfolio Class (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2017

Issuer	Number of Units	Average Cost ($)	Carrying Value ($)
CANADIAN EQUITY FUNDS – 32.8%			
CI Cambridge Canadian Equity Corporate Class, Class I	29,663	627,046	655,847
Dynamic Small Business Fund Series O	24,278	433,812	441,866
Dynamic Value Fund of Canada Series O	38,823	431,036	440,637
Scotia Canadian Dividend Fund Series I	11,548	675,224	724,186
Scotia Private Canadian All Cap Equity Pool Series I	32,941	340,298	354,757
Scotia Private Fundamental Canadian Equity Pool Series I	27,372	279,525	286,251
		2,786,941	2,903,544
FIXED INCOME FUNDS – 22.0%			
Dynamic Aurion Total Return Bond Fund Series O	32,994	325,157	324,335
PIMCO Monthly Income Fund (Canada) Series I	22,803	325,217	327,483
Scotia Canadian Income Fund Series I	56,503	768,832	757,434
Scotia Private Canadian Corporate Bond Pool Series I	50,710	548,806	541,354
		1,968,012	1,950,606
FOREIGN EQUITY FUNDS – 44.3%			
Dynamic Global Equity Fund Series O	37,647	525,150	569,977
Dynamic Global Infrastructure Fund Series O	8,723	165,760	177,772
Invesco International Growth Fund Series I	37,260	351,277	377,664
Mackenzie Emerging Markets Class Series O	9,329	288,952	335,320
Mackenzie US Mid Cap Growth Class Series O	8,734	363,673	396,415
Mawer International Equity Fund Class O	9,300	516,923	552,573
Mawer U.S. Equity Fund Series O	11,808	483,331	521,614
Scotia Global Growth Fund Series I	6,949	478,231	553,643
Scotia Private Global Credit Pool Series I	21,923	218,064	217,995
Trimark Global Endeavour Fund Series I	5,557	196,269	221,678
		3,587,630	3,924,651
TOTAL INVESTMENT PORTFOLIO		8,342,583	8,778,801
OTHER ASSETS, LESS LIABILITIES – 0.9%			76,655
NET ASSETS – 100.0%			8,855,456

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

Scotia Partners Growth Portfolio Class (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 December 31, 2017, approximately 99.1% (December 31, 2016 – 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 of the Fund would have decreased or increased, respectively, by approximately $877,880 (December 31, 2016 – $330,766). 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 (%)	
	December 31, 2017	December 31, 2016
Canadian Equity Funds	32.8	32.7
Fixed Income Funds	22.0	24.9
Foreign Equity Funds	44.3	41.7

Fair Value Classification (note 2)

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

December 31, 2017	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Underlying funds	8,778,801	–	–	8,778,801
	8,778,801	–	–	8,778,801

December 31, 2016	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Underlying funds	3,307,659	–	–	3,307,659
	3,307,659	–	–	3,307,659

Transfers between levels

During the periods ended December 31, 2017 and December 31, 2016, there were no significant transfers between Level 1 and Level 2.

Offsetting of financial assets and liabilities (note 2)

As at December 31, 2017 and December 31, 2016, the Fund did not enter into any agreement whereby the financial instruments were eligible for offset.

Scotia Partners Growth Portfolio Class (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.

	December 31, 2017	
Underlying Fund	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 Aurion 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	

	December 31, 2016	
Underlying Fund	Carrying value of the Underlying Fund ($)	Ownership percentage in Underlying Fund (%)
Dynamic Value Fund of Canada Series O	164,822	0.0
Scotia Canadian Dividend Fund Series I	270,758	0.0
Mawer International Equity Fund Class O	209,098	0.0
Scotia Private Canadian Corporate Bond Pool Series I	207,061	0.0
CI Cambridge Canadian Equity Corporate Class I	248,356	0.0
Dynamic Global Equity Fund Series O	214,533	0.0
Mackenzie US Mid Cap Growth Class Series O	147,138	0.0
Scotia Global Growth Fund Series I	205,907	0.0
Dynamic Global Infrastructure Fund Series O	66,008	0.0
Dynamic Aurion Total Return Bond Fund Series O	124,369	0.0
PIMCO Monthly Income Fund (Canada) Class I	124,379	0.0
PIMCO Investment Grade Credit Fund (Canada), Class I	83,145	0.0
Dynamic Small Business Fund Series O	166,612	0.0
Mawer U.S. Equity Fund Class O	196,190	0.0
Scotia Private Fundamental Canadian Equity Pool Series I	106,534	0.0
Scotia Canadian Income Fund Series I	290,451	0.0
Mackenzie Emerging Markets Class Series O	126,459	0.0
Trimark Global Endeavour Fund Series I	82,719	0.0
Invesco International Growth Fund Series I	141,307	0.0
Scotia Private Canadian All Cap Equity Pool Series I	131,813	0.0
	3,307,659	

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

As at December 31, 2017 or December 31, 2016, 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

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	December 31, 2017	December 31, 2016
ASSETS		
Current assets		
Investments		
Non-derivative financial assets	2,967,725	944,701
Cash	17,589	3,189
Accrued investment income and other	22	1
	2,985,336	947,891
LIABILITIES		
Current liabilities		
Redemptions payable	300	–
Accrued expenses	–	123
Distributions payable	303	–
	603	123
Net assets attributable to holders of redeemable shares	2,984,733	947,768
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES PER SERIES		
Series A	2,700,044	942,359
Series T	284,689	5,409
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES PER SHARE		
Series A	12.03	10.90
Series T	16.57	15.67

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except average shares)	2017	2016
INCOME		
Net gain (loss) on investments		
Dividends	33,504	9,302
Interest for distribution purposes	5,497	2,192
Net realized gain (loss) on non-derivative financial assets	38,558	30,431
Change in unrealized gain (loss) on non-derivative financial assets	130,571	29,556
Net gain (loss) on investments	208,130	71,481
Total income (loss), net	208,130	71,481
EXPENSES		
Management fees (note 5)	38,015	12,093
Fixed administration fees (note 6)	1,766	513
Independent Review Committee fees	1,135	1,184
Interest expense and bank overdraft charges	37	12
Foreign withholding taxes/tax reclaims	2,172	686
Harmonized Sales Tax/Goods and Services Tax	4,661	1,562
Total expenses	47,786	16,050
Expenses absorbed by the Manager	–	(1,324)
Net expenses	47,786	14,726
Increase (decrease) in net assets attributable to holders of redeemable shares from operations	160,344	56,755
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES FROM OPERATIONS PER SERIES		
Series A	147,233	56,296
Series T	13,111	459
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES FROM OPERATIONS PER SHARE†		
Series A	1.05	1.09
Series T	1.34	1.36
WEIGHTED AVERAGE NUMBER OF SHARES PER SERIES		
Series A	139,640	51,633
Series T	9,817	337

† 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 December 31 (note 1),

(in dollars)	2017	2016
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES, BEGINNING OF PERIOD		
Series A	942,359	–
Series T	5,409	–
	947,768	–
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES FROM OPERATIONS		
Series A	147,233	56,296
Series T	13,111	459
	160,344	56,755
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE SHARES		
From net investment income		
Series A	(7,947)	(2,640)
Series T	(839)	(7)
From return of capital		
Series T	(7,109)	(225)
	(15,895)	(2,872)
REDEEMABLE SHARE TRANSACTIONS		
Proceeds from issue		
Series A	1,909,381	948,784
Series T	269,859	4,950
Reinvested distributions		
Series A	7,947	2,640
Series T	6,958	232
Payments on redemption		
Series A	(298,929)	(62,721)
Series T	(2,700)	–
	1,892,516	893,885
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES		
Series A	1,757,685	942,359
Series T	279,280	5,409
	2,036,965	947,768
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES, END OF PERIOD		
Series A	2,700,044	942,359
Series T	284,689	5,409
	2,984,733	947,768

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable shares	160,344	56,755
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(38,558)	(30,431)
Change in unrealized (gain) loss on non-derivative financial assets	(130,571)	(29,556)
Non-cash transactions	(36,697)	(10,738)
Purchases of portfolio investments	(2,121,055)	(1,142,896)
Proceeds from sale of portfolio investments	303,858	268,920
Accrued investment income and other	(21)	(1)
Accrued expenses and other payables	(123)	123
Net cash provided by (used in) operating activities	(1,862,823)	(887,824)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable shares	2,179,240	953,734
Amounts paid on redemption of redeemable shares	(301,329)	(62,721)
Distributions to shareholders of redeemable shares	(688)	–
Net cash provided by (used in) financing activities	1,877,223	891,013
Net increase (decrease) in cash	14,400	3,189
Cash (bank overdraft), beginning of period	3,189	–
CASH (BANK OVERDRAFT), END OF PERIOD	17,589	3,189
Interest paid[1]	37	12
Interest received[1]	110	70

[1] Classified as operating items.

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

Scotia Partners Maximum Growth Portfolio Class (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2017

Issuer	Number of Units	Average Cost ($)	Carrying Value ($)
CANADIAN EQUITY FUNDS – 39.7%			
CI Cambridge Canadian Equity Corporate Class, Class I	15,995	339,486	353,641
Dynamic Small Business Fund Series O	9,883	177,054	179,868
Dynamic Value Fund of Canada Series O	15,632	172,642	177,422
Scotia Canadian Dividend Fund Series I	2,825	165,210	177,132
Scotia Private Canadian All Cap Equity Pool Series I	16,621	171,406	179,004
Scotia Private Fundamental Canadian Equity Pool Series I	11,295	115,253	118,117
		1,141,051	1,185,184
FIXED INCOME FUNDS – 7.3%			
Scotia Canadian Income Fund Series I	10,820	146,670	145,039
Scotia Private Canadian Corporate Bond Pool Series I	6,797	73,591	72,560
		220,261	217,599
FOREIGN EQUITY FUNDS – 52.4%			
Dynamic Global Equity Fund Series O	14,625	206,044	221,417
Dynamic Global Infrastructure Fund Series O	3,684	70,584	75,079
Invesco International Growth Fund Series I	14,661	140,180	148,607
Mackenzie Emerging Markets Class Series O	3,810	120,368	136,956
Mackenzie US Mid Cap Growth Class Series O	3,514	148,550	159,476
Mawer International Equity Fund Class O	3,761	211,712	223,433
Mawer U.S. Equity Fund Series O	4,857	200,313	214,545
Scotia Global Growth Fund Series I	2,774	193,449	221,024
Scotia Private Global Credit Pool Series I	7,294	72,537	72,530
Trimark Global Endeavour Fund Series I	2,303	82,549	91,875
		1,446,286	1,564,942
TOTAL INVESTMENT PORTFOLIO		2,807,598	2,967,725
OTHER ASSETS, LESS LIABILITIES – 0.6%			17,008
NET ASSETS – 100.0%			2,984,733

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

Scotia Partners Maximum Growth Portfolio Class (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 December 31, 2017, approximately 99.4% (December 31, 2016 – 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 of the Fund would have decreased or increased, respectively, by approximately $296,773 (December 31, 2016 – $94,470). 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 (%)	
	December 31, 2017	December 31, 2016
Canadian Equity Funds	39.7	39.6
Fixed Income Funds	7.3	10.0
Foreign Equity Funds	52.4	50.1

Fair Value Classification (note 2)

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

December 31, 2017	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Underlying funds	2,967,725	–	–	2,967,725
	2,967,725	–	–	2,967,725

December 31, 2016	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Underlying funds	944,701	–	–	944,701
	944,701	–	–	944,701

Transfers between levels

During the periods ended December 31, 2017 and December 31, 2016, there were no significant transfers between Level 1 and Level 2.

Offsetting of financial assets and liabilities (note 2)

As at December 31, 2017 and December 31, 2016, the Fund did not enter into any agreement whereby the financial instruments were eligible for offset.

Scotia Partners Maximum Growth Portfolio Class (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.

	December 31, 2017	
Underlying Fund	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	

	December 31, 2016	
Underlying Fund	Carrying value of the Underlying Fund ($)	Ownership percentage in Underlying Fund (%)
Dynamic Small Business Fund Series O	56,677	0.0
Dynamic Value Fund of Canada Series O	56,031	0.0
Scotia Private Canadian Corporate Bond Pool Series I	23,762	0.0
Dynamic Global Infrastructure Fund Series O	23,668	0.0
Mackenzie Emerging Markets Class Series O	43,229	0.0
Invesco International Growth Fund Series I	47,543	0.0
Scotia Canadian Dividend Fund Series I	56,196	0.0
Mawer U.S. Equity Fund Class O	68,229	0.0
Mackenzie US Mid Cap Growth Class Series O	49,532	0.0
Mawer International Equity Fund Class O	72,037	0.0
Scotia Private Fundamental Canadian Equity Pool Series I	37,271	0.0
Scotia Private Canadian All Cap Equity Pool Series I	55,510	0.0
Scotia Global Growth Fund Series I	71,281	0.0
Scotia Canadian Income Fund Series I	47,622	0.0
PIMCO Investment Grade Credit Fund (Canada), Class I	23,568	0.0
Trimark Global Endeavour Fund Series I	28,500	0.0
CI Cambridge Canadian Equity Corporate Class I	113,245	0.0
Dynamic Global Equity Fund Series O	70,800	0.0
	944,701	

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

As at December 31, 2017 or December 31, 2016, 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

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 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. ("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 December 31, 2017 and 2016, as applicable, and the Statements of Comprehensive Income, Changes in Net Assets Attributable to Holders of Redeemable Units and Cash Flows are for the years ended December 31, 2017 and 2016 except for Funds that started during either period, where the information presented is for the period from the Fund's commencement date to December 31, 2017 or 2016, as applicable. The Schedule of Investment Portfolio for each of the Funds is as at December 31, 2017. Throughout this document, reference to the periods refers to the reporting periods described above.

These financial statements were approved and authorized for issue on March 9, 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 commencement date for each Fund is as follows:

Trust Funds	Commencement 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
Scotia Private Canadian Preferred Share Pool	November 25, 2011

Trust Funds	Commencement Date
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 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 annual financial statements of the Funds have been prepared in compliance with International Financial Reporting Standards ("IFRS") as published by the International Accounting Standards Board (IASB), in accordance with the Canadian securities legislation.

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.

(b) Financial instruments

Classification

The Funds classify investments, including derivatives, as financial assets or financial liabilities at fair value through profit and loss (FVTPL). This category has two sub categories: financial assets and financial liabilities are either held for trading or designated at fair value through profit or loss at inception.

Financial assets or financial liabilities held for trading are 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 are managed together for which there is evidence of actual short-term profit taking. Derivatives and short positions are included in this category.

Financial assets and financial liabilities designated at fair value through profit or loss at inception are financial instruments that are not classified as held for trading but are managed and their performance evaluated on a fair value basis in accordance with the respective Fund's investment strategy.

The Funds' obligations for net assets attributable to holders of redeemable units are presented at the redemption amount.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. The Funds include in this category receivable for

securities sold, subscription receivable, other accrued investment income and other receivables.

All other financial liabilities, other than those classified as at FVTPL 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. Subsequent to initial recognition, financial assets and liabilities at FVTPL 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). The fair value of financial assets and liabilities traded in active markets (such as publicly traded derivatives and marketable securities) are 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 Funds also have a Valuation Working Group which includes the Chief Financial Officer, members of the finance team, as well as members of the investment counsel and compliance teams. The working group 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 equities 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, 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 non-traded 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 financial assets, other than derivatives, 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 the positions are sold.

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 option contracts", 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 option contracts".

Gains and losses arising from changes in fair value of spots, forwards, futures and swaps are shown in the Statements of Comprehensive Income as "Change in unrealized gain (loss)" of the respective derivative contract and in the Statements of Financial Position as "Unrealized Gain" or "Unrealized Loss" of the respective derivative contract until the contracts are closed out or have expired. Once the contracts are closed out or have expired, the resulting realized gains and losses of forwards, futures and swaps are shown in the Statements of Comprehensive Income as "Net Realized gain (loss)" of the respective derivative contract.

Dividend income and distributions from underlying funds are recognized on the ex-dividend date. 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 Fund, recognized on an accrual basis. The Fund does not amortize premiums paid or discounts received on the purchase of fixed income securities except for zero coupon bonds which are amortized on a straight line basis. Realized gain or loss 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) of non-derivative financial assets". The exposure to investments in Underlying Funds at fair value is disclosed in the Fund's "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 liability.

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) Other financial assets and liabilities

Other financial assets and liabilities other than investments and derivatives are valued at amortized cost. These balances are short-term in nature; therefore, their carrying values approximate fair values.

(k) 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.

(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) Accounting standards issued but not yet effective

The final version of IFRS 9, *Financial Instruments* was issued by the International Accounting Standards Board ("IASB") in July 2014 and will replace IAS 39, *Financial Instruments: Recognition and Measurement*, related to the classification and measurement of financial assets and financial liabilities.

IFRS 9 relates to the classification and measurement of financial assets and financial liabilities in the Funds. The new standard is effective for the Funds for their fiscal year beginning January 1, 2018. The Manager has been evaluating the standard and has currently determined that the impact to the Funds will include additional disclosures related to changes to the classification of certain financial instruments to align with the classifications under IFRS 9. Adoption of the standard will not impact net assets attributable to holders of redeemable units.

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 FVTPL, as required by the accounting standard.

Classification and measurement of investments and application of the fair value option

In classifying and measuring financial instruments held by the Funds, the Manager is required to make significant judgments about whether or not the business of the Funds is to invest on a total return basis for the purpose of applying the fair value option for financial assets under IAS 39: "*Financial Instruments – Recognition and Measurement*". The most significant judgments made include the determination that certain financial instruments are held-for-trading and that the fair value option can be applied to those which are not.

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 investments 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 and Series K. 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 and Series K are negotiated and paid directly by these unitholders and not by the Funds. The Funds' management fees are 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 a maximum annual management fee, exclusive of sales taxes, as follows:

	% of Net Asset Value											
Trust Funds	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

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 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	–	–	–	–	–	–
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	–	–	–	–	–	–	–	–

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
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 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"). Up to December 31, 2017, the Fixed Administration Fee payable by each Series of the FAF Funds is subject to a transitional adjustment payment, details of which are presented in the Funds' simplified prospectus. The transitional adjustment payments are applicable only to the Trust Funds.

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 a 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:

	% of Net Asset Value													
Trust Funds	**Series A**	**Advisor Series**	**Series D**	**Series F**	**Series I**	**Series K**	**Series M**	**Series T**	**Series TL**	**Series TH**	**Premium Series**	**Premium T Series**	**Premium TL Series**	**Premium TH 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	–	–	–	–	–	–
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	–	0.35	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	–	–	–	–	–	–	–	–	–

	% of Net Asset Value													
Trust Funds	**Series A**	**Advisor Series**	**Series D**	**Series F**	**Series I**	**Series K**	**Series M**	**Series T**	**Series TL**	**Series TH**	**Premium Series**	**Premium T Series**	**Premium TL Series**	**Premium TH Series**
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	–	–	–	–	–	–

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 pari passu 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 December 31, 2017 and 2016, the following number of units were issued, reinvested and redeemed:

	December 2017					December 2016				
Trust Funds	**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	809,700	3,597,990	60,416	241,494	4,226,612	518,075	444,186	18,203	170,764	809,700
Series A Units	1,243,375	1,570,198	–	2,813,573	–	819,522	538,353	23,378	137,878	1,243,375
Scotia Aria Conservative Defend Portfolio (formerly Scotia Aria Conservative Core Portfolio)										
Series A Units	4,523,974	4,552,363	–	9,076,337	–	2,939,290	2,063,009	49,988	528,313	4,523,974
Series T Units	94,526	143,765	1,097	239,388	–	69,301	73,682	226	48,683	94,526
Series TH Units	132,789	93,333	2,510	228,632	–	144,659	26,794	1,787	40,451	132,789
Series TL Units	27,835	9,028	5	36,868	–	28,069	–	5	239	27,835
Premium Series Units	4,144,569	10,884,371	199,692	948,189	14,280,443	2,224,932	2,600,129	55,360	735,852	4,144,569
Premium T Series Units	263,387	422,092	3,040	59,563	628,956	158,111	218,740	1,998	115,462	263,387
Premium TH Series Units	399,741	403,229	10,164	49,336	763,798	116,030	350,956	6,942	74,187	399,741
Premium TL Series Units	107,327	43,082	40	31,273	119,176	80,396	26,458	473	–	107,327
Scotia Aria Conservative Pay Portfolio										
Series A Units	2,770,312	3,157,793	–	5,928,105	–	1,775,456	1,415,980	55,639	476,763	2,770,312
Series T Units	347,050	247,260	2,293	596,603	–	205,890	174,795	1,252	34,887	347,050
Series TH Units	230,235	292,113	4,809	527,157	–	215,914	96,752	3,343	85,774	230,235
Series TL Units	60,610	57,306	252	118,168	–	66,737	3,961	349	10,437	60,610
Premium Series Units	3,202,756	7,537,165	150,210	655,519	10,234,612	1,954,602	1,986,847	69,119	807,812	3,202,756
Premium T Series Units	532,169	857,908	3,902	177,018	1,216,961	210,120	419,991	1,281	99,223	532,169
Premium TH Series Units	834,745	1,031,451	12,512	363,528	1,515,180	425,826	647,424	3,786	242,291	834,745
Premium TL Series Units	144,692	205,885	1,594	36,927	315,244	88,960	77,849	1,494	23,611	144,692
Scotia Aria Moderate Build Portfolio										
Premium Series Units	2,271,471	9,995,578	135,358	487,141	11,915,266	1,279,978	1,142,785	48,533	199,825	2,271,471
Series A Units	3,781,260	4,354,899	(8)	8,136,151	–	2,213,492	1,904,778	78,341	415,351	3,781,260
Scotia Aria Moderate Defend Portfolio (formerly Scotia Aria Moderate Core Portfolio)										
Series A Units	9,492,221	10,293,088	(14)	19,785,295	–	6,167,098	4,445,008	93,325	1,213,210	9,492,221
Series T Units	157,076	152,738	3,390	313,204	–	141,712	48,953	1,178	34,767	157,076
Series TH Units	284,422	213,048	4,205	501,675	–	220,932	159,583	3,399	99,492	284,422
Series TL Units	30,352	24,669	256	55,277	–	22,224	7,975	153	–	30,352
Premium Series Units	8,094,413	24,633,432	358,391	1,603,372	31,482,864	4,448,787	4,443,562	97,140	895,076	8,094,413
Premium T Series Units	392,217	558,854	10,674	110,398	851,347	269,444	223,709	4,878	105,814	392,217
Premium TH Series Units	680,665	852,487	8,168	291,659	1,249,661	335,152	392,822	1,307	48,616	680,665
Premium TL Series Units	41,055	164,928	1,506	11,568	195,921	344	40,616	95	–	41,055
Scotia Aria Moderate Pay Portfolio										
Series A Units	3,238,939	3,613,778	(14)	6,852,703	–	2,213,484	1,465,074	70,235	509,854	3,238,939
Series T Units	210,623	182,183	4,321	397,127	–	156,778	97,421	2,620	46,196	210,623
Series TH Units	353,145	270,583	6,291	630,019	–	182,974	228,687	2,971	61,487	353,145
Series TL Units	83,499	52,219	431	136,149	–	46,331	39,765	265	2,862	83,499
Premium Series Units	2,353,960	8,504,534	122,169	505,301	10,475,362	1,308,826	1,311,595	55,908	322,369	2,353,960
Premium T Series Units	685,609	740,206	5,454	276,124	1,155,145	442,076	398,774	5,003	160,244	685,609
Premium TH Series Units	894,351	1,034,557	7,092	238,250	1,697,750	520,624	414,164	1,302	41,739	894,351
Premium TL Series Units	250,648	317,477	2,426	7,931	562,620	103,220	152,235	21	4,828	250,648
Scotia Aria Progressive Build Portfolio										
Premium Series Units	2,680,580	12,530,059	95,281	521,265	14,784,655	1,606,025	1,433,747	55,149	414,341	2,680,580
Series A Units	5,047,461	5,414,960	–	10,462,421	–	3,187,119	2,318,854	99,261	557,773	5,047,461
Scotia Aria Progressive Defend Portfolio (formerly Scotia Aria Progressive Core)										
Series A Units	7,353,245	7,330,905	–	14,684,150	–	4,825,765	3,098,419	65,028	635,967	7,353,245
Series T Units	73,411	89,377	1,886	164,674	–	52,174	21,218	19	–	73,411
Series TH Units	221,390	71,453	2,360	295,203	–	131,808	136,804	2,489	49,711	221,390
Series TL Units	15,193	23,822	72	39,087	–	4,910	13,535	79	3,331	15,193
Premium Series Units	4,489,271	17,466,933	167,020	956,311	21,166,913	3,040,379	2,056,834	47,605	655,547	4,489,271
Premium T Series Units	94,878	284,224	2,424	55,941	325,585	115,360	18,222	407	39,111	94,878
Premium TH Series Units	241,600	385,259	4,875	82,377	549,357	158,411	108,976	1,507	27,294	241,600
Premium TL Series Units	11,315	37,513	118	10,987	37,959	6,425	47,309	213	42,632	11,315

Trust Funds	December 2017 Opening Units	Units Issued	Units Reinvested	Units Redeemed	Ending Units	December 2016 Opening Units	Units Issued	Units Reinvested	Units Redeemed	Ending Units
Scotia Aria Progressive Pay Portfolio										
Series A Units	942,048	1,153,025	–	2,095,073	–	638,010	388,139	20,337	104,438	942,048
Series T Units	63,824	33,545	599	97,968	–	67,741	28,634	583	33,134	63,824
Series TH Units	219,286	77,771	2,032	299,089	–	130,692	124,804	1,730	37,940	219,286
Series TL Units	18,508	7,911	104	26,523	–	23,309	5,780	687	11,268	18,508
Premium Series Units	804,602	2,697,772	30,330	195,633	3,337,071	519,109	308,975	19,107	42,589	804,602
Premium T Series Units	180,678	236,911	406	27,348	390,647	159,291	53,911	395	32,919	180,678
Premium TH Series Units	294,771	467,164	4,390	90,435	675,890	151,305	178,750	1,972	37,256	294,771
Premium TL Series Units	2,272	13,501	44	1,920	13,897	351	23,453	28	21,560	2,272
Scotia Balanced Opportunities Fund										
Series A Units	43,650,734	4,740,715	2,780,139	6,107,938	45,063,650	43,845,932	4,825,136	1,292,241	6,312,575	43,650,734
Series Advisor Units	39,926	–	1,881	1,752	40,055	57,542	–	848	18,464	39,926
Series D Units	2,302	80,146	633	4,119	78,962	818	1,924	76	516	2,302
Series F Units	17,544	11,831	1,537	6,403	24,509	8,787	9,654	542	1,439	17,544
Scotia Bond Fund										
Series A Units	7,630,968	682,631	165,549	2,152,298	6,326,850	7,970,644	1,463,520	221,445	2,024,641	7,630,968
Series I Units	111	11,325	124	2,186	9,374	–	109	2	–	111
Series M Units	101	–	4	–	105	–	100	1	–	101
Scotia Canadian Balanced Fund										
Series A Units	91,839,925	6,861,617	1,014,532	11,321,131	88,394,943	92,046,271	6,686,019	5,160,141	12,052,506	91,839,925
Series D Units	3,385	57,639	699	982	60,741	2,306	2,064	193	1,178	3,385
Series F Units	23,079	31,293	645	23,441	31,576	11,797	13,767	1,109	3,594	23,079
Scotia Canadian Blue Chip Fund										
Series A Units	9,377,391	614,367	109,359	1,040,762	9,060,355	9,309,912	390,095	704,445	1,027,061	9,377,391
Series F Units	6,725	76,581	147	70,424	13,029	1,514	5,511	361	661	6,725
Series I Units	11,764	1,260	133	2,423	10,734	10,285	1,511	900	932	11,764
Scotia Canadian Bond Index Fund										
Series A Units	25,756,987	2,739,392	546,969	6,234,553	22,808,795	26,613,842	3,185,580	600,737	4,643,172	25,756,987
Series D Units	4,720	70,465	462	19,021	56,626	3,370	4,701	94	3,445	4,720
Series F Units	70,386	12,172	536	49,233	33,861	964	80,304	156	11,038	70,386
Scotia Canadian Dividend Fund										
Series A Units	73,513,575	12,486,244	670,674	8,736,974	77,933,519	71,448,471	8,192,072	2,340,256	8,467,224	73,513,575
Series Advisor Units	501,514	20	3,360	113,224	391,670	659,157	344	15,392	173,379	501,514
Series F Units	703,882	511,652	12,285	204,456	1,023,363	372,317	388,237	19,753	76,425	703,882
Series I Units	41,965,691	1,741,398	1,088,099	1,926,515	42,868,673	40,388,591	2,677,629	2,057,407	3,157,936	41,965,691
Series K Units	413,621	2,460,316	40,539	373,577	2,540,899	–	406,044	8,152	575	413,621
Series M Units	25,061,279	6,922,604	577,731	3,845,857	28,715,757	21,325,704	6,442,204	1,076,088	3,782,717	25,061,279
Scotia Canadian Growth Fund										
Series A Units	4,274,120	125,297	143,262	601,071	3,941,608	4,709,486	161,053	–	596,419	4,274,120
Series Advisor Units	329	–	12	–	341	1,838	–	–	1,509	329
Series F Units	7,176	1,169	135	3,523	4,957	5,844	2,698	–	1,366	7,176
Series I Units	1,163,654	115,058	54,638	15,422	1,317,928	800,849	399,813	–	37,008	1,163,654
Scotia Canadian Income Fund										
Series A Units	62,141,088	3,046,093	1,239,672	13,832,527	52,594,326	65,566,917	4,795,193	2,445,417	10,666,439	62,141,088
Series Advisor Units	166,579	–	1,018	40,497	127,100	213,540	–	2,885	49,846	166,579
Series F Units	42,451	51,313	952	28,613	66,103	27,646	17,271	638	3,104	42,451
Series I Units	323,043,582	13,685,889	9,928,741	7,887,438	338,770,774	308,576,198	16,704,962	14,636,273	16,873,851	323,043,582
Series K Units	571,657	2,879,831	69,872	424,024	3,097,336	–	572,353	2,168	2,864	571,657
Series M Units	77,996,277	14,004,030	1,771,886	38,340,535	55,431,658	68,924,142	20,134,423	3,203,066	14,265,354	77,996,277
Scotia Canadian Index Fund										
Series A Units	9,595,862	1,309,460	136,622	1,437,859	9,604,085	9,669,485	1,043,917	149,266	1,266,806	9,595,862
Series D Units	20,596	83,453	1,182	37,346	67,885	7,317	22,741	393	9,855	20,596
Series F Units	44,025	9,021	543	2,337	51,252	39,066	4,929	440	410	44,025
Scotia Canadian Small Cap Fund										
Series A Units	1,428,874	41,329	–	221,362	1,248,841	1,551,910	72,913	–	195,949	1,428,874
Series F Units	1,915	386	–	203	2,098	1,919	20	–	24	1,915
Series K Units	100	–	–	–	100	–	100	–	–	100
Series M Units	1,236,658	4,413	–	1,241,071	–	1,444,702	178,246	–	386,290	1,236,658
Scotia CanAm Index Fund										
Series A Units	5,571,528	–	919,260	586,389	5,904,399	5,660,437	(84)	605,761	694,586	5,571,528
Series F Units	2,218	–	422	–	2,640	2,201	29	250	262	2,218
Scotia Conservative Income Fund										
Series A Units	426,610	85,045	4,305	149,687	366,273	510,455	117,772	4,049	205,666	426,610
Scotia Diversified Monthly Income Fund										
Series A Units	260,615,163	32,137,491	8,545,280	37,858,061	263,439,873	257,890,872	31,256,110	8,233,521	36,765,340	260,615,163
Series Advisor Units	140,108	–	1,219	56,575	84,752	243,400	–	1,625	104,917	140,108
Series D Units	11,931	154,211	2,098	32,109	136,131	1,634	16,430	384	6,517	11,931
Series F Units	281,393	222,752	10,115	113,017	401,243	173,163	157,681	5,178	54,629	281,393

	December 2017					December 2016				
Trust Funds	**Opening Units**	**Units Issued**	**Units Reinvested**	**Units Redeemed**	**Ending Units**	**Opening Units**	**Units Issued**	**Units Reinvested**	**Units Redeemed**	**Ending Units**
Scotia Dividend Balanced Fund										
Series A Units	26,249,812	2,932,091	140,127	5,206,144	24,115,886	28,063,397	2,624,274	797,047	5,234,906	26,249,812
Series D Units	13,507	25,058	162	15,244	23,483	7,337	11,387	503	5,720	13,507
Scotia European Fund										
Series A Units	1,377,584	168,666	5,269	308,913	1,242,606	1,530,233	113,335	–	265,984	1,377,584
Series F Units	1,571	799	–	1,535	835	256,071	2,994	–	257,494	1,571
Scotia Floating Rate Income Fund										
Series I Units	73,019,474	5,686,571	1,646,471	3,528,963	76,823,553	68,286,416	4,882,978	1,367,871	1,517,791	73,019,474
Series K Units	413,011	2,091,177	31,359	254,987	2,280,560	–	413,091	1,098	1,178	413,011
Series M Units	50,349,051	11,668,103	–	9,601,917	52,415,237	43,726,948	13,959,548	–	7,337,445	50,349,051
Scotia Global Balanced Fund										
Series A Units	7,510,934	1,362,601	298,814	1,378,676	7,793,673	6,495,545	1,792,959	561,417	1,338,987	7,510,934
Series D Units	13,025	23,120	1,306	7,493	29,958	10,241	3,783	979	1,978	13,025
Scotia Global Bond Fund										
Series A Units	1,521,721	135,821	–	417,760	1,239,782	1,286,630	643,191	–	408,100	1,521,721
Series F Units	3,159	8,767	–	9,512	2,414	–	4,076	–	917	3,159
Scotia Global Dividend Fund										
Series A Units	12,835,709	2,693,235	1,521,305	1,936,694	15,113,555	11,713,936	2,524,290	735,942	2,138,459	12,835,709
Series I Units	28,330,670	1,986,046	3,905,603	972,163	33,250,156	19,630,350	7,180,102	2,206,372	686,154	28,330,670
Scotia Global Growth Fund										
Series A Units	2,391,000	430,289	–	338,333	2,482,956	2,425,812	342,750	–	377,562	2,391,000
Series Advisor Units	8,827	–	–	71	8,756	13,286	401	–	4,860	8,827
Series F Units	619	1,545	–	5	2,159	309	511	–	201	619
Series I Units	12,172,615	227,468	89,159	1,305,730	11,183,512	11,321,890	1,881,276	149,539	1,180,090	12,172,615
Scotia Global Opportunities Fund										
Series A Units	1,104,234	237,815	–	179,239	1,162,810	1,167,789	282,255	4,656	350,466	1,104,234
Series Advisor Units	26,553	–	–	7,036	19,517	26,441	–	112	–	26,553
Series F Units	43	2,151	–	–	2,194	939	43	–	939	43
Series I Units	18,269,199	602,173	333,686	451,847	18,753,211	13,362,269	6,892,454	343,344	2,328,868	18,269,199
Scotia Global Small Cap Fund										
Series A Units	445,942	66,440	–	105,486	406,896	479,771	91,569	–	125,398	445,942
Series F Units	52	83	–	–	135	947	52	–	947	52
Series I Units	9,044,366	247,193	83,108	380,741	8,993,926	7,397,837	1,799,234	75,704	228,409	9,044,366
Scotia Income Advantage Fund										
Series A Units	18,773,330	1,877,713	650,547	3,102,954	18,198,636	19,149,315	2,350,005	693,141	3,419,131	18,773,330
Series D Units	497	7,979	51	298	8,229	–	493	4	–	497
Series K Units	102	–	6	–	108	–	100	2	–	102
Series M Units	1,942,063	35,750	–	494,431	1,483,382	1,889,752	316,951	–	264,640	1,942,063
Scotia INNOVA Balanced Growth Portfolio										
Series A Units	210,171,592	32,712,561	1,160,891	29,617,958	214,427,086	194,739,688	36,847,244	2,154,183	23,569,523	210,171,592
Series T Units	21,136,224	3,797,467	302,933	3,961,780	21,274,844	22,140,730	4,050,050	279,578	5,334,134	21,136,224
Scotia INNOVA Balanced Income Portfolio										
Series A Units	171,738,487	26,019,388	1,272,641	28,196,798	170,833,718	164,361,810	29,350,194	1,835,016	23,808,533	171,738,487
Series T Units	25,232,724	4,042,807	312,311	5,874,564	23,713,278	23,829,479	6,017,453	301,972	4,916,180	25,232,724
Scotia INNOVA Growth Portfolio										
Series A Units	124,343,627	22,363,652	454,999	15,084,406	132,077,872	111,834,788	24,249,202	1,161,979	12,902,342	124,343,627
Series T Units	289,894	267,943	10,480	164,322	403,995	–	319,712	3,802	33,620	289,894
Scotia INNOVA Income Portfolio										
Series A Units	131,090,654	13,306,595	1,556,245	23,567,735	122,385,759	131,661,941	17,370,860	1,791,027	19,733,174	131,090,654
Series T Units	17,901,618	1,851,641	203,088	3,864,397	16,091,950	17,263,403	3,100,587	206,847	2,669,219	17,901,618
Scotia INNOVA Maximum Growth Portfolio										
Series A Units	35,613,461	8,188,424	14	4,789,797	39,012,102	30,642,444	8,434,620	229,586	3,693,189	35,613,461
Series T Units	71,526	85,772	4,034	30,645	130,687	–	71,082	444	–	71,526
Scotia International Index Fund										
Series A Units	2,780,170	718,316	260,988	453,050	3,306,424	2,795,897	419,316	–	435,043	2,780,170
Series D Units	1,688	12,252	1,244	581	14,603	458	1,282	–	52	1,688
Series F Units	53	1,903	191	–	2,147	–	53	–	–	53
Scotia International Value Fund										
Series A Units	1,107,491	108,652	–	182,482	1,033,661	1,220,155	65,456	19,949	198,069	1,107,491
Series Advisor Units	458	–	–	458	–	450	–	8	–	458
Series F Units	3,764	294	–	3,162	896	2,514	1,163	130	43	3,764
Series I Units	15,111	3,011	–	2,650	15,472	6,278,727	15,502	269	6,279,387	15,111
Scotia Latin American Fund										
Series A Units	1,278,296	121,641	8,888	292,955	1,115,870	1,406,298	111,192	5,790	244,984	1,278,296
Series F Units	492	1,349	55	28	1,868	–	482	10	–	492

Trust Funds	December 2017 Opening Units	Units Issued	Units Reinvested	Units Redeemed	Ending Units	December 2016 Opening Units	Units Issued	Units Reinvested	Units Redeemed	Ending Units
Scotia Money Market Fund										
Premium Series Units	9,580,892	2,296	58,536	3,360,692	6,281,032	20,204,399	12,376,278	134,894	23,134,679	9,580,892
Series A Units	21,847,061	10,604,334	70,668	13,166,781	19,355,282	31,133,767	11,022,758	79,264	20,388,728	21,847,061
Series Advisor Units	45,047	–	87	24,032	21,102	67,636	–	169	22,758	45,047
Series K Units	100	182,261	1,189	12,550	171,000	–	100	–	–	100
Series I Units	–	–	–	–	–	–	–	–	–	–
Series M Units	103,819,516	217,712,339	1,113,800	224,102,326	98,543,329	103,889,956	216,943,318	1,018,692	218,032,450	103,819,516
Scotia Mortgage Income Fund										
Series A Units	8,022,095	732,255	104,422	2,008,272	6,850,500	9,340,919	387,280	79,745	1,785,849	8,022,095
Series F Units	13,465	15,260	352	17,973	11,104	20,002	274	247	7,058	13,465
Series I Units	104,856	9,813	2,751	24,913	92,507	117,915	33,278	2,956	49,293	104,856
Series K Units	127,424	367,466	8,767	28,165	475,492	–	127,020	404	–	127,424
Series M Units	6,164,444	1,118,880	–	2,771,072	4,512,252	6,036,447	1,882,071	–	1,754,074	6,164,444
Scotia Nasdaq Index Fund										
Series A Units	10,734,677	4,527,186	3,179,350	2,497,860	15,943,353	9,839,792	2,976,025	422,902	2,504,042	10,734,677
Series D Units	17,664	90,206	18,320	13,397	112,793	618	28,888	291	12,133	17,664
Series F Units	12,451	12,242	2,821	6,242	21,272	11,893	5,873	299	5,614	12,451
Scotia Pacific Rim Fund										
Series A Units	1,189,514	135,671	–	188,850	1,136,335	1,339,247	52,600	1	202,334	1,189,514
Series F Units	1,474	19,476	–	19,369	1,581	–	1,474	–	–	1,474
Scotia Partners Balanced Growth Portfolio										
Series A Units	173,875,086	20,033,368	84,142	21,317,967	172,674,629	164,924,889	21,379,647	7,445,420	19,874,870	173,875,086
Series F Units	66,375	99,376	1,637	44,708	122,680	30,898	43,966	1,600	10,089	66,375
Series T Units	97,178	190,568	2,691	42,755	247,682	–	109,190	538	12,550	97,178
Scotia Partners Balanced Income Portfolio										
Series A Units	93,477,729	13,965,650	775,612	14,543,647	93,675,344	85,925,363	17,512,814	2,571,922	12,532,370	93,477,729
Series F Units	14,296	20,633	623	5,079	30,473	37,595	9,277	261	32,837	14,296
Series T Units	53,102	113,342	2,008	16,953	151,499	–	56,700	575	4,173	53,102
Scotia Partners Growth Portfolio										
Series A Units	161,949,614	16,218,185	(135)	19,391,841	158,775,823	160,067,918	16,868,751	4,554,140	19,541,195	161,949,614
Series F Units	131,161	36,769	–	19,565	148,365	126,384	34,119	5,449	34,791	131,161
Series T Units	20,332	30,170	1,460	8,929	43,033	–	20,418	872	958	20,332
Scotia Partners Income Portfolio										
Series A Units	69,371,047	10,694,707	666,519	11,926,327	68,805,946	66,239,979	11,284,500	2,134,847	10,288,279	69,371,047
Series T Units	66,462	77,965	2,194	13,780	132,841	–	67,044	446	1,028	66,462
Scotia Partners Maximum Growth Portfolio										
Series A Units	37,497,621	5,009,700	(13)	4,864,062	37,643,246	36,795,927	5,100,882	431,454	4,830,642	37,497,621
Series F Units	29,749	31,320	–	18,954	42,115	21,908	11,558	694	4,411	29,749
Series T Units	7,524	6,240	311	2,984	11,091	–	8,077	77	630	7,524
Scotia Premium T-Bill Fund										
Series A Units	17,169,876	2,384,580	70,222	5,412,763	14,211,915	19,113,813	3,551,864	56,356	5,552,157	17,169,876
Scotia Private Canadian All Cap Equity Pool										
Series I Units	30,701,556	5,419,791	694,130	533,310	36,282,167	–	30,671,653	30,266	363	30,701,556
Scotia Private Canadian Corporate Bond Pool										
Series I Units	288,543,496	17,695,587	7,952,891	13,851,462	300,340,512	258,261,629	31,937,473	8,879,307	10,534,913	288,543,496
Series K Units	1,138,056	7,061,310	145,968	824,186	7,521,148	–	1,137,922	3,795	3,661	1,138,056
Series M Units	218,915,947	70,343,590	6,325,080	46,562,999	249,021,618	215,731,499	36,500,209	6,822,172	40,137,933	218,915,947
Scotia Private Canadian Equity Pool										
Series I Units	21,619,425	227,725	503,686	3,091,603	19,259,233	20,871,010	1,280,274	572,992	1,104,851	21,619,425
Series K Units	21,851	1,091,193	26,479	45,609	1,093,914	–	21,306	545	–	21,851
Series M Units	26,418,484	3,300,991	499,793	6,620,284	23,598,984	29,969,372	5,198,885	555,002	9,304,775	26,418,484
Scotia Private Canadian Preferred Share Pool										
Series I Units	–	–	–	–	–	275,984	108,246	9,714	393,944	–
Series K Units	72,876	721,196	22,202	81,020	735,254	–	72,273	603	–	72,876
Series M Units	54,233,823	14,855,558	2,295,710	12,544,609	58,840,482	53,053,435	14,632,653	2,504,453	15,956,718	54,233,823
Scotia Private Fundamental Canadian Equity Pool										
Series I Units	25,644,298	780,250	617,040	47,434	26,994,154	–	25,603,287	41,318	307	25,644,298
Scotia Private Global Credit Pool										
Series I Units	15,009	42,457,813	745,680	579,667	42,638,835	–	15,000	9	–	15,009
Scotia Private Global Low Volatility Equity Pool										
Series M Units	15,005	33,547,123	490,705	3,882,036	30,170,797	–	15,000	5	–	15,005

Trust Funds	December 2017 Opening Units	Units Issued	Units Reinvested	Units Redeemed	Ending Units	December 2016 Opening Units	Units Issued	Units Reinvested	Units Redeemed	Ending Units
Scotia Private International Core Equity Pool										
Series K Units	651,752	4,155,291	77,892	342,176	4,542,759	–	646,575	11,200	6,023	651,752
Series M Units	63,362,209	22,456,555	1,041,682	14,327,603	72,532,843	41,783,292	29,691,835	1,027,908	9,140,826	63,362,209
Scotia Private North American Dividend Pool										
Series K Units	102	7,148	1	7,148	103	–	100	2	–	102
Series M Units	6,577,793	437,707	101,293	2,086,396	5,030,397	7,387,261	1,502,147	101,412	2,413,027	6,577,793
Scotia Private Options Income Pool										
Series I Units	56,970,544	3,745,562	3,558,821	8,552,145	55,722,782	60,392,598	5,986,458	130,686	9,539,198	56,970,544
Series K Units	440,343	2,140,425	164,403	207,499	2,537,672	–	438,053	3,623	1,333	440,343
Series M Units	22,570,168	7,388,741	1,838,026	3,603,364	28,193,571	18,929,120	5,998,822	955,842	3,313,616	22,570,168
Scotia Private Real Estate Income Pool										
Series I Units	826,638	449,351	29,867	1,046,962	258,894	522,266	274,909	35,373	5,910	826,638
Series K Units	470,644	2,166,840	59,206	229,409	2,467,281	–	452,960	19,092	1,408	470,644
Series M Units	21,736,392	6,843,882	734,880	3,375,021	25,940,133	18,583,552	5,350,789	900,820	3,098,769	21,736,392
Scotia Private Short-Mid Government Bond Pool										
Series I Units	43,490,867	3,832,143	1,047,471	9,845,782	38,524,699	40,944,096	3,462,406	1,009,001	1,924,636	43,490,867
Series K Units	1,219,352	3,554,788	69,474	409,684	4,433,930	–	1,219,701	2,562	2,911	1,219,352
Series M Units	78,201,350	5,930,026	982,612	47,807,984	37,306,004	77,367,676	15,666,563	1,690,397	16,523,286	78,201,350
Scotia Private Total Return Bond Pool										
Series M Units	15,008	55,710,205	1,530,240	9,411,996	47,843,457	–	15,000	8	–	15,008
Scotia Private U.S. Dividend Pool										
Series I Units	–	–	–	–	–	1,303,652	–	–	1,303,652	–
Series K Units	271,721	2,201,863	19,273	261,823	2,231,034	–	271,336	634	249	271,721
Series M Units	59,660,822	14,126,439	832,219	14,928,531	59,690,949	60,633,640	15,249,673	903,349	17,125,840	59,660,822
Scotia Private U.S. Equity Pool										
Series I Units	–	–	–	–	–	463,627	–	–	463,627	–
Series K Units	24,423	495,721	–	520,144	–	–	23,470	953	–	24,423
Series M Units	32,521,302	3,813,254	4	36,334,560	–	40,674,727	6,123,226	1,289,111	15,565,762	32,521,302
Scotia Resource Fund										
Series A Units	5,359,122	423,307	841	1,047,268	4,736,002	5,702,664	748,687	–	1,092,229	5,359,122
Series F Units	5,030	724	–	126	5,628	605	4,935	–	510	5,030
Scotia Selected Balanced Growth Portfolio										
Series A Units	103,497,766	17,512,475	585,303	12,973,251	108,622,293	96,229,764	14,388,168	4,659,310	11,779,476	103,497,766
Series Advisor Units	8,173	–	38	573	7,638	8,281	–	355	463	8,173
Series F Units	15,514	17,012	403	7,794	25,135	–	20,387	482	5,355	15,514
Scotia Selected Balanced Income Portfolio										
Series A Units	75,546,061	14,521,469	965,647	11,565,253	79,467,924	68,595,257	14,029,221	2,312,066	9,390,483	75,546,061
Series Advisor Units	29,572	–	9	23,265	6,316	66,475	–	564	37,467	29,572
Series F Units	22,449	11,978	706	3,194	31,939	2,338	19,272	839	–	22,449
Scotia Selected Growth Portfolio										
Series A Units	62,835,414	11,236,381	(25)	7,999,821	66,071,949	58,160,796	9,359,912	2,360,447	7,045,741	62,835,414
Series Advisor Units	2,273	–	–	–	2,273	2,340	–	83	150	2,273
Series F Units	12,259	33,128	–	7,207	38,180	12,057	4,668	427	4,893	12,259
Scotia Selected Income Portfolio										
Series A Units	12,078,932	5,024,753	217,591	2,561,065	14,760,211	9,377,094	4,114,920	310,225	1,723,307	12,078,932
Scotia Selected Maximum Growth Portfolio										
Series A Units	14,690,111	3,281,981	(40)	1,995,448	15,976,604	13,363,677	2,810,731	385,674	1,869,971	14,690,111
Series Advisor Units	20,243	–	–	348	19,895	21,053	–	535	1,345	20,243
Series F Units	10,184	16,127	–	6,235	20,076	622	9,321	323	82	10,184
Scotia Short Term Bond Fund										
Series I Units	154,028	18,974	3,259	42,489	133,772	158,322	37,536	3,184	45,014	154,028
Series K Units	454,635	1,579,530	26,470	218,669	1,841,966	–	457,005	1,269	3,639	454,635
Series M Units	39,725,450	5,969,780	761,313	13,850,863	32,605,680	35,646,694	12,246,603	702,975	8,870,822	39,725,450
Scotia T-Bill Fund										
Series A Units	4,062,641	613,253	5,025	1,211,883	3,469,036	4,857,963	628,185	3,992	1,427,499	4,062,641
Scotia U.S. $ Balanced Fund										
Series A Units	8,728,660	895,592	–	1,971,088	7,653,164	9,824,271	899,091	76,302	2,071,004	8,728,660
Scotia U.S. $ Bond Fund										
Series A Units	4,923,123	195,791	46,559	1,072,080	4,093,393	5,606,036	427,645	13,058	1,123,616	4,923,123
Series F Units	86,687	12,093	575	48,313	51,042	49,638	66,481	558	29,990	86,687

Trust Funds	December 2017 Opening Units	Units Issued	Units Reinvested	Units Redeemed	Ending Units	December 2016 Opening Units	Units Issued	Units Reinvested	Units Redeemed	Ending Units
Scotia U.S. $ Money Market Fund										
Series A Units	3,929,386	2,141,535	4,812	2,417,451	3,658,282	6,176,903	2,680,863	2,867	4,931,247	3,929,386
Series M Units	384,483	3,758,331	14,239	2,223,013	1,934,040	–	493,487	270	109,274	384,483
Scotia U.S. Blue Chip Fund										
Series A Units	4,538,433	501,402	–	1,202,396	3,837,439	4,543,970	836,691	–	842,228	4,538,433
Series F Units	769	5,273	–	44	5,998	1,522	298	–	1,051	769
Scotia U.S. Dividend Fund										
Series A Units	5,906,946	2,151,849	–	1,190,016	6,868,779	4,762,490	1,768,533	383,832	1,007,909	5,906,946
Series I Units	–	–	–	–	–	8,827,394	96,990	–	8,924,384	–
Scotia U.S. Index Fund										
Series A Units	6,718,217	2,436,076	48,788	1,223,831	7,979,250	6,099,439	1,586,822	55,636	1,023,680	6,718,217
Series D Units	21,137	76,153	996	11,703	86,583	1,698	21,711	207	2,479	21,137
Series F Units	6,592	13,807	156	5,988	14,567	2,895	4,037	62	402	6,592
Scotia U.S. Opportunities Fund										
Series A Units	2,198,252	181,066	–	334,220	2,045,098	2,341,126	213,076	–	355,950	2,198,252
Series F Units	1,677	–	–	1,637	40	1,694	39	–	56	1,677
Series I Units	51,450	3,667	–	8,509	46,608	45,857	25,899	–	20,306	51,450
Corporate Class Scotia Canadian Dividend Class										
Series A Units	8,249,270	2,405,287	210,320	1,733,863	9,131,014	7,483,588	1,722,116	467,065	1,423,499	8,249,270
Series M Units	–	–	–	–	–	1,702,219	–	–	1,702,219	–
Scotia Canadian Equity Blend Class										
Series A Units	147,716	24,986	1,473	31,734	142,441	127,458	39,136	6,684	25,562	147,716
Scotia Conservative Government Bond Capital Yield Class										
Series A Units	708,440	–	–	211,195	497,245	911,532	–	31,080	234,172	708,440
Series M Units	–	–	–	–	–	–	–	–	–	–
Scotia Fixed Income Blend Class										
Series A Units	146,752	–	17	16,157	130,612	186,733	–	6,570	46,551	146,752
Scotia Global Dividend Class										
Series A Units	1,232,177	181,509	3,842	240,965	1,176,563	1,289,005	167,305	49,085	273,218	1,232,177
Scotia INNOVA Balanced Growth Portfolio Class										
Series A Units	61,288,839	10,995,317	382,801	13,352,590	59,314,367	58,643,943	13,152,293	2,492,099	12,999,496	61,288,839
Series T Units	14,200,504	5,658,698	210,393	3,740,161	16,329,434	10,020,587	6,874,903	217,464	2,912,450	14,200,504
Scotia INNOVA Balanced Income Portfolio Class										
Series A Units	99,060,391	14,990,690	570,845	21,036,871	93,585,055	92,243,573	21,182,543	3,880,762	18,246,487	99,060,391
Series T Units	13,601,114	4,495,095	201,430	3,120,567	15,177,072	9,950,980	5,928,446	258,458	2,536,770	13,601,114
Scotia INNOVA Growth Portfolio Class										
Series A Units	22,411,444	4,500,161	148,687	4,353,885	22,706,407	21,890,747	4,794,852	935,706	5,209,861	22,411,444
Series T Units	2,054,564	1,035,223	51,667	415,992	2,725,462	1,429,629	1,147,568	52,766	575,399	2,054,564
Scotia INNOVA Income Portfolio Class										
Series A Units	16,270,884	–	70,967	2,309,254	14,032,597	18,620,902	–	739,076	3,089,094	16,270,884
Scotia INNOVA Maximum Growth Portfolio Class										
Series A Units	4,546,457	943,256	30,005	1,224,154	4,295,564	4,589,193	1,164,232	197,618	1,404,586	4,546,457
Series T Units	578,857	259,498	18,400	193,632	663,123	355,403	294,671	22,965	94,182	578,857
Scotia International Equity Blend Class										
Series A Units	48,522	12,747	4	11,011	50,262	63,163	11,712	2,364	28,717	48,522
Scotia Partners Balanced Growth Portfolio Class										
Series A Units	497,265	945,148	3,715	231,247	1,214,881	–	551,797	1,079	55,611	497,265
Series T Units	85,739	129,557	1,852	17,362	199,786	–	93,553	560	8,374	85,739
Scotia Partners Balanced Income Portfolio Class										
Series A Units	630,856	1,463,925	4,361	215,383	1,883,759	–	736,690	1,034	106,868	630,856
Series T Units	92,477	188,199	3,921	57,964	226,633	–	113,881	1,016	22,420	92,477
Scotia Partners Growth Portfolio Class										
Series A Units	285,082	473,149	2,090	101,334	658,987	–	310,923	669	26,510	285,082
Series T Units	15,887	57,302	862	8,102	65,949	–	15,597	354	64	15,887

Trust Funds	December 2017 Opening Units	Units Issued	Units Reinvested	Units Redeemed	Ending Units	December 2016 Opening Units	Units Issued	Units Reinvested	Units Redeemed	Ending Units
Scotia Partners Maximum Growth Portfolio Class										
Series A Units	86,485	163,985	661	26,712	224,419	–	92,017	242	5,774	86,485
Series T Units	345	16,570	425	164	17,176	–	330	15	–	345
Scotia U.S. Equity Blend Class										
Series A Units	324,542	36,759	–	92,911	268,390	378,964	178,577	14,037	247,036	324,542

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 or expects to qualify 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. Beginning in 2017, 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
	2037	163,068	–
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

Trust Funds	Year of expiry	Non-Capital Loss $	Capital Loss $
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	–
	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 December 31, 2017 and 2016, the Funds have measured uncertain tax liabilities and related interest and penalties with respect to foreign capital gains taxes as nil. 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 December 31, 2017 and 2016 are set out below.

Fund	2017	2016
Scotia Balanced Opportunities Fund	$ 23,413	$ 10,516
Scotia Canadian Balanced Fund	64,528	225,559
Scotia Canadian Blue Chip Fund	23,251	41,975
Scotia Canadian Dividend Fund	286,997	694,107
Scotia Canadian Growth Fund	127,566	97,340
Scotia Canadian Small Cap Fund	3,465	10,272
Scotia Diversified Monthly Income Fund	473,962	190,658
Scotia Dividend Balanced Fund	81,001	35,175
Scotia European Fund	2,764	7,138
Scotia Global Balanced Fund	–	16,227
Scotia Global Dividend Fund	–	362,862
Scotia Global Opportunities Fund	43,173	54,526
Scotia Global Small Cap Fund	28,394	40,447
Scotia Income Advantage Fund	39,627	22,548
Scotia International Value Fund	7,565	22,961
Scotia Pacific Rim Fund	7,104	6,170
Scotia Private Canadian All Cap Equity Pool	513,909	85,557
Scotia Private Canadian Equity Pool	–	28,564
Scotia Private Canadian Preferred Share Pool	–	16,800
Scotia Private International Core Equity Pool	128,396	136,417
Scotia Private North American Dividend Pool	–	8,471
Scotia Private Options Income Pool	391,681	101,820
Scotia Private Real Estate Income Pool	12,137	27,654
Scotia Private U.S. Dividend Pool	–	55,646
Scotia Resource Fund	12,888	18,111
Scotia U.S. $ Balanced Fund	30,476	14,515
Scotia U.S. Blue Chip Fund	2,043	4,159
Scotia U.S. Dividend Fund	–	7,198
Scotia U.S. Opportunities Fund	12,645	6,045

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.

On August 4, 2017, Industrial Alliance Insurance and Financial Services Inc. completed its acquisition of HollisWealth including HollisWealth Advisory Services Inc. (collectively, "HollisWealth"), a related party of the Manager. As such, HollisWealth ceased to be a related party.

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.

(a) The Manager earns management fees for acting as trustee and/or manager of the Funds, as applicable and Fixed Administration Fee in return for paying certain operating expenses of the Funds as detailed in note 5 and note 6 respectively. In addition, Scotiabank as custodian for the 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 the Fixed Administration Fee received from these Funds.

(b) 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 December 31, 2017 and 2016 are as follows:

Fund	December 31, 2017	December 31, 2016
Scotia Balanced Opportunities Fund	39,932	33,714
Scotia Canadian Balanced Fund	34,329	136,979
Scotia Canadian Blue Chip Fund	9,516	17,636
Scotia Canadian Dividend Fund	190,778	612,419
Scotia Canadian Growth Fund	59,574	9,219
Scotia Canadian Index Fund	1,649	–
Scotia Canadian Small Cap Fund	6,171	3,357
Scotia Diversified Monthly Income Fund	147,422	87,361
Scotia Dividend Balanced Fund	54,901	32,701
Scotia Global Dividend Fund	1,504	6,707
Scotia Global Opportunities Fund	95	–
Scotia Income Advantage Fund	9,352	5,737
Scotia Latin American Fund	11,461	18,164
Scotia Private Canadian All Cap Equity Pool	12,945	–
Scotia Private Canadian Equity Pool	10,586	36,825
Scotia Private Canadian Preferred Share Pool	4,800	10,476
Scotia Private Fundamental Canadian Equity Pool	1,554	–
Scotia Private International Core Equity Pool	289	–
Scotia Private North American Dividend Pool	744	3,458
Scotia Private Options Income Pool	–	7,488
Scotia Private Real Estate Income Pool	30,788	7,147
Scotia Resource Fund	238	5,026
Scotia U.S. $ Balanced Fund	208	–
Scotia U.S. Dividend Fund	–	2,560
Scotia U.S. Opportunities Fund	106	–

(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, Dynamic Funds, Marquis Funds and Dynamic Private Investment Pools.

(f) Units held by the Manager in the Funds as at December 31, 2017 and 2016, are disclosed below:

Fund	December 31, 2017	December 31, 2016
Scotia Aria Conservative Defend Portfolio (formerly Scotia Aria Conservative Core Portfolio)	369 Series Premium T Units	357 Series Premium T Units
Scotia Aria Conservative Defend Portfolio (formerly Scotia Aria Conservative Core Portfolio)	705 Series Premium TL Units	348 Series Premium TL Units
Scotia Aria Conservative Defend Portfolio (formerly Scotia Aria Conservative Core Portfolio)	–	357 Series T Units
Scotia Aria Conservative Defend Portfolio (formerly Scotia Aria Conservative Core Portfolio)	–	351 Series TL Units
Scotia Aria Conservative Pay Portfolio	–	373 Series Premium TH Units
Scotia Aria Conservative Pay Portfolio	733 Series Premium TL Units	360 Series Premium TL Units
Scotia Aria Conservative Pay Portfolio	–	355 Series TL Units
Scotia Aria Moderate Defend Portfolio (formerly Scotia Aria Moderate Core Portfolio)	719 Series Premium TL Units	353 Series Premium TL Units
Scotia Aria Moderate Defend Portfolio (formerly Scotia Aria Moderate Core Portfolio)	–	358 Series TL Units
Scotia Aria Moderate Pay Portfolio	744 Series Premium TL Units	366 Series Premium TL Units
Scotia Aria Moderate Pay Portfolio	–	363 Series TL Units
Scotia Aria Progressive Defend Portfolio (formerly Scotia Aria Progressive Core Portfolio)	799 Series Premium T Units	379 Series Premium T Units
Scotia Aria Progressive Defend Portfolio (formerly Scotia Aria Progressive Core Portfolio)	425 Series Premium TH Units	396 Series Premium TH Units
Scotia Aria Progressive Defend Portfolio (formerly Scotia Aria Progressive Core Portfolio)	737 Series Premium TL Units	361 Series Premium TL Units
Scotia Aria Progressive Defend Portfolio (formerly Scotia Aria Progressive Core Portfolio)	–	375 Series T Units
Scotia Aria Progressive Defend Portfolio (formerly Scotia Aria Progressive Core Portfolio)	–	361 Series TL Units
Scotia Aria Progressive Pay Portfolio	396 Series Premium T Units	379 Series Premium T Units
Scotia Aria Progressive Pay Portfolio	428 Series Premium TH Units	399 Series Premium TH Units
Scotia Aria Progressive Pay Portfolio	735 Series Premium TL Units	359 Series Premium TL Units
Scotia Aria Progressive Pay Portfolio	–	371 Series TL Units
Scotia Balanced Opportunities Fund	28 Series F Units	26 Series F Units
Scotia Bond Fund	105 Series M Units	101 Series M Units
Scotia Canadian Balanced Fund	–	22 Series F Units
Scotia Canadian Blue Chip Fund	18 Series F Units	18 Series F Units
Scotia Canadian Bond Index Fund	43 Series F Units	42 Series F Units
Scotia Canadian Dividend Fund	–	103 Series K Units
Scotia Canadian Income Fund	–	103 Series K 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 Floating Rate Income Fund	–	101 Series K 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	53 Series D Units	51 Series D Units
Scotia Income Advantage Fund	108 Series K Units	102 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	102 Series K Units	100 Series K Units
Scotia Mortgage Income Fund	104 Series K Units	101 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 Growth Portfolio Class	–	345 Series T Units
Scotia Partners Balanced Income Portfolio	36 Series F Units	36 Series F Units

Fund	December 31, 2017	December 31, 2016
Scotia Partners Balanced Income Portfolio Class	–	342 Series T Units
Scotia Partners Growth Portfolio Class	362 Series T Units	345 Series T Units
Scotia Partners Maximum Growth Portfolio Class	–	15042 Series A Units
Scotia Partners Maximum Growth Portfolio Class	361 Series T Units	345 Series T Units
Scotia Private Canadian All Cap Equity Pool	–	15015 Series I Units
Scotia Private Canadian Corporate Bond Pool	–	101 Series K Units
Scotia Private Canadian Equity Pool	105 Series K Units	103 Series K Units
Scotia Private Canadian Preferred Share Pool	–	102 Series K Units
Scotia Private Fundamental Canadian Equity Pool	–	15024 Series I Units
Scotia Private Global Credit Pool	–	15009 Series I Units
Scotia Private Global Low Volatility Equity Pool	–	15005 Series M Units
Scotia Private International Core Equity Pool	–	102 Series K Units
Scotia Private North American Dividend Pool	103 Series K Units	102 Series K Units
Scotia Private Options Income Pool	–	102 Series K Units
Scotia Private Real Estate Income Pool	–	106 Series K Units
Scotia Private Short–Mid Government Bond Pool	–	101 Series K Units
Scotia Private Total Return Bond Pool	–	15008 Series M Units
Scotia Private U.S. Dividend Pool	–	101 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	35 Series F Units	35 Series F Units
Scotia Selected Balanced Income Portfolio	38 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 Short Term Bond Fund	–	101 Series K Units
Scotia U.S. $ Money Market Fund	–	100 Series M 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 December 31, 2017, unamortized guarantee fees is $165,625 (December 31, 2016 – $262,099).

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 their custodian, State Street Bank and Trust Company. These transactions involve the temporary exchange of securities for collateral with a commitment to return the same securities to the Fund on a future date. In accordance with security regulations, the Funds receive minimum collateral of 102%. Collateral is received in the form of debt obligations of the Government of Canada, a Canadian provincial government, the government of the United States of America, certain financial institutions or other qualified securities, and is not included in the Schedule of Investment Portfolio. The Funds do not receive cash collateral from any securities lending transactions. The aggregate market value of all securities loaned by a Fund cannot exceed 50% of the Net Assets of the Fund. The fair value of the securities lent and collateral held is determined on a daily basis. The securities lending arrangement can be terminated by the borrower, the securities lending agent or the Fund at any time.

The income earned from these securities lending transactions is recorded in the Statements of Comprehensive Income.

The securities lending agent earns 30% of the gross income generated through any securities lending transactions in the Funds.

On October 2, 2017, State Street Bank and Trust Company replaced The Bank of Nova Scotia in its capacity as securities lending agent of the Funds. The Bank of Nova Scotia and State Street Bank and Trust Company earned 30% of the gross income generated through any securities lending transactions in the Funds for the period wherein they served as lending agents.

The aggregate market value of the securities on loan and the collateral received by the Funds as at December 31, 2017 and 2016 are presented below along with the income earned for the periods ended December 31, 2017 and 2016.

	As at December 31, 2017		For the period ended December 31, 2017		
	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	28,353,418	29,829,663	57,218	24,522	81,740
Scotia Bond Fund	–	–	316	135	451
Scotia Canadian Balanced Fund	5,298,094	5,836,237	28,319	12,137	40,456
Scotia Canadian Blue Chip Fund	–	–	5,078	2,176	7,254
Scotia Canadian Bond Index Fund	2,325,542	2,415,356	25,191	10,796	35,987
Scotia Canadian Dividend Fund	131,650,927	144,020,156	238,864	102,370	341,234
Scotia Canadian Growth Fund	–	–	28,620	12,266	40,886
Scotia Canadian Income Fund	324,655,308	338,948,673	112,336	48,144	160,480
Scotia Canadian Index Fund	7,399,247	7,775,773	45,700	19,586	65,286
Scotia Canadian Small Cap Fund	767,781	807,336	83	36	119
Scotia CanAm Index Fund	15,121,206	15,705,197	6,772	2,902	9,674
Scotia Diversified Monthly Income Fund	50,646,760	53,224,331	51,740	22,174	73,914
Scotia Dividend Balanced Fund	4,906,344	5,156,014	57,297	24,556	81,853
Scotia European Fund	–	–	603	258	861
Scotia Floating Rate Income Fund	29,325,995	30,584,489	63,201	27,086	90,287
Scotia Global Balanced Fund	–	–	247	106	353
Scotia Global Bond Fund	–	–	95	41	136
Scotia Global Dividend Fund	–	–	13,091	5,610	18,701
Scotia Global Growth Fund	57,531,327	62,481,911	176,836	75,787	252,623
Scotia Global Opportunities Fund	–	–	19,438	8,331	27,769
Scotia Global Small Cap Fund	–	–	20,235	8,672	28,907
Scotia Income Advantage Fund	2,328,331	2,443,739	11,772	5,045	16,817
Scotia International Index Fund	5,241,240	5,443,660	397	170	567
Scotia International Value Fund	–	–	278	119	397
Scotia Latin American Fund	360,538	390,027	1,531	656	2,187
Scotia Money Market Fund	–	–	10,431	4,470	14,901
Scotia Nasdaq Index Fund	–	–	890	381	1,271
Scotia Pacific Rim Fund	628,160	666,137	76	33	109
Scotia Premium T-Bill Fund	17,285,391	18,029,583	14,617	6,264	20,881
Scotia Private Canadian All Cap Equity Pool	12,105,450	12,745,681	8,738	3,745	12,483
Scotia Private Canadian Corporate Bond Pool	43,221,935	44,902,642	106,348	45,578	151,926
Scotia Private Canadian Equity Pool	–	–	24,221	10,380	34,601
Scotia Private Canadian Preferred Share Pool	289,668	304,408	17,008	7,289	24,297
Scotia Private Fundamental Canadian Equity Pool	6,626,157	6,993,423	905	388	1,293
Scotia Private Global Credit Pool	7,621,228	7,951,722	29	12	41
Scotia Private Global Low Volatility Equity Pool	166,785	180,426	–	–	–
Scotia Private International Core Equity Pool	326,505	353,210	82,534	35,372	117,906
Scotia Private North American Dividend Pool	–	–	983	421	1,404
Scotia Private Real Estate Income Pool	48,520,859	51,157,377	58,995	25,284	84,279
Scotia Private Short-Mid Government Bond Pool	–	–	61,223	26,238	87,461
Scotia Private Total Return Bond Pool	65,423,304	68,224,514	248	106	354
Scotia Private U.S. Dividend Pool	335,704	363,161	21,198	9,085	30,283
Scotia Resource Fund	3,771,362	3,964,945	94,565	40,528	135,093
Scotia Short Term Bond Fund	16,733,520	17,459,167	22,081	9,463	31,544
Scotia T-Bill Fund	7,261,187	7,551,366	2,684	1,150	3,834
Scotia U.S. $ Bond Fund	–	–	236	101	337
Scotia U.S. $ Money Market Fund	–	–	97	42	139
Scotia U.S. Blue Chip Fund	–	–	89	38	127
Scotia U.S. Dividend Fund	386,046	417,620	1,292	554	1,846
Scotia U.S. Index Fund	–	–	1,406	603	2,009
Scotia U.S. Opportunities Fund	–	–	737	316	1,053

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 December 31, 2017 and 2016, are listed below.

	December 31, 2017 $	December 31, 2016 $
Blackstone Tactical Opportunities Fund II LP		
Scotia Income Advantage Fund	1,251,159	1,767,866

13. Currency Legend

The following is a list of abbreviations that may be used in the Financial Statements:

AUD	Australian Dollar
BMD	Bermuda Dollar
BRL	Brazilian Real
CAD	Canadian Dollar
CHF	Swiss Franc
DKK	Danish Krone
EUR	Euro
GBP	Pound Sterling
HKD	Hong Kong Dollar
IDR	Indonesian Rupiah
ILS	Israeli Shekel
INR	Indian Rupee
JPY	Japanese Yen
KRW	South Korean Won
MXN	Mexican Peso
MYR	Malaysian Ringgit
NOK	Norwegian Krone
NZD	New Zealand Dollar
PHP	Philippine Peso
PKR	Pakistani Rupee
SEK	Swedish Krona
SGD	Singapore Dollar
THB	Thailand Baht
TWD	New Taiwan Dollar
USD	US Dollar
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 voting shareholders of the Corporate Funds and the Trustee of the Trust Funds. The auditor of the Funds has audited the financial statements in accordance with Canadian generally accepted auditing standards to enable it to express to the securityholders its opinion on the financial statements. The auditor's report is set out herein.

Glen Gowland
President
1832 Asset Management L.P.

Abdurrehman Muhammadi
Chief Financial Officer
1832 Asset Management L.P.

March 9, 2018

Independent Auditor's Report

To the unitholders and trustee or shareholders, as applicable, of
Scotia T-Bill Fund
Scotia Premium T-Bill Fund
Scotia Money Market Fund
Scotia U.S. $ Money Market Fund
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
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
Scotia U.S. $ Balanced Fund
Scotia Canadian Dividend Fund
Scotia Canadian Blue Chip Fund
Scotia Private Canadian Equity Pool
Scotia Private Fundamental Canadian Equity Pool
Scotia Private Canadian All Cap Equity Pool
Scotia Canadian Growth Fund
Scotia Canadian Small Cap Fund
Scotia Resource Fund
Scotia Private Real Estate Income Pool
Scotia Private North American Dividend Pool
Scotia U.S. Dividend Fund
Scotia Private U.S. Dividend Pool
Scotia U.S. Blue Chip Fund
Scotia U.S. Opportunities Fund
Scotia Private International Core Equity Pool
Scotia International Value Fund
Scotia European Fund
Scotia Pacific Rim Fund
Scotia Latin American Fund
Scotia Private Global Low Volatility Equity Pool
Scotia Global Dividend Fund
Scotia Global Growth Fund
Scotia Global Small Cap Fund
Scotia Global Opportunities Fund
Scotia Private Options Income Pool
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 Selected Income Portfolio
Scotia Selected Balanced Income Portfolio
Scotia Selected Balanced Growth Portfolio
Scotia Selected Growth Portfolio
Scotia Selected Maximum Growth Portfolio
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 Income Portfolio
Scotia INNOVA Balanced Income Portfolio
Scotia INNOVA Balanced Growth Portfolio
Scotia INNOVA Growth Portfolio
Scotia INNOVA Maximum Growth Portfolio
Scotia Aria Conservative Build Portfolio
Scotia Aria Conservative Defend Portfolio
Scotia Aria Conservative Pay Portfolio
Scotia Aria Moderate Build Portfolio
Scotia Aria Moderate Defend Portfolio
Scotia Aria Moderate Pay Portfolio
Scotia Aria Progressive Build Portfolio
Scotia Aria Progressive Defend Portfolio
Scotia Aria Progressive Pay Portfolio
Scotia Conservative Government Bond Capital Yield Class
Scotia Fixed Income Blend Class
Scotia Canadian Dividend Class
Scotia Canadian Equity Blend Class
Scotia U.S. Equity Blend Class
Scotia Global Dividend Class
Scotia International Equity Blend Class
Scotia INNOVA Income Portfolio Class
Scotia INNOVA Balanced Income Portfolio Class
Scotia INNOVA Balanced Growth Portfolio Class
Scotia INNOVA Growth Portfolio Class
Scotia INNOVA Maximum Growth Portfolio Class
Scotia Partners Balanced Income Portfolio Class
Scotia Partners Balanced Growth Portfolio Class
Scotia Partners Growth Portfolio Class
Scotia Partners Maximum Growth Portfolio Class
(collectively the Funds)

We have audited the accompanying financial statements of each of the Funds, which comprise the statements of financial position, comprehensive income, changes in net assets attributable to holders of redeemable units or shares, as applicable, and cash flows as at and for the periods indicated in note 1, and the related notes, which comprise a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on the financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards

Independent Auditor's Report

require that we comply with ethical requirements and plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates, if any, made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in each of our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position, financial performance and cash flows of each of the Funds as at and for the periods indicated in note 1, in accordance with International Financial Reporting Standards.

PricewaterhouseCoopers LLP

Chartered Professional Accountants, Licensed Public Accountants
Toronto, Ontario
March 9, 2018

FOR MORE INFORMATION ABOUT

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